UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark one)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2020

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM TO

Commission File No. 000-56075

4Front Ventures Corp.

(Exact name of registrant as specified in its charter)

British Columbia	**83-4168417**
(State or other jurisdiction of incorporation)	**(IRS Employer Identification No.)**

5060 N. 40th Street
Suite 120
Phoenix, Arizona 85018
(Address of principal executive offices including zip code)

Registrant's telephone number, including area code: (602) 633-3067

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None		

Securities registered pursuant to Section 12(g) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Subordinate Voting Shares, no par value	FFNTF	OTCQX
	FFNT	CSE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☒ No

Indicated by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by multiplying the Company's as-converted basic shares by the closing share price, as of the last business day of the registrant's most recently completed second fiscal quarter: $212,679,364 as of June 30, 2020.

As of April 5, 2021, there were 566,186,697 shares of the registrant's Class A subordinate voting shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

None.

4Front Ventures Corp.
Form 10-K for the Year Ended December 31, 2020

INDEX

Use of Market and Industry Data

This Annual Report on Form 10-K includes market and industry data that we have obtained from third-party sources, including industry publications, as well as industry data prepared by our management on the basis of its knowledge of, and experience in, the industries in which we operate (including our management's estimates and assumptions relating to such industries based on that knowledge). Management has developed its knowledge of such industries through its experience and participation in these industries. While our management believes the third-party sources referred to in this Annual Report on Form 10-K are reliable, neither we nor our management have independently verified any of the data from such sources referred to in this Annual Report on Form 10-K or ascertained the underlying economic assumptions relied upon by such sources. Furthermore, internally prepared and third-party market prospective information, in particular, are estimates only and there will usually be differences between the prospective and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. Also, references in this Annual Report on Form 10-K to any publications, reports, surveys or articles prepared by third parties should not be construed as depicting the complete findings of the entire publication, report, survey or article. The information in any such publication, report, survey or article is not incorporated by reference in this Annual Report on Form 10-K.

Trademarks, Trade Names and Service Marks

"4Front," "4Front Ventures," "Mission" and other trademarks or service marks of 4Front Ventures Corp. including those of its subsidiaries, appearing in this registration statement are the property of 4Front Ventures Corp. The other trademarks, trade names and service marks appearing in this prospectus are the property of their respective owners. Solely for convenience, the trademarks and trade names in this prospectus are referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto.

Other Pertinent Information

As of April 5, 2021, the Company has two classes of stock: (i) Class A Subordinate Voting Shares ("SVS"), and (ii) Class C Multiple Voting Shares ("MVS"), both with no par value. The Company is authorized to issue an unlimited number of SVS and an unlimited number of MVS. Holders of SVS are entitled to one vote in respect of each SVS. Holders of MVS are entitled to 800 votes in respect of each MVS, and have certain conversion rights as further described in Note 15 of the Company's Consolidated Financial Statements.

As of April 5, 2021, 566,186,697 SVS, and 1,276,208 MVS were issued and outstanding.

Dollar amounts in this Annual Report on Form 10-K are denominated in United States dollars unless otherwise indicated. References to $ are to the lawful currency of the United States and references to C$ are to the lawful currency of Canada.

Unless the context otherwise indicates, when used in this Annual Report on Form 10-K, "4Front," "the Company," "we," "us" and "our" refer to 4Front Ventures Corp., a British Columbia corporation and its wholly owned subsidiaries on a consolidated basis.

Forward-Looking Statements

This report contains forward-looking statements within the meaning of the United States and Canadian securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. All statements of historical fact included in this report regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "may," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. These forward-looking statements are based on management's current beliefs, based on currently available information, as to the outcome and timing of future events. Forward-looking statements contained in this report include, but are not limited to, statements about:

- the performance of our business and operations;
- our product offerings;
- the competitive conditions of the cannabis industry;
- our competitive and business strategies;
- the sufficiency of capital including our ability to obtain capital to develop our business;
- our operations in the United States, the characterization and consequences of those operations under United States federal law and applicable State law, and the framework for the enforcement of applicable laws in the United States;
- on-going implications of the novel coronavirus ("COVID-19");
- statements relating to the business and future activities of, and developments related to, us, including such things as future business strategy, competitive strengths, goals, expansion and growth of our business, operations and plans;
- expectations that licenses applied for will be obtained, and that the Company will be able to maintain all of the licenses that it currently holds;
- expectations regarding future cash flows from operations;
- potential future legalization of adult-use and/or medical cannabis under U.S. state and federal law;
- expectations of market size and growth in the U.S. and the states in which we operate;
- expectations for other economic, business, financial market, political, regulatory and/or competitive factors related to us or the cannabis industry generally; and
- other events or conditions that may occur in the future.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this report.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this report primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described elsewhere in this report. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this report. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements made in this report will be achieved or occur, and actual results, events or circumstances could differ materially from those described in such forward-looking statements.

PART I

Item 1. Business

4Front Ventures Corp. ("4Front" or the "Company") is a multi-state cannabis operator and retailer, with a market advantage in mass-produced, low-cost quality branded cannabis products. The Company manufactures and distributes a portfolio of over 25 cannabis brands including Marmas, Crystal Clear, Funky Monkey, Pebbles, and the Pure Ratios wellness collection, distributed through retail outlets , as well as the Company's chain of branded dispensaries. From plant genetics to the cannabis retail experience, 4Front's team applies expertise across the entire cannabis value chain.

Overview

The Company exists pursuant to the provisions of the British Columbia Corporations Act. On July 31, 2019, 4Front Holdings LLC ("Holdings") completed a Reverse Takeover Transaction ("RTO") with Cannex Capital Holdings, Inc. ("Cannex") whereby Holdings acquired Cannex and the shareholders of Holdings became the controlling shareholders of the Company. Following the RTO, the Company's SVS are listed on the Canadian Securities Exchange ("CSE") under the ticker "FFNT" and are quoted on the OTCQX Best Market under the ticker "FFNTF".

The Company has two primary operating segments: THC Cannabis and CBD Wellness. With regard to its THC Cannabis segment, as of December 31, 2020, the Company operated five dispensaries in Massachusetts, Illinois, and Michigan, primarily under the "MISSION" brand name. Also, as of December 31, 2020, the Company operated two production facilities in Massachusetts and one in Illinois. The Company produces the majority of products that are sold at its Massachusetts and Illinois dispensaries. Also as part of its THC Cannabis segment, the Company sells equipment, supplies and intellectual property to cannabis producers in the state of Washington. The Company also operates age-gated online educational platforms for THC Cannabis patients and customers.

The Company's CBD Wellness segment is focused upon its ownership and operation of its wholly-owned subsidiary, Pure Ratios Holdings, Inc. ("Pure Ratios"), a CBD-focused wellness company in California, that sells non-THC products throughout the United States.

While marijuana is legal under the laws of several U.S. states (with varying restrictions), the United States Federal Controlled Substances Act classifies all "marijuana" as a Schedule I drug, whether for medical or recreational use. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety data for the use of the drug under medical supervision.

Recent Developments

COVID-19 Pandemic

In March 2020, the United States and much of the world began experiencing a rapid increase in COVID-19 cases. The emergence of COVID-19, an extremely infectious airborne respiratory virus, caused a significant response on the part of many governments to contain it. The most relevant containment measure for the Company's business is the implementation of "essential" type business designations and implementation of social distancing protocols. Thus far, the Company's dispensaries and operations have been allowed to continue operating. Social distancing protocols have been implemented at the Company's dispensaries which meet or exceed those required by the local jurisdiction, and health and safety protocols for both employees and customers remain a focus of the Company. Through the date of this filing, sales continue to meet or exceed comparable periods last year, however there is no guarantee that the Company's dispensaries/operations will continue to be designated as essential.

As of April 5, 2021, all of the Company's retail stores in the following states remained open and operating with "Essential Service" designations: Illinois, Massachusetts, and Michigan. Also as of As of April 5, 2021, online ordering, curbside pickup and delivery have also been implemented where allowed by law.

Personnel Updates

On March 27, 2020, the Company's board of directors appointed Leo Gontmakher as the Company's Chief Executive Officer, with the Company's former Chief Executive Officer, Joshua Rosen, transitioning to the position of Executive Chairman of the board of directors. On January 2, 2021, the Company entered into a Separation and Release

Agreement (the "Rosen Separation Agreement") with Mr. Rosen to formalize this transition. The Rosen Separation Agreement supersedes and replaces the Executive Employment Agreement which had been entered into by and between the Company and Mr. Rosen. Under the Rosen Separation Agreement, Mr. Rosen transitioned from being the Company's Chief Executive Officer to taking on a role as the non-employee Chairman of the Company's board of directors. The Rosen Separation Agreement provides that, among other things, the Company shall pay Mr. Rosen $350 in 12 monthly installments, the Company may reimburse Mr. Rosen's COBRA premiums over a period of 12 months, and the Company will pay Mr. Rosen director fees of $13 per month. Mr. Rosen's receipt of the aforementioned payments and benefits is conditioned upon the fulfillment of his obligations under the Rosen Separation Agreement, consideration for the waiver and release of claims set forth in the Rosen Separation Agreement, and Mr. Rosen's compliance with the non-disparagement, and other standard covenants set forth in the Agreement. While the Company has not entered into an executive employment agreement with Mr. Gontmakher, On November 12, 2020, the Company entered into an Amended and Restated Consulting Agreement (the "Leadership Consulting Agreement") with Ag-Grow Imports, LLC ("AGI"), a Washington limited liability company owned and controlled by Joshua N. Rosen, Chairman of the Company's board of directors, and Maha Consulting LLC ("Maha"), a Puerto Rican limited liability company owned and controlled by Mr. Gontmakher. The Leadership Consulting Agreement provides that, among other things, that AGI shall pay to Maha $33 per month for consulting services rendered to AGI and the Company, including the support of the Company's intellectual property efforts, key infrastructure projects and leadership services. Additionally, the Leadership Consulting Agreement provides that AGI and/or the Company, each in their sole discretion, may pay cash bonuses and/or issue equity incentive awards to Maha based on its performance under the Leadership Consulting Agreement. The Leadership Consulting Agreement shall continue in full force and effect for a period of 12 months, and shall automatically renew for additional 12 month periods, unless a party to the Leadership Consulting Agreement delivers written notice of non-renewal.

Also on March 27, 2020, the Company's board of directors appointed Nicolle Dorsey as the Company's Chief Financial Officer, in order to fill the vacancy created by the resignation of Brad Kotansky from the position. On February 3, 2021, the Company and Ms. Dorsey entered into a separation agreement (the "Dorsey Separation Agreement"), under which she will continue to provide services to the Company in a temporary support role. Pursuant to the Dorsey Separation Agreement, upon her final departure from the Company, Ms. Dorsey will be entitled to receive (a) $220, which is equal to six months of notice pay (to be paid in accordance with the Company's regular payroll schedule); (b) payment of 100% of Ms. Dorsey's COBRA premiums for six months; and (c) accelerated vesting of certain options. The foregoing severance payments and benefits, including the accelerated vesting of the equity awards, are conditioned on Ms. Dorsey's execution of a customary release of claims and compliance with the terms of the Dorsey Separation Agreement, which includes covenants related to confidentiality, non-disparagement and non-solicitation. On February 1, 2021, the Company's board of directors appointed Peter Rennard as Interim Chief Financial in order to fill the vacancy created by Ms. Dorsey's resignation from the position.

M&A Transactions

Sale of Arkansas Management Companies

On January 22, 2020, the Company entered into a Membership Interest Purchase Agreement with Denham Investments, LLC (as subsequently amended on March 31, 2020 and August 12, 2020, the "AK MIPA") in connection with the sale of 100% of the membership interests in Pine Bluff Agriceuticals I Management, LLC, a Delaware limited liability company and 79.5% of Arkansas Natural Products I Management, LLC, a Delaware limited liability company. Both such limited liability companies operated as management companies that controlled two Arkansas cannabis dispensary licenses to Denham Investments, LLC, an Arkansas limited liability company. Pursuant to the terms of the AK MIPA, upon closing date, Denham Investments, LLC paid total consideration of $4,092 to the Company for 100% of the membership interests in Pine Bluff Agriceuticals I Management, LLC and 79.5% of Arkansas Natural Products I Management, LLC. $2,000.

Sale of PHX Interactive, LLC

On March 20, 2020, the Company was a party to an Asset Purchase Agreement, whereby Mission Partners USA, LLC, a Delaware limited liability company agreed to sell all of the assets (and certain of the liabilities) of Mission Partners USA, LLC used in connection with the management of Greens Goddess Products, Inc., an Arizona non-profit corporation ("Greens Goddess") to GGP Management Holdings, LLC, a Delaware limited liability company, for $6,000 in cash. The assets sold, among other things, include the intellectual property rights to the name "Herb'N" and any derivations thereof, the right to use the "Mission" trade name pursuant to a license with the Company, assignment of the

lease for the Greens Goddess' dispensary, and the assignment of the Dispensary Management Services Agreement between Mission Partners USA, LLC and Greens Goddess. Additionally, the Company paid a $348 fee to a third party in exchange for allowing the Company to sell the foregoing Greens Goddess assets.

Sale of Maryland Assets

On April 30, 2020, the Company entered into an Asset Purchase Agreement (the "Mission MD APA") with (i) MLH Maryland Operations, LLC, a Delaware limited liability company ("Mission MD Buyer"), and MLH Hampden Real Estate, LLC, a Delaware limited liability company and a wholly owned subsidiary of Buyer ("RE Buyer" and together with Mission PA Buyer, the "MD Buyers"), and (ii) Mission Maryland, LLC, a Maryland limited liability company ("Mission Maryland"), Adroit Consulting Group, LLC, a Delaware limited liability company ("Adroit"), Old Line State Consulting Group, LLC, a Delaware limited liability company ("Old Line" and together with Adroit, the "Mission PA Sellers" and each, a "Mission PA Seller"). Under the Mission MD APA, which was ultimately amended and restated on September 18, 2020, the Company sold substantially all of the assets of one Maryland dispensary and two management companies that manage two additional Maryland dispensaries to the PA Buyers for $10,550 in cash.

Also April 30, 2020, the Company entered into that certain Membership Interest Purchase Agreement (the "Mission PA MIPA") in connection with the sale of substantially all of the assets of its wholly-owned subsidiary, Mission Pennsylvania II LLC to MLH NE Pennsylvania LLC for $10,550 in cash, which was delivered into escrow on April 30, 2020 pending the satisfaction of each of the closing conditions set forth in the Mission PA MIPA.

Equity Financing Transactions

On November 12, 2020, the Company entered into an underwriting agreement with Beacon Securities Limited, a Canadian corporation, Canaccord Genuity Corp., a Canadian corporation, and Haywood Securities Inc. (the "Underwriters"), pursuant to which the Underwriters purchased, on a bought deal basis, a total of 24,644,500 units at a price of $0.54 per unit for aggregate offering proceeds to the Company of $13,308. Each unit consisted of one SVS and one-half (1/2) of one SVS purchase warrant. Each whole warrant entitles the holder thereof to acquire one SVS at an exercise price per share of C$0.90 for a period of 24 months.
The units (and securities underlying the units) were not, nor will they be, registered under the Securities Act of 1933, and were not offered or sold in the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the U.S. Securities Act) absent registration or an applicable exemption from the registration requirements. The units were only offered and sold in the United States pursuant to a private placement to Qualified Institutional Buyers (as defined in Rule 144A under the U.S. Securities Act) and accredited investors (as defined in Rule 501 under the U.S. Securities Act) pursuant to exemptions from the registration requirements under rule 144A of the U.S. Securities Act.

Debt Transactions

LI Lending LLC Notes

On May 10, 2019, the Company entered into a 10.25% promissory note (the "LI Lending Note") with LI Lending LLC, a Delaware limited liability company and related party, in the principal amount of $50,000. LI Lending LLC is related because Roman Tkachenko, a member of the board of directors and Leonid Gontmakher, the Company's Chief Executive Officer own and control LI Lending LLC.

In April 2020, LI Lending Note was amended in order to allow the Company to sell certain of its asserts in Pennsylvania and Maryland, which were originally collateral under the LI Lending Note. In exchange for the release of such related collateral, the Company agreed to make prepayments of principal to LI Lending LLC in the amount of $250 per month for an eight-month period beginning on May 1, 2020. The $2,000 prepayment was applied the initial principal amount of the LI Lending Note. Additionally, the Company agreed to pay an increased interest rate of 12.25% per annum on the final $10,000 of the LI Lending Note, with the rest of the LI Lending Note being subject the LI Lending Note's original 10.25% per annum interest rate.

In December 2020, the LI Lending Note was amended and restated to reduce the total principal of the LI Lending Note to $45,000 and to allow for the release of collateral for the sale lease back transactions with Innovative Industrial Properties, Inc. ("IIPR") described further below. The amendment and restatement of the LI Lending Note increased all interest rates on the LI Lending Note by 2.5%, but allowed the payments resulting from the incremental interest to be

deferred until January 1, 2022. The Company elected to defer payment, and the additional 2.5% interest is accrued each month and added to the balance of the LI Lending Note. The Company is still required to make interest-only payments monthly of 10.25% on the initial $33,000 and 12.25% on the final $10,000 of the LI Lending Note until January 1, 2022 when the interest rates of 12.75% for the initial $33,000 and 14.75% for the final $10,000 will take effect for the remaining term. As amended and restated, the LI Lending Note matures on May 10, 2024. The Company is subject to certain restrictions under the loan agreement, which include the segregation of the proceeds, the use of the funds for permitted uses, and providing security interest on assets acquired with the proceeds. Monthly interest-only payments are required, and an exit fee of 20% of the principal balance will be due as principal is repaid.

In addition, as partial consideration for the amendment and restatement of the LI Lending Note, the Company issued to LI Lending LLC 2-year warrants to purchase 12,135,922 SVS with a strike price of $0.824. The warrants were issued in a private placement pursuant to an exemption from registration set forth under the Securities Act. The issuance of the warrants constitutes a "related party transaction."

Gotham Green Notes

On January 29, 2020, jointly with Cannex Holdings (Nevada) Inc., a Nevada corporation, the Company entered into a series of securities purchase agreements with Gotham Green Fund II, L.P., a Delaware limited partnership and Gotham Green Fund II (Q), L.P., a Delaware limited partnership, which are subsidiaries of Gotham Green Partners, LLC, a Delaware limited liability company ("GGP"). In connection with such agreements, on January 29, 2020, the Company issued a 15% Senior Secured Convertible Note jointly with Cannex Holdings (Nevada) Inc., a Nevada corporation to Gotham Green Fund II (Q), L.P., a Delaware limited partnership, in the principal amount of $2,560. The 15% Senior Secured Convertible Note had an exercise price of $0.647 per SVS, and had a maturity date of July 29, 2020. In connection with the issuance of such note, the Company issued Gotham Green Fund II (Q), L.P. three year warrants to purchase 23,789 SVS at a price of $0.673 per SVS. Also on January 29, 2020, the Company issued a 15% Senior Secured Convertible Note jointly with Cannex Holdings (Nevada) Inc., a Nevada corporation to Gotham Green Fund II, L.P., a Delaware limited partnership, in the principal amount of $439. The 15% Senior Secured Convertible Note had an exercise price of $0.647 per SVS, and had a maturity date of July 29, 2020. In connection with the issuance of such note, the Company issued Gotham Green Fund II, L.P. three year warrants to purchase 4,087 SVS at a price of $0.673 per SVS. In May 2020, the Company repaid in full all outstanding 15% Senior Secured Convertible Notes.

In December 2020, the Company also repaid in full all $39,881 in principal of the senior secured convertible notes of Cannex Holdings (Nevada) Inc. held by GGP, which the Company had assumed in full as a result of the RTO.

Convertible Note Financings

On May 14, 2020, the Company issued 5% unsecured convertible notes in the aggregate principal amount of $5,827. The 5% unsecured convertible notes have a conversion price of $0.25 per SVS, and a maturity date of February 28, 2022. The Company can require mandatory conversion at any time after November 14, 2020 if that the Company's stock price remains above $0.50 for 45 consecutive days. Investors in the unsecured convertible notes were given the right to exchange existing equity investments in the Company into 3% unsecured convertible notes. At a later date, the Company enacted the mandatory conversion feature and converted all outstanding 5% unsecured convertible notes into SVS.

29,775,670 SVS with a value of $13,661 were exchanged into 3% unsecured convertible notes. The 3% unsecured convertible notes have a conversion price of $0.46 per SVS, and a maturity date of May 13, 2025. Furthermore, the 3% unsecured convertible notes pay no interest if the Company's annual revenue is greater than $15,000 per annum during the term of the notes, and the Company can require mandatory conversion of such notes at any time that the Company's stock price remains above $0.92 for 45 consecutive days.

The foregoing securities were not, nor will they be, registered under the Securities Act and were not offered or sold in the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the U.S. Securities Act) absent registration or an applicable exemption from the registration requirements. The securities were only offered and sold in the United States pursuant to a private placement to Qualified Institutional Buyers (as defined in Rule 144A under the U.S. Securities Act) and accredited investors (as defined in Rule 501 under the U.S. Securities Act) pursuant to exemptions from the registration requirements under rule 144A of the U.S. Securities Act.

Sale-Leaseback Transactions

On October 26, 2020, Real Estate Properties LLC, a Washington limited liability company entered into a Purchase and Sale Agreement and Joint Escrow Instructions (the "Washington PSA") with IIP Operating Partnership, LP, a Delaware limited partnership and affiliate of IIPR. Also on October 26, 2020, 401 East Main Street, LLC, a Delaware limited partnership entered into a Purchase and Sale Agreement and Joint Escrow Instructions (the "Massachusetts PSA, and with the Washington PSA, the "PSAs") with IIP Operating Partnership, LP, a Delaware limited partnership and affiliate of IIPR. Under the terms of the PSAs, the Company sold the real estate underlying its cultivation and production facilities in Olympia, WA and Georgetown, MA IIP Operating Partnership, LP for a total purchase price of approximately $33,000.

Concurrent with the closing of the transactions contemplated by the PSAs, on December 17, 2020, Superior Gardens, LLC, a Washington limited liability company, entered into a 20-year, triple-net lease (the "Washington Lease") for the property located at 9603 and 9631 Lathrop Industrial Dr. SW in Olympia, Washington 98512 from IIP-WA 1 LLC, a Delaware limited liability company and affiliate of IIPR. The Security Deposit paid for the Washington Lease was $634, and the monthly base rent of the Washington Lease is $211. Superior Gardens, LLC must also pay to IIP-WA 1 LLC a monthly management fee equal to 1.5% of the then-current base rent due under the Washington Lease. The Washington Lease is renewable for two additional 5-year extensions.

Also concurrent with the closing of the transactions contemplated by the PSAs, on December 17, 2020, Health Pharms, Inc., a Massachusetts corporation, entered into a 20-year, triple-net lease (the "Massachusetts Lease") for the property located at 401 E. Main Street, Georgetown, Massachusetts 01833 from IIP-MA 6 LLC, a Delaware limited liability company and affiliate of IIPR. The Security Deposit paid for the Washington Lease was $562, and the monthly base rent of the Massachusetts Lease is $187. Health Pharms, Inc. must also pay to IIP-MA 6 LLC a monthly management fee equal to 1.5% of the then-current base rent due under the Massachusetts Lease. The Massachusetts Lease is renewable for two additional 5-year extensions.

Amendment and Restatement of the Articles of the Company

At the annual and special meeting of the shareholders of the Company held on December 21, 2020 the shareholders of the Company approved resolutions authorizing an amendment to the articles of the Company to permit the Company to convert at its option the subordinate proportionate voting shares ("SPVS") of the Company to SVS (the "SPVS Conversion"); and (ii) an amendment to, and restatement of, the articles of the Company to eliminate the class of SPVS, subject to certain customary terms and conditions. Shareholders approved the resolution, and all outstanding SPVS were converted into SVS, and the class of SPVS was eliminated from the Company's capital structure as of December 31, 2020.

Business Segments Reduction

As the Company grows and undergoes changes in the nature of operations of its business, it is necessary for management to assess how performance for the segment operations are viewed and measured. As a result of acquisitions and divestures in the recent years, management has determined a change from prior years' reportable segments, as a result of changes in internal reporting structure regarding the management of business divisions.

For the year 2019, the Company reported financial performance four operating segments, which were also their reportable segments:

- Production – Manufacturing and distribution of packaged cannabis products to its own dispensaries and third-party retail customers, and importation and sale of equipment and supplies.
- Retail – Direct sales to end consumers in its retail stores. Retail sales are through owned or controlled licensed dispensaries in Illinois, Massachusetts, Michigan, Pennsylvania, Maryland, and Arkansas. HPI grows and manufactures much of the products that are sold in the HPI dispensary. Revenue from the sale of HPI internally produced products is considered dispensary revenue.
- Pure Ratios – Production and sale of CBD products to third-party customers.
- Real Estate – leasing of real estate to cannabis producers who are related parties.

In 2020, the Company determined the four operating segments meet the aggregation criteria set out in ASC Topic 280, Segment Reporting, and is presenting segment information in two reportable segments:

- THC Cannabis – Production and cultivation of THC cannabis, manufacturing and distribution of cannabis products to own dispensaries and third party retail customers, ancillary services supporting wholesale operations, and retail sales direct to end consumers
- CBD Cannabis – Pure Ratios which encompasses the production and sale of CBD products to third-party customers

All segment disclosures related to prior years in this document have been restated for comparability to the reportable segments in 2020.

Business

As of December 31, 2020, the Company had two business segments:

- *THC Cannabis* – Production and cultivation of THC cannabis, manufacturing and distribution of cannabis products to own dispensaries and third party retail customers, ancillary services supporting wholesale operations, and retail sales direct to end consumers

- *CBD Wellness* – Pure Ratios which encompasses the production and sale of CBD products to third-party customers

THC Cannabis - Retail

As part of its THC Cannabis segment, the Company owns and operates two dispensaries in Massachusetts, and two dispensaries in Illinois and one dispensary in Michigan. The Company leases the real estate in connection with the Worcester, Massachusetts property, the Calumet City dispensary and the Om of Medicine LLC ("Om") dispensary in Michigan and owns the real estate in connection with Mission South Shore and Georgetown Mission facilities. The Company also completed the sale and leaseback of the Company's cultivation and production facilities in Tumwater, Washington and Georgetown, Massachusetts.

The Company acquired its interest in the Om dispensary pursuant to a membership interest purchase agreement dated April 15, 2019. The transfer of the Om cannabis dispensary license from Om to the Company remains subject to Michigan regulatory approval. In order to receive such regulatory approval, the Michigan regulators need to complete background checks on the executive officers, directors and 10% shareholders of the Company. As similar background checks have been completed on such persons by other state regulators, the Company does not anticipate any material issues in receiving regulatory approval for the Om dispensary license transfer. The Company has submitted the transfer application and is awaiting approval from the Michigan regulators. In the interim, the Om dispensary is being operated by a former member of Om who is a current employee of the Company. The Company has assumed the economic interests and liabilities of Om and the Om dispensary.

The Company's dispensaries are, with the exception of Om in Michigan, branded under the "MISSION" retail brand. The dispensaries sell products which are either: (1) purchased from licensed cannabis producers in the state in which they operate, if allowed under state law and regulation; or, (2) transferred from the Company's owned or managed production operations within the relevant state market as in the case of markets where "vertical integration" (i.e. jurisdictions in which the Company can and does own both retail and production cannabis assets such as Illinois or Massachusetts). Product availability varies depending on conditions in the Company's key retail markets, and the performance of the Company's own production assets. Product shortages are common during the initial launch of an adult use cannabis regime, such as in Illinois. Interstate commerce of cannabis is illegal under state and federal law and therefore the Company may not transfer inventory between key retail markets currently.

The Company is focused on expanding its own production assets in order to provide better product availability for the retail segment, especially focusing on increasing supply of high-quality dried cannabis flower in markets where such product is in relatively short supply, such as in Illinois and Massachusetts.

Generally, the Company sells cannabis packaged goods in accordance with applicable state law and regulation through retail dispensaries (i.e. in store). However, due to the COVID-19 pandemic, the Company has expanded its services in certain markets to accommodate online ordering, curbside pickup and delivery where such activities are permitted by applicable state law and regulation.

The Company operates age-gated online educational platforms (https://4frontventures.com/ and https://missiondispensaries.com/) for patients and customers of its dispensaries (the "**Online Platform**"). The content of such websites is not deemed to be incorporated by reference in this report or filed with the SEC. Prior to launching the

Online Platform, the Company's compliance team and internal and external counsel undertook a review of the applicable federal and state privacy, advertising and cannabis laws and launched the Online Platform in a manner intended to ensure compliance with such laws. The Online Platform allows patients and customers to understand the cannabis products that the Company offers and view real-time pricing and product availability at the Company's dispensaries, and as a repository of miscellaneous corporate and investor information. The Online Platform does not provide any education, information or any other functionalities with respect to any third-party dispensaries.

No purchase or sale transactions occur on the Online Platform. A patient or customer may reserve products using the Online Platform, but the patient or customer must be physically present at one of the Company's dispensaries to consummate the purchase and sale of products. This requirement allows the Company and dispensary staff to ensure that the Company's standard operating procedures (including its compliance program(s)) are applied to all patients and customers in connection with the purchase and sale of products.

In jurisdictions where medical cannabis is legal, upon arrival of the patient at the applicable dispensary, dispensary staff must verify the patient's identity and accreditation (such as a state-issued medical cannabis card) and confirm the patient's allotment to ensure the user is not exceeding the state's allotment limits. Once the foregoing is verified, the patient may pay for the product(s) to complete the purchase. If the customer does not have valid identification and accreditation, the customer will not be able to purchase medical cannabis at the applicable Company dispensary, irrespective of any reservation(s) made on the Online Platform.

In jurisdictions where recreational cannabis is legal, upon arrival of the customer at the applicable dispensary, dispensary staff must verify that the customer is at least 21 years of age by verifying the customer's government-issued identification. Once the identification is verified, the customer may pay for the product(s) to complete the transaction. If the customer does not have valid identification, the customer will not be able to purchase recreational cannabis at the applicable Company dispensary, irrespective of any reservation(s) made on the Online Platform.

THC Cannabis - Production

Also as part of its THC Cannabis segment, the Company operates two production facilities in Massachusetts and one in Illinois. The Company is building a cannabis manufacturing facility in Commerce, California to be completed in 2021.

The Company is currently retrofitting its production facility in Georgetown, Massachusetts in order to add additional processing and growing capacity, which the Company expects to complete quartering 2021, and has also completed a retrofit of its smaller production facility in Worcester, Massachusetts which has increased its production capacity. The Company further plans an expansion of its flowering space in Illinois in order to better support product availability at its South Chicago and Calumet City dispensaries. As further described herein, the Company has completed the sale of the facility in Georgetown, Massachusetts (as defined below). See "*Recent Developments*".

The Company produces dried cannabis flower and trim, extracted cannabis products such as wax and distillate, and cannabis infused edible products in its production facilities.

The production segment utilizes certain raw materials to produce cannabis flowers and other extracted products. To produce and dry cannabis flower, the Company utilizes growing medium, nutrients, water, electrical power, soil adjuvants, and certain beneficial pests as part of its integrated pest management efforts. There are many sources for such products (except for water and power, which are provided by the local utility), and prices are reflective of commodity pricing worldwide. Some of these raw material inputs are sourced internationally, so changes in import laws or duties are a potential risk. The prices of power and water are generally stable and set through processes that involve governmental approvals over any increases, but the prices of growing medium, nutrients, etc. are all at least somewhat exposed to underlying commodity price volatility.

For extract products, an additional input is butane or propane for use as a solvent. These gases are largely a commodity, their pricing is reflective of worldwide conditions, and they are supplied to the Company's operations by local suppliers of industrial gases and materials in the relevant jurisdictions. Prices for such inputs may be volatile, as with any other commodity.

The Company employs certain state registered and unregistered trademarks in association with its cannabis goods, including the dried cannabis flower brands "FUNKY MONKEY" and "LEGENDS," the edibles brands "LEFT HANDED" and "VERDURE," and the extracts brands "GOLDEN GOO" and "CRYSTAL CLEAR".

CBD Wellness

The Company's CBD Wellness segment is focused upon its ownership and operation of its wholly-owned subsidiary, Pure Ratios. Pure Ratios is a cannabidiol ("CBD") products company in California that sells a variety of CBD products, both directly to consumer, business to business, and through third party fulfilment vendors. The products include CBD patches, salves, roll-ons, and tablets containing CBD with apoptogenic mushroom ingredients. Pure Ratios produces certain base ingredients, such as the CBD plus proprietary ingredient mixtures which are then injected into the finished patches by contract manufacturers. The Company also sells its Pure Ratios branded products through its CBD e-commerce platform www.pureratios.com. The content of such websites is not deemed to be incorporated by reference in this report or filed with the SEC.

The Pure Ratios segment utilizes certain raw materials to produce its CBD source materials, as do its contract manufacturers. These products include CBD source material, and certain herbs and other Ayurvedic ingredients which are part of Pure Ratios' formulations. These raw materials are generally commodities and their prices are reflective of worldwide commodity prices and volatility.

Pure Ratios utilizes reservoir patch technology, trade secrets and other intangible knowhow in the creation and formulation of the proprietary blend of herbs and other ingredients which are combined with CBD in its products. Pure Ratios allows NWCS (as defined below) to use its intellectual property for product sales.

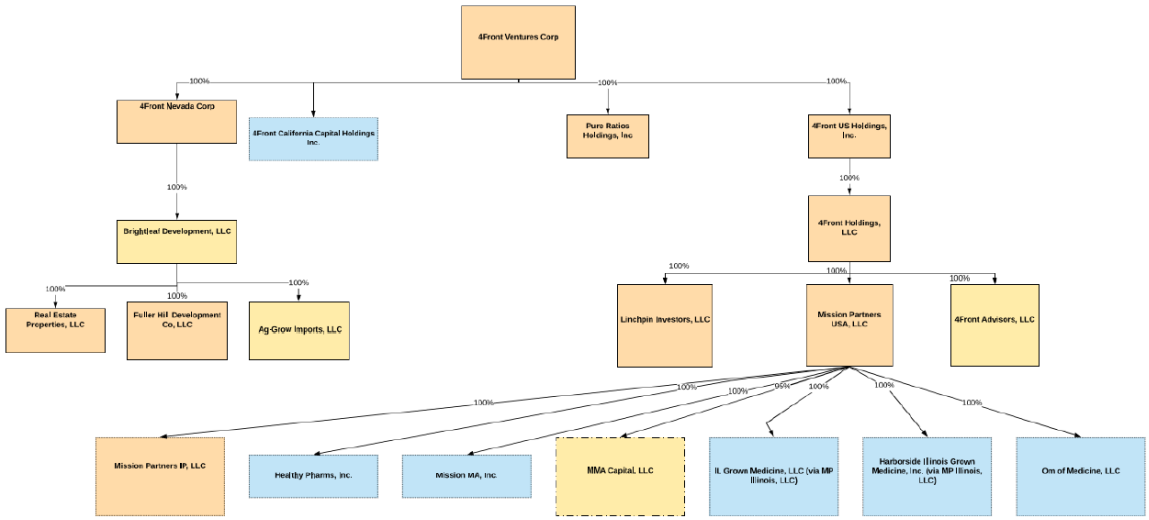
Pure Ratios creates certain of its CBD source materials through its proprietary processes and techniques, but creation and assembly of finished goods (e.g. salves, patches, etc.) is contracted to third party contract manufacturers. Additionally, Pure Ratios contracts with an internet sales organization which advertises Pure Ratios products, and then fulfils those products as well. Pure Ratios is therefore economically dependent on such third party manufacturers, and the third party advertising/fulfilment company.

In 2020, the market experienced a significant decrease in pricing across CBD products as additional suppliers entered the market. However, if federal and state policies change in favor of the industry, and if the FDA begins to test and regulate the quality of related consumer products, the downward trend in pricing could reverse. Please see the "Description of the U.S. Legal Cannabis Industry" section for further information on the regulatory landscape in which the Company operates.

Corporate Structure

4Front Ventures Corp. is a corporation existing under the provisions of the *Business Corporations Act* (British Columbia). The Company currently owns or manages licensed cannabis facilities in state-licensed markets in the United States. On July 31, 2019, 4Front Holdings LLC ("**Holdings**") and Cannex Capital Holdings Inc. ("**Cannex**") completed a business combination which resulted in the business of each of Holdings and Cannex becoming the business of the Company (the "**Business Combination**").

The following is an organizational chart that represents the current intercorporate relationships among the Company and its subsidiaries.



Notes:

100% interest in each of Harborside Illinois Grown Medicine, Inc. and IL Grown Medicine, LLC are beneficial interests only, held by a Nominee Holder (as defined herein).

The Company is, through certain subsidiaries, and intends to be, directly or indirectly, through additional subsidiaries and proposed acquisition targets, directly engaged in the cultivation, processing, sale and distribution of cannabis in the cannabis marketplaces in Michigan, Illinois, California, Washington and Massachusetts. Although the Company's business activities are compliant with applicable U.S. state and local law, strict compliance with state and local laws with respect to cannabis may neither absolve the Company of liability under U.S. federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company.

The Company directly or indirectly owns and controls the voting shares of all the subsidiaries in the percentages below. In addition, 4Front has a 100% beneficial interest in each of Harborside Illinois Grown Medicine, Inc., the holder of two dispensary licenses in Illinois, and IL Grown Medicine, LLC, the holder of a cultivation license in Illinois; each of these entities represents 10% or more of the total assets of 4Front or 10% or more of the total revenues of 4Front.

Holding Entity	% Owned	State	License Number	Expiry Date	Description
Healthy Pharms Inc.	100%	MA	RMD-285-C RMD285-P RMD285-R MR281754 MC281631 MP281450	June 27, 2021 June 27, 2021 June 27, 2021 March 11, 2022 March 12, 2022 March 12, 2022	Collocated Cultivation / Production / Dispensary
Mission MA, Inc.	100%	MA	RMD1125-C RMD1125-P RMD1125-R MP281312 MC281288 MR281259	October 21, 2021 October 21, 2021 October 21, 2021 August 24, 2021 August 21,2021 August 21,2021	Collocated Cultivation / Production / Dispensary
MMA Capital, LLC	95%	MA	N/A	N/A	Finance Company

Cannex Holdings (California), Inc	100%	CA	Commerce Commercial Cannabis Permit ID No. 18-069 State License Nos. CDPH-10002723 & C11-0000825-LIC	June 28, 2029 April 23, 2021 July 16, 2021	Production and Distribution
4Front California Capital Holdings Inc.	100%	CA	N/A	N/A	Real Estate Holding
Harborside Illinois Grown Medicine, Inc.	100%	IL	DISP.000053 AUDO.000027	June 8, 2021 March 31, 2022	Dispensary (allowing for the operation of 2 dispensaries) Adult use/Dispensary
IL Grown Medicine, LLC	100%	IL	1504160768- EA	March 31, 2022	Cultivation
Om of Medicine, LLC	100%	MI	PC-000123	September 10, 2021	Co-located Medical Provisioning Center (Dispensary)
Om of Medicine, LLC	100%	MI	AU-R-000133	December 17, 2020 (1)	Co-located Adult-Use Dispensary
Real Estate Properties LLC	100%	WA	N/A	N/A	Real Estate Holding
Ag-Grow Imports LLC	100%	WA	N/A	N/A	Importer of Equipment
Brightleaf Development LLC	100%	WA	N/A	N/A	Holding Company
Fuller Hill Development Co, LLC	100%	WA	N/A	N/A	Real Estate Holding
Pure Ratios Holdings, Inc.	100%	DE	N/A	N/A	Online CBD Retail
4Front US Holdings, Inc.	100%	DE	N/A	N/A	Holding Company
4Front Holdings, LLC	100%	DE	N/A	N/A	Holding Company
Mission Partners IP, LLC	100%	DE	N/A	N/A	IP Holding Company
Mission Partners USA, LLC	100%	DE	N/A	N/A	Investment Company
Linchpin Investors, LLC	100%	DE	N/A	N/A	Finance Company
4Front Advisors, LLC	100%	AZ	N/A	N/A	Consulting Company
4Front Nevada Corp.	100%	NV	N/A	N/A	Holding Company

(1) Renewal application has been submitted, and is in process.

DESCRIPTION OF THE U.S. LEGAL CANNABIS INDUSTRY

In accordance with Canadian Securities Administrators Staff Notice 51-352 – Issuers with U.S. Marijuana-Related Activities ("**Staff Notice 51-352**"), below is a discussion of the federal and state-level U.S. regulatory regimes in those jurisdictions where the Company is directly involved through certain subsidiaries and investees and expects to be involved in the U.S. legal cannabis industry. The Company is, through certain subsidiaries, and intends to be, directly or indirectly, through additional subsidiaries and proposed acquisition targets, directly engaged in the cultivation, processing, sale and distribution of cannabis in Michigan, Illinois, California, Washington and Massachusetts.

The following table is intended to assist readers in identifying those parts of this 10-K that address the disclosure expectations outlined in Staff Notice 51-352.

Industry Involvement	Specific Disclosure Necessary to Fairly Present all Material Facts, Risks and Uncertainties	Cross Reference
All issuers with U.S. Marijuana-Related Activities	Describe the nature of the Corporation's involvement in the U.S. marijuana industry and include the disclosures indicated for at least one of the direct, indirect and ancillary industry involvement types noted in this table.	• Item 1. Business – Description of the U.S. Legal Cannabis Industry
	Prominently state that marijuana is illegal under U.S. federal law and that enforcement of relevant laws is a significant risk.	• Item 1. Business - Description of the U.S. Legal Cannabis Industry – Legal and Regulatory Matters
	Discuss any statements and other available guidance made by federal authorities or prosecutors regarding the risk of enforcement action in any jurisdiction where the Corporation conducts U.S. marijuana-related activities.	• Item 1. Business - Description of the U.S. Legal Cannabis Industry – Legal and Regulatory Matters
	Outline related risks including, among others, the risk that third-party service providers could suspend or withdraw services and the risk that regulatory bodies could impose certain restrictions on the Corporation's ability to operate in the U.S.	• Item 1. Business - Description of the U.S. Legal Cannabis Industry – Legal and Regulatory Matters
	Given the illegality of marijuana under U.S. federal law, discuss the Corporation's ability to access both public and private capital and indicate what financing options are/are not available in order to support continuing operations.	• Item 1. Business - Description of the U.S. Legal Cannabis Industry – Legal and Regulatory Matters
	Quantify the Corporation's balance sheet and operating statement exposure to U.S. marijuana related activities.	• Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
	Disclose if legal advice has not been obtained, either in the form of a legal opinion or otherwise, regarding (a) compliance with applicable state regulatory frameworks and (b) potential exposure and implications arising from U.S. federal law.	• Item 1. Business – Description of the U.S. Legal Cannabis Industry and -Compliance
U.S. Marijuana Issuers with direct involvement in cultivation or distribution	Outline the regulations for U.S. states in which the Corporation operates and confirm how the Corporation complies with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.	• Item 1. Business – Description of the U.S. Legal Cannabis Industry - The Regulatory Landscape on a U.S. State Level
	Discuss the Corporation's program for monitoring compliance with U.S. state law on an ongoing basis, outline internal compliance procedures and provide a positive statement indicating that the Corporation is in compliance with U.S. state law and the related licensing framework. Promptly disclose any non-compliance, citations or notices of violation which may have an impact on the Corporation's license, business activities or operations.	• Item 1. Business - Compliance
U.S. Marijuana Issuers with indirect involvement in cultivation or distribution	Outline the regulations for U.S. states in which the Corporation's investee(s) operate.	• *Not applicable*
	Provide reasonable assurance, through either positive or negative statements, that the investee's business is in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state. Promptly disclose any non- compliance, citations or notices of violation, of which the Corporation is aware, that may have an impact on the investee's license, business activities or operations.	• *Not applicable*
U.S. Marijuana Issuers with material ancillary involvement	Provide reasonable assurance, through either positive or negative statements, that the applicable customer's or investee's business is in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.	• Item 1. Business - Description of the U.S. Legal Cannabis Industry - The Regulatory Landscape on a U.S. State Level and -Compliance

As of the date hereof, 100% of the Company's business is derived from direct or ancillary U.S. Cannabis-related activities. The following chart sets out, the U.S. state(s) in which the Company and its subsidiaries operates in, as more specifically described below.

State	Primary Cannabis Regulator(s)	Direct, Indirect, or Ancillary Involvement in the U.S. Cannabis Industry (1)	Currently Operational?	Brief Description of Operations
IL	Dispensary: Illinois Department of Public Health Cultivation: Illinois Department of Agriculture	Direct	Yes	Beneficial owner of 1 dispensary license (allowing for the operation of 2 dispensaries) and 1 cultivation/production license
MA	Massachusetts Cannabis Control Commission	Direct	Yes	Owner of 3 medical treatment center licenses for retail, cultivation and processing (2 operating), 2 adult use retail licenses, and 2 adult use cultivation and processing licenses.
MI	Michigan Department of Licensing and Regulatory Affairs	Direct	Yes	Will be the owner of entity which holds 1 Medical Provisioning Center license and 1 Adult-Use dispensary license when final regulatory approval is received. Company estimates regulatory approval will be received in Q2 2021.
CA	Manufacturing: California Department of Public Health Distribution: California Department of Consumer Affairs, Bureau of Cannabis Control	Direct and Ancillary	No – Direct Yes – Ancillary	Direct: The Company owns a subsidiary that holds a local marijuana business permit from the City of Commerce, California, a provisional license from the California Bureau of Cannabis Control, and an annual license from the California Department of Public Health, Manufactured Cannabis Safety Branch, allowing adult-use and medicinal commercial cannabis manufacturing (volatile extraction) and distribution. Ancillary: The Company's subsidiary, Pure Ratios Holdings Inc., is engaged in the sale of hemp products, and also the licensing of certain intellectual property to entities which are directly involved in various state cannabis operations.
WA	Washington State Liquor and Cannabis Board	Ancillary	Yes	Landlord and packaging supplier to cultivation and production licensees.

Legal and Regulatory Matters

Regulation of Cannabis in the United States

Marijuana (cannabis) is illegal under U.S. federal law, and enforcement of relevant laws governing marijuana-related activities is a significant risk for the Company. The U.S. federal government regulates drugs through, among other things, the Controlled Substances Act ("CSA"), 21 U.S.C. § 801 et seq., which places controlled substances, including marijuana, in a schedule. Marijuana is a Schedule I drug. A Schedule I controlled substance is defined as having no currently accepted medical use and a high potential for abuse. With the limited exception of the U.S. Food and Drug Administration's ("FDA") approving Epidiolex (cannabidiol) (CBD) oral solution for the treatment of seizures associated with two rare and severe forms of epilepsy, Lennox-Gastaut syndrome and Dravet syndrome, the FDA has not approved cannabis or any cannabis-derived compound as safe and effective drug for any indication. FDA has approved Marinol and Syndros for therapeutic uses in the U.S., including for the treatment of anorexia associated with weight loss in AIDS patients. Marinol and Syndros include the active ingredient dronabinol, a synthetic delta-9- tetrahydrocannabinol ("THC"). Another FDA-approved drug, Cesamet, contains the active ingredient nabilone, which has a chemical structure similar to THC and is synthetically derived.

Unlike in Canada, which has federal legislation governing the cultivation, distribution, sale, and possession of medical and adult-use cannabis, cannabis is largely regulated at the state level in the United States.

State laws regulating cannabis are in direct conflict with the federal CSA, which makes cannabis use and possession federally illegal. Although certain states and territories of the U.S. authorize medical, and in some cases also adult-use cannabis production and distribution by licensed entities, under U.S. federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal, and any such acts are criminal acts under federal law under any and all circumstances. Although the Company's activities are compliant with applicable state and local laws, strict compliance with state and local laws with respect to cannabis may neither absolve the Company of liability under United States federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company.

Given the illegality of marijuana under U.S. federal law, the Company's access to capital could be negatively affected by public and/or private capital not being available to support continuing operations. At present, management believes that both private and public capital are available to the Company on terms acceptable to the Company, but management also believes that this capital availability could change without notice, requiring the Company to operate solely on internally generated funds. In the event that the Company has insufficient internally generated funds the Company could fail and you could lose all of your investment. Management is not currently aware of any specific U.S. federal or state initiatives that would lessen the Company's capital access.

On January 4, 2018, then-U.S. Attorney General Jeff Sessions issued a memorandum to all U.S. Attorneys in which he rescinded previous guidance from the U.S. Department of Justice ("DOJ") specific to cannabis enforcement in the United States, including the Memorandum drafted by former Deputy Attorney General James Michael Cole in 2013 (the "Cole Memo"). With the Cole Memo rescinded, U.S. federal prosecutors have been given discretion in determining whether to prosecute cannabis related violations of U.S. federal law. If DOJ pursues prosecutions, then the Company could face, among other things: (i) seizure of its cash and other assets used to support or derived from its cannabis subsidiaries; (ii) the arrest of its employees, directors, officers, managers and investors; (iii) charges of ancillary criminal violations of the CSA for aiding and abetting and conspiring to violate the CSA by virtue of providing financial support to cannabis companies that service or provide goods to state-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis; and/or (iv) barring employees, directors, officers, managers and investors who are not U.S. citizens from entry into the United States for life. On November 7, 2018, Mr. Sessions tendered his resignation as Attorney General at the request of President Donald Trump. Following Mr. Sessions' resignation, William Barr was sworn in as United States Attorney General. During his confirmation hearing on January 15, 2019, Mr. Barr pledged not to pursue marijuana companies that comply with state law. This pledge was made in writing, when responding to written questions from Senators: "As discussed in my hearing, I do not intend to go after parties who have complied with the state law in reliance on the Cole Memorandum." During William Barr's tenure as Attorney General, DOJ did not pursue marijuana companies that comply with state law. On January 6, 2021, then President-elect Joe Biden announced his intention to nominate then-Chief Judge of the United States Court of Appeals for the District of Columbia Circuit Merrick Garland to succeed William Barr as Attorney General. On January 20, 2021, President Biden officially nominated Merrick Garland to serve as Attorney General. On March 10, 2021, the U.S. Senate confirmed Merrick Garland by a vote of 70-30. It is unclear what impact Merrick Garland serving as the U.S. Attorney General will have on DOJ's marijuana-related enforcement. However, during his confirmation hearing on February 22, 2021, then-Chief Judge Garland said, among other things, that "It does not seem to me a useful use of limited resources that we have, to be pursuing prosecutions in states that have legalized and that are regulating the use of marijuana, either medically or otherwise. I don't think that's a useful use. I do think we need to be sure there are no end-runs around the state laws that criminal enterprises are doing. So that kind of enforcement should be continued. But I don't think it's a good use of our resources, where states have already authorized. That only confuses people, obviously, within the state."

Despite uncertainty regarding DOJ's future treatment of marijuana, there has been limited federal legislative protection for the medical cannabis industry. For fiscal years 2015-2018, Congress adopted budget riders to the Consolidated Appropriations Acts (sometimes referred to as the Rohrabacher-Farr or Rohrabacher-Blumenauer Amendment) to prevent the federal government from using appropriated funds to enforce federal marijuana laws against regulated medical cannabis actors operating in compliance with state and local law. The Rohrabacher-Blumenauer Amendment was included in the fiscal year 2018 budget passed on March 23, 2018. The Rohrabacher-Blumenauer Amendment was included in the consolidated appropriations bill signed into legislation by then-President Trump in February 2019. In signing the Rohrabacher-Blumenauer Amendment, President Trump issued a signing statement noting that the Rohrabacher-Blumenauer Amendment "provides that the Department of Justice may not use any funds to prevent implementation of medical marijuana laws by various States and territories," and further stating "I will treat this provision consistent with the President's constitutional responsibility to faithfully execute the laws of the United States." On June 20, 2019, the House approved a broader amendment that, in addition to protecting state medical cannabis programs, would also protect state adult use programs. On September 26, 2019, the Senate Appropriations Committee declined to take up the broader amendment but did approve the Rohrabacher-Blumenauer Amendment for the fiscal year 2020 spending bill.

On September 27, 2019, the Rohrabacher-Blumenauer Amendment was reviewed as part of a stopgap spending bill, in effect through November 21, 2019. On July 30, 2020, the House passed an amendment, included in a Commerce, Justice, Science (CJS) Appropriations bill, that protects state-legal cannabis businesses from federal intervention by barring the Department of Justice from using taxpayer funds to enforce federal anti-cannabis laws in U.S. states that have legalized medical and/or adult-use cannabis. On December 27, 2020, the Rohrabacher-Blumenauer Amendment was approved as part of the omnibus spending bill for fiscal year 2021, effective through September 30, 2021.

Additionally, the Rohrabacher-Blumenauer Amendment may or may not be renewed in future bills in order to prevent the federal government from using congressionally appropriated funds to enforce federal cannabis laws against regulated medical cannabis actors operating in compliance with state and local law. If the Rohrabacher-Blumenauer Amendment is not renewed in the future, potential proceedings could involve significant restrictions being imposed upon the Company or third parties and divert our attention. Such proceedings could also have a material adverse effect on our business, prospects, revenue, results of operation and financial condition, as well as our reputation, even if such proceedings were concluded successfully in our favor.

In spite of the limited federal legislative protection for the medical cannabis industry, there remains inconsistency between federal and state laws, U.S. federal enforcement practices going forward and the inconsistency between U.S. federal and state laws and regulations present major risks for us.

Regulation of Industrial Hemp in the United States Federally

On December 20, 2018, the Agricultural Improvement Act of 2018 (commonly known as the "2018 Farm Bill") was signed into law. The 2018 Farm Bill, among other things, removes industrial hemp and its derivatives, including cannabidiol ("CBD"), from the CSA and amends the Agricultural Marketing Act of 1946 to allow for industrial hemp production and sale in the United States. Under the Farm Bill, industrial hemp is defined as "the plant Cannabis sativa L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis."

The 2018 Farm Bill did not legalize CBD derived from "marijuana" (as such term is defined in the CSA), which is and remains a Schedule I controlled substance under the CSA. The U.S. Department of Agriculture ("USDA") is responsible for promulgating regulations under the 2018 Farm Bill. Pursuant to the 2018 Farm Bill, U.S. territories and tribal governments may adopt their own regulatory plans for hemp production even if more restrictive than federal regulations so long as they meet minimum federal standards approved by the USDA. Those territories or tribal governments which choose not to adopt their own hemp production regulations will be governed by USDA regulations.

On October 31, 2019, the USDA issued an interim final ruling governing domestic production of hemp under the 2018 Farm Bill which establishes the U.S. Domestic Hemp Production Program and opened a 60-day public comment period. On January 15, 2021, USDA issued its final hemp production program rule. The rule outlines various USDA requirements for state and tribal hemp programs and provide for a process of state/tribal hemp production plan submission and USDA approval/rejection within 60 days of such submission. There can be no assurances regarding any plan's acceptance, and the final rulemaking may potentially be delayed.

The 2018 Farm Bill also preserved the FDA's authority related to the introduction of hemp and hemp-derived compounds, such as CBD, in foods, beverages, cosmetics, and dietary supplements. FDA's current view is that it is unlawful under the Federal Food, Drug, and Cosmetic Act ("FD&C Act") to introduce food containing added CBD or THC into interstate commerce, or to market CBD or THC products as, or in, dietary supplements. When a substance is excluded from the dietary supplement definition in the FD&C Act, like CBD is, FDA could issue a regulation, after notice and comment, finding that CBD would be lawful under the FD&C Act. To date, FDA has issued no such regulation regarding CBD and there can be no assurances that FDA will issue such a regulation. With regard to topical CBD products (*i.e.*, cosmetics), FDA has said that CBD is not a prohibited cosmetic ingredient (*i.e.*, that CBD topicals are permissible) as long as the product is not intended to affect the structure or function of the body, or to diagnose, cure, mitigate, treat or prevent disease. Despite FDA's position on ingestible CBD products, to date, FDA has not taken enforcement action against producers of such products absent therapeutic claims being made about use of such products. More specifically, FDA has only issued Warning Letters to producers of ingestible CBD products for making therapeutic claims – with a focus on more aggressive claims – involving the treatment of conditions such as COVID-19, AIDS, diabetes, post-traumatic stress disorder, Alzheimer's disease, cancer, neuropathy, chronic pain, and anxiety. So far, selling an ingestible CBD product, but not making treatment claims about the same, has not resulted in FDA enforcement action. Accordingly, even though ingestible CBD products violate the FD&C Act, FDA does not seem interested in pursuing enforcement action against such products unless they bear therapeutic claims. There can be no assurances regarding FDA continuing this approach to CBD enforcement.

Nature of the Business Model

Since the cultivation, processing, production, distribution, and sale of cannabis for any purpose, medical, adult use or otherwise, remain illegal under U.S. federal law, it is possible that the Company may be forced to cease activities. The United States federal government, through, among others, the DOJ, its sub agency the Drug Enforcement Administration ("DEA"), and the U.S. Internal Revenue Service (the "IRS"), has the right to actively investigate, audit and shut down cannabis growing facilities, processors and retailers.

U.S. State Regulatory Uncertainty

There is no assurance that state laws authorizing and regulating the sale and use of cannabis will not be repealed, amended or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. If the U.S. federal government begins to enforce U.S. federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing state laws are repealed or curtailed, the Company's business or operations in those states or under those laws would be materially and adversely affected. Federal actions against any individual or entity engaged in the cannabis industry or a substantial repeal of cannabis related legislation could adversely affect the Company, its business and its assets or investments.

Certain U.S. states where medical and/or adult use cannabis is authorized have or are considering special taxes or fees on the cannabis industry. It is uncertain at this time whether other states are in the process of reviewing such additional taxes and fees.

The Company is Subject to Applicable Anti-Money Laundering Laws and Regulations

The Company is subject to a variety of laws and regulations domestically in the U.S. that involve money laundering, financial record-keeping and proceeds of crime, including the *U.S. Currency and Foreign Transactions Reporting Act of 1970* (commonly known as the "Bank Secrecy Act"), as amended by Title III of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001* (the "USA Patriot Act"), and the rules and regulations thereunder, and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the U.S.. The Company is also subject to similar laws and regulations in Canada, including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), as amended. Further, under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering, aiding and abetting, or conspiracy.

Despite these laws, the U.S. Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN") issued a memorandum on February 14, 2014 (the "FinCEN Memorandum") outlining the pathways for financial institutions to bank state-sanctioned cannabis businesses in compliance with federal enforcement priorities. The FinCEN Memorandum echoed the enforcement priorities of the Cole Memorandum. Under these guidelines, financial institutions must submit a Suspicious Activity Report ("SAR") in connection with all cannabis-related banking activities by any client of such financial institution, in accordance with federal money laundering laws. These cannabis-related SARs are divided into three categories - cannabis limited, cannabis priority, and cannabis terminated - based on the financial institution's belief that the business in question follows state law, is operating outside of compliance with state law, or where the banking relationship has been terminated, respectively.

The FinCEN Memorandum states that in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of federal money laundering laws. It refers to supplementary guidance included in the Cole Memorandum.

The rescission of the Cole Memorandum has not yet affected the status of the FinCEN Memorandum, nor has the Department of the Treasury given any indication that it intends to rescind the FinCEN Memorandum itself.

Although the FinCEN Memorandum remains intact, it is unclear whether the current administration will continue to follow the guidelines of the FinCEN Memorandum. The DOJ continues to have the right and power to prosecute crimes committed by banks and financial institutions, such as money laundering and violations of the Bank Secrecy Act, that occur in any state including states that have in some form legalized the sale of cannabis. Further, the conduct of the DOJ's enforcement priorities could change for any number of reasons. A change in the DOJ's priorities could result in the DOJ's prosecuting banks and financial institutions for crimes that were not previously prosecuted.

Restricted Access to Banking

In February 2014, FinCEN issued the FinCEN Memorandum (which is not law) which provides guidance with respect to financial institutions providing banking services to cannabis business, including burdensome due diligence expectations and reporting requirements. This guidance does not provide any safe harbors or legal defenses from examination or regulatory or criminal enforcement actions by the DOJ, FinCEN or other federal regulators. Thus, most banks and other financial institutions in the United States do not appear to be comfortable providing banking services to cannabis-related businesses, or relying on this guidance, which can be amended or revoked at any time by the executive branch. In addition to the foregoing, banks may refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related businesses. As a result, the Company may have limited or no access to banking or other financial services in the United States. In addition, federal money laundering statutes and Bank Secrecy Act regulations discourage financial institutions from working with any organization that sells a controlled substance, regardless of whether the state it resides in permits cannabis sales. While the United States House of Representatives has passed the SAFE Banking Act multiple times, which would permit commercial banks to offer services to cannabis companies that are in compliance with state law, it has not yet been passed by the U.S. Senate, and if Congress fails to pass the SAFE Banking Act, the Company's inability, or limitations on the Company's ability, to open or maintain bank accounts, obtain other banking services and/or accept credit card and debit card payments may make it difficult for the Company to operate and conduct its business as planned or to operate efficiently.

Lack of Access to U.S. Bankruptcy Protections; Other Bankruptcy Risks

Because cannabis remains illegal under U.S. federal law, many courts have denied cannabis businesses bankruptcy protections, thus making it very difficult for lenders to recoup their investments in the cannabis industry in the event of a bankruptcy. If the Company were to experience a bankruptcy, there is no guarantee that U.S. federal bankruptcy protections would be available, which would have a material adverse effect. In addition, bankruptcy or other similar proceedings are often a complex and lengthy process, the outcome of which may be uncertain and could result in a material adverse effect on the Company.

Heightened Scrutiny by Canadian Authorities

Because cannabis is illegal under U.S. federal law, the business, operations and investments of the Company in the U.S., and any future businesses, operations and investments, may become the subject of heightened scrutiny by securities regulators, stock exchanges and other authorities in Canada. As a result, the Company may be subject to significant direct and indirect interaction with Canadian public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to invest or hold interests in other entities in the U.S. or any other jurisdiction, or have consequences for its stock exchange listing or Canadian reporting obligations, in addition to those described herein. See "*The Company's Business Activities are Illegal under U.S. Federal Law*".

On February 8, 2018, the Canadian Securities Administrators published Staff Notice 51-352 - *Issuers with U.S. Marijuana-Related Activities* ("Staff Notice 51-352") describing the Canadian Securities Administrators' disclosure expectations for specific risks facing issuers with cannabis-related activities in the U.S. Staff Notice 51-352 confirms that a disclosure-based approach remains appropriate for issuers with U.S. cannabis-related activities. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with U.S. cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis, as well as issuers that provide goods and services to third parties involved in the U.S. cannabis industry.

CDS Clearing and Depository Services Inc. ("CDS") is Canada's central securities depository, clearing and settling trades in the Canadian equity, fixed income and money markets. On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group, which is the owner and operator of CDS, announced the signing of a Memorandum of Understanding ("MOU") with Aequitas NEO Exchange Inc., the CSE and the Toronto Stock Exchange confirming that it relies on such exchanges to review the conduct of listed issuers. The MOU notes that securities regulation requires that the rules of each of the exchanges must not be contrary to the public interest and that the rules of each of the exchanges have been approved by the securities regulators. Pursuant to the MOU, CDS will not ban accepting deposits of or transactions for clearing and settlement of securities of issuers with cannabis-related activities in the U.S. Even though the MOU indicated that there are no plans of banning the settlement of securities of issuers with U.S. cannabis related activities through CDS, there can be no guarantee that the settlement of securities will continue in the future.

Constraints on Marketing Products

The development of the Company's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies for products containing cannabis or ingredients derived from cannabis, including but not limited, to the FDA, USDA, the Federal Trade Commission ("FTC"), and state regulatory agencies that may institute new regulatory requirements. The regulatory environment in the United States limits the Company's ability to compete for market share in a manner similar to other industries. If the Company is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Company's sales and operating results could be adversely affected.

Reliance on Management or Consulting Services Agreements with Subsidiaries and Affiliates

The Company's subsidiaries and other affiliates provide assistance and advice regarding the medicinal cannabis business in certain cases through management services agreements entered into with state-licensed entities. Under such agreements, the subsidiaries and affiliates perform certain management and operational services. In exchange for providing these services, the subsidiaries and affiliates receive management fees which are a key source of revenue for the Company. Payment of such fees is dependent on the continuing validity and enforceability of the relevant management services agreements. If such agreements are found to be invalid or unenforceable by regulators, whether on the basis that they relate to activities that are illegal under U.S. federal law or otherwise, or are terminated by the counter-party, this could have a material adverse effect on the Company's business, prospects, financial condition, and operating results.

Tax Risks Related to Controlled Substances

Limits on U.S. deductibility of certain expenses may have a material adverse effect on our financial condition, results of operations and cash flows. Section 280E ("Section 280E") of the Internal Revenue Code (the "Code") prohibits businesses from deducting certain expenses associated with the trafficking of controlled substances (within the meaning of Schedule I and II of the CSA). IRS has applied Section 280E in tax audits against various cannabis businesses in the U.S. that are permitted under applicable state laws. Although the IRS issued a clarification allowing the deduction of certain expenses, the scope of such items is interpreted very narrowly, and the bulk of operating costs and general administrative costs are not permitted to be deducted. While there are currently several pending cases before various administrative and federal courts challenging these restrictions, there is no guarantee that these courts will issue an interpretation of Section 280E that is favorable to cannabis businesses.

Limited Trademark Protection

We will not be able to register any U.S. federal trademarks in classes covering their cannabis-related products or services under the current state of federal law. Because producing, manufacturing, processing, possessing, distributing, and selling cannabis is illegal under the CSA, the United States Patent and Trademark Office ("USPTO") will not permit the registration of any trademark that does not comply with the CSA. As a result, the Company will unlikely be able to protect its cannabis product trademarks beyond the geographic areas in which its subsidiaries conduct business pursuant to the relevant state's law.

Civil Asset Forfeiture

Because the cannabis industry remains illegal under U.S. federal law, any real or personal property owned by participants in the cannabis industry, such as the Company, which is used in the course of conducting such business, or any property or monies deemed to be proceeds of an illegal cannabis business, could be subject to seizure by law enforcement and subsequent civil asset forfeiture, even in the absence of a criminal charge or conviction.

FDA Regulation

Cannabis containing more than 0.3% THC (tetrahydrocannabinol) remains a Schedule I controlled substance under U.S. federal law. If the federal government reclassifies cannabis to a Schedule II controlled substance, it is possible that the FDA would regulate it under the FD&C Act, or under the Public Health Service Act. Additionally, the FDA may issue rules, regulations or guidance including good manufacturing practices, related to the growth, cultivation, harvesting and processing of medical cannabis. If regulated by the FDA as a drug, clinical trials would be needed to demonstrate efficacy and safety. It is also possible that the FDA would require that facilities where medical-use cannabis is grown register with the FDA and comply with certain federally prescribed regulations.

In addition, while the FDA has not yet pursued enforcement actions against the cannabis industry, it has sent numerous warning letters to sellers of CBD products making health claims. The FDA could turn its attention to the cannabis industry especially relating to claims of concern. In the event that some or all of these regulations or enforcement actions are imposed, what the impact this would have on the cannabis industry is unknown, including what costs, requirements and possible prohibitions may be enforced.

Laws and Regulations Affecting the Industry in which the Company Operates are Constantly Changing

The constant evolution of laws and regulations affecting the cannabis industry could detrimentally affect the Company. The current and proposed operations of the Company and its subsidiaries are subject to a variety of local, state and federal medical cannabis laws and regulations relating to the manufacture, management, transportation, storage and disposal of cannabis, as well as laws and regulations relating to consumable products health and safety, the conduct of operations and the protection of the environment. These laws and regulations are broad in scope and subject to evolving interpretations, which could require the Company to incur substantial costs associated with compliance or alter certain aspects of their business plans. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of the business plans of the Company and result in a material adverse effect on certain aspects of their planned operations. These laws and regulations are rapidly evolving and subject to change with minimal notice. Regulatory changes may adversely affect the Company's profitability or cause it to cease operations entirely. The cannabis industry may come under scrutiny or further scrutiny by, the FDA, USDA, DEA, IRS, SEC, the DOJ, the Financial Industry Regulatory Advisory or other federal or applicable state or nongovernmental regulatory authorities or self-regulatory organizations that supervise or regulate the production, distribution, sale or use of cannabis for medical or adult use purposes in the United States. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any proposals will become law. The regulatory uncertainty surrounding the industry may adversely affect the business and operations of the Company, including without limitation, the costs to remain compliant with applicable laws and the impairment of its business or the ability to raise additional capital. In addition, the Company will not be able to predict the nature of any future laws, regulations, interpretations or applications, and it is possible that regulations may be enacted in the future that will be directly applicable to its business. For example, see the "*Risk Factors - Heightened Scrutiny by Canadian Authorities*" related to CDS above.

Limitation on Ownership of Licenses

In certain states, the cannabis laws and regulations limit not only the number of cannabis licenses issued, but also the number of cannabis licenses that one person or entity may own. For example, in Massachusetts, no person may have an ownership interest, or control over, more than three license holders in any category - cultivation, processing or dispensing. The Company believes that, where such restrictions apply, it may still capture significant share of revenue in the market through wholesale sales, exclusive marketing relations, provision of management or consulting services, franchising and similar arrangement with other operators. Nevertheless, such limitations on the acquisition of ownership of additional licenses within certain states may limit the Company's ability to grow organically or to increase its market share in such states.

The Regulatory Landscape on a U.S. State Level

Illinois

Legislative History

In January 2014, the Compassionate Use of Medical Cannabis Pilot Program Act, which allows individuals diagnosed with certain debilitating or "qualified" medical conditions to access medical marijuana, became effective. In January 2019, the Illinois Department of Health launched the Opioid Alternative Pilot Program, that allows individuals who have/ could receive a prescription for opioids to access to medical marijuana. In June 2019, Illinois legalized adult use marijuana pursuant to the Cannabis Regulation and Tax Act (the "IL Act"). Effective January 1, 2020, Illinois residents 21 years of age and older may possess up to 30 grams of marijuana (non- residents may possess up to 15 grams). The IL Act authorizes the IDFPR to issue up to 75 Conditional Adult Use Dispensing Organization licenses before May 1, 2020 and an additional 110 conditional licenses during 2021 (no person may hold a financial interest in more than 10 Dispensing Organizations). Existing medical dispensaries were able to apply for an "Early Approval Adult Use Dispensing Organization License" to serve adult users at an existing medical dispensary or at a secondary site. The IDFPR has granted approximately 48 Early Approval Adult Use Dispensing Organization licenses to date. The IDFPR also held an application period for Conditional Adult Use Cannabis Dispensary Licenses from December 10, 2019 through January 2, 2020. Licenses from this round of applications have not yet been awarded, and the anticipated award date has been delayed due to the COVID-19 pandemic and challenges to the application process.

The Illinois Department of Agriculture (the "**IL Ag. Department**") is authorized to make up to 30 cultivation center licenses available between the state's medical and adult-use programs. Existing cultivation centers were able to apply for an "Early Approval Adult Use Cultivation Center License" and approximately 21 have been issued to date. No person can hold a financial interest in more than three cultivation centers, and the centers are limited to 210,000 square feet of canopy space. Cultivation center are also prohibited from discriminating in price when selling to dispensaries, craft growers, or infuser organizations. The IL Ag. Department recently closed an application period for craft growers, infusers, and cannabis transporters.

The IL Act imposes several operational requirements on adult-use licensees. Licensees must establish methods for identifying, recording, and reporting diversion, theft, or loss, correcting inventory errors, and complying with product recalls. Licensees also must comply with detailed inventory, storage, and security requirements. Cultivation licenses are subject to similar operational requirements, such as complying with detailed security and storage requirements, and must also establish plans to address energy, water, and waste-management needs. Dispensary licenses will be renewed bi-annually, and cultivation licenses, craft grower licenses, infuser organization licenses, and transporter licenses will be renewed annually.

Licenses and Regulation

Oversight and implementation of the IL Act and CRTA are divided among three Illinois state departments: the Department of Public Health (the "**IL DPH**"), the Department of Agriculture (the "**IL DOA**"), and the Department of Financial and Professional Regulation (the "**IDFPR**"). The IL DPH oversees the following IL Act mandates: (a) establish and maintain a confidential registry of caregivers and qualifying patients authorized to engage in the medical use of cannabis, (b) distribute educational materials about the health risks associated with the abuse of cannabis and prescription medications, (c) adopt rules to administer the patient and caregiver registration program, and (d) adopt rules establishing food handling requirements for cannabis-infused products that are prepared for human consumption. It is the responsibility of the IL DOA to administer and enforce provisions of the IL Act and the CRTA Act relating to the oversight and registration of cultivation centers, craft growers, infusers, transporters, and agents, including the issuance of identification cards and establishing limits on potency or serving size for cannabis or cannabis products. The IDFPR enforces the provisions of the CRTA & IL Act relating to the registration and oversight of dispensing organizations.

Under the IL Act, dispensary, grower, and production licenses are valid for one year. After the initial term, licensees are required to submit renewal applications. Pursuant to the IL Act, registration renewal applications must be received 45 days prior to expiration and may be denied if the licensee has a history of non-compliance and penalties.

Under the CRTA, all cannabis business licenses, and agent cards must be renewed annually. Similar to the IL Act, after the initial term, licensees are required to submit renewal applications. Registration renewal applications must be received 45 days prior to expiration and may be denied if the licensee has a history of non-compliance and penalties.

Under the CRTA, cultivation centers may grow cannabis, extract cannabis concentrates and infuse cannabis into products. All cannabis plants in a cultivation center must be grown in an enclosed place with restricted access.

All products grown and made in cultivation centers will be sold solely to dispensing organizations, craft growers, or infusers. If there is a shortage of cannabis supply, priority must be given to medical patient supplies. When it comes to pricing, the same price should apply for all buyers, the cultivation centers are prohibited from discrimination.

Storage and Security

Mission dispensaries must store inventory on-site in a secured and restricted-access area and enter information into the State's tracking system in accordance with applicable law. Dispensing facilities are also required to implement security measures designed to deter and prevent unauthorized entry into the facility (and restricted-access areas) and theft, loss or diversion of cannabis or cannabis products including a commercial grade alarm and surveillance system.

Reporting Requirements

The state of Illinois uses BioTrack THC as its inventory tracking system. All dispensing organization licensees are required to use a real-time, web-based inventory tracking/point-of-sale system that is accessible to IDFPR at any time, and at a minimum, tracks date of sale, amount, price, and currency. Mission uses LeafLogix for both inventory management and as a point-of-sale system, which directly reports sales and inventory data to the state's BioTrack system. Licensees are also required to track each sales transaction at the time of the sale, daily beginning and ending inventory, acquisitions (including information about the supplier and the product) and disposal.

Transportation Requirements

Currently, licensed cultivation centers may transport cannabis and cannabis products in accordance with certain guidelines including with respect to manifest records and sealed packaging; however, cultivation centers will be prohibited from transporting adult-use cannabis without obtaining a separate transporting organization license.

Massachusetts

Legislative History

The Massachusetts Medical Use of Cannabis Program (the "**MA Program**") was established pursuant to the Act for the Humanitarian Medical Use of Cannabis (the "**MA ACT**"). The MA Program allows registered persons to purchase medical cannabis and applies to any patient, personal caregiver, Registered Cannabis Dispensary (each, a "**RMD**"), and RMD agent under the MA Program. To qualify, patients must suffer from one of 14 debilitating conditions as defined by the MA Program. The Cannabis Control Commission (the "**MA CCC**") is responsible for the administration of the MA Program. Massachusetts enacted An Act to Ensure Safe Access to Cannabis, and established the MA CCC in 2017. The MA CCC reviews applications and issues licenses for adult-use Cannabis Establishments (**ME's**) and Medical Cannabis Treatment Centers (**MTC's**), formerly known as Registered Cannabis Dispensaries (**RMD's**).

The Legalization of adult recreational sales of cannabis in Massachusetts went into effect in July 2018. As of June 1st, 2020, there were 172 retailers, 129 cultivation centers, 101 product manufacturers, and three testing facilities that had been authorized to commence operations in Massachusetts.

Licenses

An MTC is an entity licensed under the medical regulations. An MTC cultivates, processes, acquires, transports, distributes and dispenses, products containing cannabis or cannabis, related supplies, or educational materials to registered qualifying patients or their personal caregivers for medical use. MTCs may deliver cannabis and cannabis products directly to patients and caregivers after receiving MA CCC approval.

A Cannabis Cultivator may cultivate, process, and package cannabis, to transfer cannabis to other MEs, but not to consumers. Cultivators must select what tier they will be in by determining the total canopy they will cultivate.

A Cannabis Retailer is an entity authorized to purchase and transport cannabis and cannabis products from other MEs, and to sell or otherwise transfer cannabis and cannabis products to other MEs and to consumers. A Cannabis Retailer provides a retail location which may be accessed by consumers 21 years of age or older or, if the retailer is co-located with an MTC, by individuals who are also registered qualifying patients or personal caregivers.

Each license type is valid for one year and must be renewed no later than 60 calendar days prior to expiration. As in other states where cannabis is legal, the MA CCC can deny or revoke licenses and renewals for multiple reasons, including (a) submission of materially inaccurate, incomplete, or fraudulent information, (b) failure to comply with any applicable law or regulation, (c) failure to submit or implement a plan of correction, (d) attempting to assign registration to another entity, (e) insufficient financial resources, (f) committing, permitting, aiding, or abetting of any illegal practices in the operation of all cannabis businesses, (g) failure to cooperate or give information to relevant law enforcement related to a licensed cannabis business, and (h) lack of responsible operations. License holders must ensure that no cannabis is sold, delivered, or distributed by a producer from or to a location outside of this state.

Record-keeping/Reporting

Records of a cannabis business establishment must be available for inspection by the Commission, on request including financial records, operating procedures, inventory records, seed-to-sale tracking records for all cannabis and cannabis infused products, personnel records, business records and waste disposal records.

Massachusetts uses METRC as the T&T system. Individual licensees, whether directly or through a third-party application programming interface, are required to push data to the state to meet all reporting requirements.

Inventory/Storage

Through the T&T system, licensed cannabis businesses are required to record all actions related to each individual cannabis plant from seed and cultivation, through growth, harvest and preparation of cannabis infused products, if any, to final sale of finished products. This system must chronicle every step, ingredient, activity, transaction, and dispensary agent, registered qualifying patient, or personal caregiver who handles, obtains, or possesses the product. Licensed businesses must also establish and abide by inventory controls and procedures for conducting inventory reviews and comprehensive inventories of cultivating, finished, and stored cannabis products.

Licensees are required to ensure that all cannabis and cannabis infused products be securely stored and all safes, vaults, and other equipment or areas used for the production, cultivation, harvesting, processing, or storage of cannabis and cannabis infused products are securely locked and protected against unauthorized entry with restricted access.

Security

Adequate commercial grade security systems that prevent and detect diversion, theft, or loss of cannabis are required of each cannabis business under the regulations including perimeter alarms, notification systems for surveillance system failures, surveillance cameras and duress alarm, panic alarm, or holdup alarm connected to local public safety or law enforcement authorities.

Transportation

The MA Program regulates the means and methods by which cannabis is transported including with respect to security, segregation, manifest maintenance, alarm systems and randomized routes. Cannabis and cannabis infused products may not be transported outside Massachusetts.

Advertising

The regulations also govern advertising, promotional items, marketing restrictions, misleading statements and use of cannabis images. Cannabis may be displayed within the establishment, and price lists may be printed and displayed in the establishment and on the establishment's website.

Michigan

Legislative History

In 2008, the Michigan Compassionate Care Initiative established a medical cannabis program for serious and terminally ill patients. The Michigan Medical Cannabis Act ("**MMM Act**") came into force in December 2008.

In 2016, the Michigan legislature passed two new acts and also amended the original MMM Act. The first act establishes a licensing and regulation framework for medical cannabis growers, processors, secure transporters, provisioning centers, and safety compliance facilities. The second act establishes a "seed-to-sale" system to track cannabis that is grown, processed, transferred, stored, or disposed of under the Medical Cannabis Facilities Licensing Act.

The Bureau of Medical Cannabis Regulation is responsible for the oversight of medical cannabis in Michigan and consists of the Medical Cannabis Facility Licensing Division and the Michigan Medical Cannabis Program Division. The MMM Act provides access to state residents to cannabis and cannabis related products under several debilitating conditions.

Recreational cannabis was legalized by ballot initiative, Proposition 1, in November 2018. The initiative mandates that the Michigan Department of Licensing and Regulatory Affairs ("**LARA**") also known as the Marijuana Regulatory Agency ("**MRA**"), began accepting applications for retail stores December 2019. The initial application period will be limited to existing medical cannabis license holders.

Proposition 1 allows adults 21 years of age and older to use cannabis recreationally and grow up to 12 plants, sets a 10-ounce limit for cannabis stored in residences (quantities over 2.5 ounces must be kept in a locked container), and establishes a state licensing system for cannabis businesses. A 10 percent tax is imposed on all cannabis sales, which are directed towards education, transportation infrastructure, and local governments. It also changes violations from crimes to civil infractions.

The Emergency Rules for Adult-Use Marijuana Establishments promulgated on July 3, 2019 allow a person to obtain equivalent licenses and – when those equivalent licenses have common ownership – to operate those equivalent licenses at the same location. On April 8, 2020, MRA issued an advisory bulletin regarding transfer of marijuana between equivalent licenses. Per the bulletin, beginning on December 1, 2019, MRA restricted certain transfers from/to growers, processors, and provisioning centers.

Licensing

Any combination of a (a) grower, (b) processor, or (c) dispensary ("**provisioning center**") may operate as separate cannabis facilities at the same location. Each license will be required to have separate entrances and exits, inventory, record keeping, and point of sale operations, if applicable. A cannabis facility operating at a same location under this rule with multiple state operating licenses may transfer cannabis product or money between facilities authorized to operate at the same location as long as certain conditions are met, including with regard to common ownership, an employee at each facility monitoring and executing transfers, manifests in the statewide monitoring system being created, and receipt of transfer being recorded in the statewide system.

The Department and the Board cannot limit the number of licenses issued. The number of licenses issued will be based on the local municipality which may limit the type and number of facilities authorized within its boundaries.

Inventory

METRC is Michigan's state-wide seed-to-sale cannabis tracking system that uses serialized tags attached to every plant and labels attached to wholesale packages to track cannabis inventory.

The following tests must be completed prior to product be sold: (a) Moisture content, (b) Potency analysis, (c) THC level, (d) THCa level, (e) CBD and CBDa levels, (f) Foreign matter inspection, (g) Microbial and mycotoxin screening, (h) Pesticides, (i) Chemical residue, (j) Fungicides, (k) Insecticides, (l) Heavy metals screening, (m) Residual solvents levels, (n) Terpene analysis, & (o) Water content.

Prior to a cannabis product being sold or transferred to or by a dispensary, the product must be labelled with the following information: name & license number of the producer and processor, unique identification number, date of harvest, name of strain, net weight, concentration of THC or CBD, activation time expressed in words or through a pictogram, name of testing facility, universal warning symbol, and all required warning language.

Recordkeeping

MRA requires mandatory electronic record retention, financial and business record retention, method of retention documentation, and a mandatory backup. Required records include, but are not limited to: books, ledgers, documents, writings, photocopies, correspondence, electronic records, videotapes, surveillance footage, electronic stage media, electronically stored records, money receptacles, equipment in which records are stored, including data or information in the state monitoring system, or any other document that is used for recording information. All licensees' records must be maintained and made available to the agency upon request.

All cannabis products sold or transferred between facilities must have the tracking identification number that is assigned by the statewide monitoring system affixed, tagged, or labelled and recorded. To ensure access to safe sources of cannabis products, the department may recall any cannabis products, issue safety warnings, and require a cannabis facility to provide informational material or notifications.

Security

Licensees must maintain adequate lighting, physical security, video, backup power and alarm systems at the facility in accordance with applicable law. All inventory of cannabis products must be stored at a cannabis facility in a secured limited access area or restricted access area that requires identification for access. Inventory and access to restricted areas must be tracked consistently with the statewide monitoring system.

A provisioning center must store all cannabis products for transfer or sale behind a counter or other barrier separated from stock rooms. A monthly physical inventory reconciliation must be performed.

Transportation

Secure Transporters are licensed to obtain cannabis from cannabis establishments in order to transport cannabis between establishments.

Advertising

Generally, licenses cannot engage in advertising that is false or misleading and must not be marketed or advertised to individuals under 21 years of age. Licensees cannot advertise cannabis products where the advertisement is visible to the public from any street, sidewalk, park, or other public place. Cannabis facilities must comply with municipal ordinances, state law, and these rules regulating signs and advertising.

Washington

Brightleaf Development LLC ("**Brightleaf"**) and Ag Grow are landlords, packaging and equipment suppliers, and consultants to multiple Washington licensees. The Company does not have a direct ownership interest in any Washington licensees.

Legislative History

Washington has authorized the cultivation (sometimes referred to as production), possession, processing, wholesaling, retail sale, and transportation of cannabis by certain licensed Washington businesses. The Washington State Liquor and Cannabis Board ("**WSLCB**") regulates Washington's cannabis regulatory program. Brightleaf is advised by legal counsel and/or other advisors in connection with Washington's cannabis regulatory program. Brightleaf only engages in transactions with Washington cannabis businesses that hold WSLCB licenses and are in compliance with Washington's cannabis regulatory program. To the extent required by Washington's cannabis regulatory program, Brightleaf has fully disclosed and/or registered its and/or its subsidiaries relationships with Washington cannabis businesses. Brightleaf and Brightleaf's subsidiaries, REP, FHD and Ag-Grow and the business licensees contracting with such subsidiaries, including such contracting between Brightleaf, its subsidiaries and each of NWCS and 7Point, are in compliance with Washington's cannabis regulatory program, other than the administrative violation notices received by NWCS, as further discussed below.

Licenses

Every individual with an ownership or equity interest, with a right to receive a percentage of gross or net profits, or who exercises control over a licensed cannabis operator must apply for licensing with the WSLCB and be approved. Each applicant must be over 21 years of age and a Washington resident. Applicants must provide the WSLCB with specified financial information about the applicant and sources of funds and any financiers along with personal and criminal history. Any change in the initial ownership of a cannabis entity must receive prior approval through the WSLCB and undergoes a review of the same rigor and breadth as an initial application.

Operations

An applicant must provide an operational plan that includes a detailed description of all applicable areas of: security; traceability; employee qualifications and training; transportation of product including packaging for transportation; destruction of waste product; description of growing operation including growing media, size of grow space allocated for plant production, space allocated for any other business activity, description of all equipment used in the production process, and a list of soil amendments, fertilizers, other crop production aids, or pesticides, utilized in the production process; description of the types of products to be processed with a complete description of all equipment including all cannabis-infused edible processing facility equipment and solvents, gases, chemicals and other compounds used to create extracts and for processing of cannabis-infused products; testing procedures and protocols; employee compensation and benefits data; description of packaging and labeling of products; and the array of products to be sold and how are the products are to be displayed to consumers.

Any significant change in the operational plan (e.g. adding volatiles, processing capabilities, expanding the floorplan of the cannabis business, etc.) of a licensed cannabis entity must receive prior approval through the WSLCB, and undergoes a review of the same rigor and breadth as an initial application.

Inspections

The WSLCB sends an enforcement officer to inspect each proposed cannabis facility prior to granting approval to be authorized to begin cultivation, processing, or dispensing. Licensed operators must permit WSLCB enforcement officers to inspect the premises, vehicles, records, and cannabis products at any time, and random inspections are conducted frequently by enforcement officers.

In 2019, after significant debate about inconsistent WSLCB cannabis enforcement, the legislature passed SB5318. It directed the WSLCB to adopt a voluntary compliance education program (VCP) allowing licensees to request on-site enforcement visits designed to identify potential violations and corrective actions without risk of an Administrative Violation Notice AVN. As codified in RCW 69.50.342, it states: *The board must adopt rules to perfect and expand existing programs for compliance education for licensed cannabis businesses and their employees. The rules must include a voluntary compliance program created in consultation with licensed cannabis businesses and their employees.* Currently, the WSLCB is in the process of developing and refining the VCP rules and forms with stakeholder and enforcement feedback.

Security

The WSLCB requires all licensed operators, employees, and non-employee visitors other than retail customers to display an identification badge at all times on the premises. Each licensed operator must keep a log of all visitors other than retail customers to the premises.

All premises must have a security alarm system on all perimeter entry points and perimeter windows along with a complete video surveillance system that meets specified requirements.

Record-keeping/Reporting

Washington requires use of a seed-to-sale tracking system. Licensed operators must use an inventory control system that identifies and tracks the plant from the time it reaches a height of eight inches through harvest, processing, packaging, wholesale, and retail sale. Vehicles transporting cannabis must have: (i) a vehicle security system, including separate, secure, locking compartment to store any cannabis product; and (ii) a transportation manifest reported through the seed-to-sale tracking system with specified information. Licensed operators must retain traceability records for three years and make records available upon request for inspection by the WSLCB or other law enforcement.

On February 1, 2018, the WSLCB launched the Leaf Data Systems state reporting program. All licensed operators are now required to provide all traceability records to the WSLCB directly through the Leaf Data System or via an Application Programming Interface (API) through a third-party software integrator.

Pricing and Prohibited Practices

Cannabis products must be sold at a price indicative of true value. Licensed retailers may not sell cannabis products below the wholesale acquisition price of the product. Licensed cannabis producers and processors are prohibited from offering conditional sales, discounts, loans, rebates, free products, or any agreement that causes undue influence over another licensed operator. Licensed producers and processers are allowed to provide licensed retailers certain promotional items of nominal value such as hats, mugs, etc. which can then be handed out only to retail employees.

Testing

The WSLCB requires quality assurance testing for of each lot of final cannabis product be conducted by an independent, state certified, third-party testing laboratory. The quality assurance tests required for cannabis flowers and infused products currently include moisture content, potency analysis, foreign matter inspection, microbiological screening, and residual solvent levels.

The results of the inspection and testing are submitted to the WSLCB through the traceability system. In conjunction with the Washington State Department of Agriculture, the WSLCB conducts random screening for pesticide residues. All test results are required to be provided to retailers and/or end consumers upon request.

Packaging and Labelling

Each package containing cannabis or a cannabis product must have affixed a label including required warnings for all cannabis products and for the specific product type. The label must also include identifying information for the producer and retailer of the cannabis product. Each edible cannabis- infused product must be packaged in child-safe packaging and contain under 10 mg of active THC per serving.

Advertising

The WSLCB restricts advertising by licensee cannabis operators. Advertising in any form is prohibited within 1,000 feet of school grounds, playgrounds, recreation centers or facilities, childcare centers, public parks, libraries, or game arcades with unrestricted admission. Advertising is also prohibited on public transit vehicles or transit shelters, and on any publicly owned or operated property. Advertising visible from a public roadway may only contain the name, location, and nature of the business. No advertising may target youth or use objects likely to be appealing to youth. All advertising, including digital advertising, must include required warnings prescribed by regulation.

California

The Company owns Pure Ratios Holdings, Inc., which is indirectly involved in the California licensed cannabis industry because of its occasional engagement of licensed cannabis entities to contract manufacture certain products which contain THC. The Company also owns a subsidiary in California which possesses a local marijuana business permit from the City of Commerce, California, a provisional license from the California Bureau of Cannabis Control, and an annual license from the California Department of Public Health, Manufactured Cannabis Safety Branch, allowing adult-use and medicinal commercial cannabis manufacturing (volatile extraction) and distribution but is not yet operational. These licenses will be used to operate the Commerce Facility.

Legislative History

In 1996, California voters passed Proposition 215, the Compassionate Use Act allowing physicians to legally recommend medical cannabis for patients who would benefit from cannabis. The Compassionate Use Act legalized the use, possession and cultivation of medical cannabis for a set of qualifying conditions. In September 2015, the California legislature passed three bills, collectively known as the "Medical Cannabis Regulation and Safety Act". The Medical Cannabis Regulation and Safety Act established a licensing and regulatory framework for the medical cannabis businesses in California. Multiple agencies oversee different aspects of the program and require businesses obtain a state license and local approval to operate.

In November 2016, voters in California passed Proposition 64, the Adult Use of Cannabis Act ("**AUMA**") creating an adult-use cannabis program for individuals 21 years of age or older. In June 2017, the California State Legislature passed Senate Bill No. 94, known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("**MAUCRSA**"), which combined the Medical Cannabis Regulation and Safety Act and AUMA to provide a set of regulations to govern medical and adult-use licensing regime for cannabis businesses. The three agencies that regulate cannabis at the state level are: (a) the California Department of Food and Agriculture, via CalCannabis, which issues licenses to cannabis cultivators, (b) the California Department of Public Health, via the Manufactured Cannabis Safety Branch, which issues licenses to cannabis manufacturers and (c) the California Department of Consumer Affairs, via the Bureau of Cannabis Control, which issues licenses to cannabis distributors, testing laboratories, retailers, and micro-businesses.

To legally operate a medical or adult-use cannabis business in California, the operator must have both local approval and a state license. This requires license holders to operate in localities with cannabis licensing and approval programs. Municipalities in California are authorized to determine the number of licenses they will issue to cannabis operators, or can choose to outright ban the cultivation, manufacturing or the retail sale of cannabis.

On June 6, 2018, a proposal by the California Department of Consumer Affairs, the California Department of Public Health and the California Department of Food and Agriculture to re-adopt their emergency cannabis regulations went into effect. Among the changes, applicants may now complete one license application, allowing for both medical and adult use cannabis activity. On January 16, 2019, the California Department of Consumer Affairs, the California Department of Public Health and the California Department of Food and Agriculture approved the state regulations for cannabis businesses across the supply chain. These new regulations became effective immediately and superseded the emergency cannabis regulations that California had previously enacted.

Licenses (Pipeline)

There are five principal license categories in California: (1) cultivation, (2) manufacturing, (3) distribution, (4) retailer, and (5) testing. License holders are held to strict license renewal application requirements.

Cultivation licenses permit commercial cannabis cultivation activity involving the planting, growing, harvesting, drying, curing, grading or trimming of cannabis. Such licenses further permit the production, labeling and packaging of a limited number of non-manufactured cannabis products and permit the licensee to sell cannabis to certain licensed entities (both medical and adult use licensees) within the State of California for resale or manufacturing purposes.

Manufacturing licenses authorize manufacturers to process marijuana biomass into certain value-added products with the use of volatile or non-volatile solvents, depending on the license type.

Distribution licenses authorize distributors to obtain cannabis and cannabis products from licensed cultivators and manufacturers and to transport and provide the cannabis and cannabis products to licensed cannabis retailers.

Retailer licenses permit the sale of cannabis and cannabis products to both medical patients and adult use customers. Only certified physicians may provide medicinal marijuana recommendations. An adult-use retailer license permits the sale of cannabis and cannabis products to any adult 21 years of age or older. It does not require the individual to possess a physician's recommendation. Under the terms of such licenses, the holder is permitted to sell adult use cannabis and cannabis products to any person, provided the local jurisdiction permits the sale of adult use cannabis and the person is 21 years of age or older.

Testing laboratory licenses authorize laboratories, facilities, or other entities in California to conduct required tests of cannabis and cannabis products from licensed cultivators and manufacturers (*e.g.,* cannabinoids, microbials, residual solvents, residual pesticides, and the like).

Record-keeping/Reporting

California has selected METRC as the T&T system used to track commercial cannabis activity. As of January 2nd, 2020, all California cannabis businesses must be using METRC to track all inventory.

Licensees are required to maintain records for at least seven years from the date a record is created. These records include: (a) a cultivation plan, (b) all supporting documentation for data or information input into the T&T system, (c) all unique identifiers ("**UID**") assigned to product in inventory and all unassigned UIDs, (d) financial records related to the licensed commercial cannabis activity, including bank statements, tax records, sales invoices and receipts, and records of transport and transfer to other licensed facilities, (e) records related to employee training for the T&T system, and (f) permits, licenses, and other local authorizations to conduct the licensee's commercial cannabis activity.

Inventory/Storage

Each licensee is required to assign an account manager to oversee the T&T system. The account manager is fully trained on the system and is accountable to record all commercial cannabis activities accurately and completely. The licensee is expected to correct any data that is entered into the T&T system in error within three (3) business days of discovery of the error.

The licensee is required to report information in the T&T system for each transfer of cannabis or non-manufactured cannabis products to, or cannabis or non-manufactured cannabis products received from, other licensed operators. Licensees must use the T&T system for all inventory tracking activities at a licensed premise, including, but not limited to, reconciling all on premise and in-transit cannabis or non-manufactured cannabis product inventories at least once every 14 business days. The licensee must store cannabis and cannabis products in a secure place with locked doors.

Security

A licensee is required to maintain an alarm system in accordance with specified requirements and ensure a professionally qualified alarm company operator or one of its registered alarm agents installs, maintains, monitors, and responds to the alarm system. The manufacturing and cultivation of cannabis must use a digital video surveillance system that satisfy specified requirements.

Transportation

Transporting cannabis goods between licensees and a licensed facility may only be performed by persons holding a distributor license. The vehicle or trailer used must not contain any markings or features on the exterior which may indicate or identify the contents or purpose. All cannabis products must be locked in a box, container, or cage that is secured to the inside of the vehicle or trailer. When left unattended, vehicles must be locked and secured. At a minimum, the vehicle must be equipped with an alarm system. Motion detectors, pressure switches, duress, panic, and hold-up alarms may also be used.

COMPLIANCE

Under the direction of the Company's internal compliance team and outside legal counsel, the Company oversees, maintains, and implements a compliance program in conjunction with its operations in each jurisdiction. In addition, the Company has local regulatory/compliance counsel engaged in every jurisdiction (state and local) in which it operates. The Company, together with onsite management in each jurisdiction, is responsible for ensuring operations and that employees strictly comply with applicable laws, regulations, and licensing conditions and ensure that operations do not endanger the health, safety or welfare of the community. The Company designates a duly qualified and experienced manager at each location who is responsible to coordinate with operational units within each facility (to extent applicable) to ensure that the operation and all employees are following and complying with the Company's written security procedures and all regulatory compliance standards.

In conjunction with the Company's human resources and operations departments, the compliance and quality departments help oversee and implement training for all employees, including on compliance with state and local laws, compliance with state and local laws, cultivation/manufacturing/dispensing/transport procedures (as applicable), security and safety policies and procedures, inventory control, T&T, seed-to-sale, and point of sale systems training (as applicable); and quality control.

The Company's compliance program emphasizes security and inventory control to ensure strict monitoring of cannabis (including living plants and harvested plant material) and cannabis product inventory. Only authorized, properly trained employees in accordance with local and state regulations are allowed to access the Company's inventory management systems.

The Company and local outside counsel, monitor all compliance notifications from the regulators and inspectors in each market, timely resolving any issues identified. The team maintains records of all compliance notifications received from the state regulators or inspectors and how and when the issue was resolved. The Company has created comprehensive standard operating procedures that include detailed descriptions and instructions for receiving shipments of inventory, inventory tracking, recordkeeping and record retention practices related to inventory, as well as procedures for performing inventory reconciliation and ensuring the accuracy of inventory tracking and recordkeeping. The Company maintains accurate records of its inventory at all licensed facilities. Adherence to the Company's standard operating procedures is mandatory and ensures that the Company's operations are compliant with the rules set forth by the applicable state and local laws, regulations, ordinances, licenses and other requirements. Training on these standard operating procedures is mandatory by all employees and defined by function and role.

The Company has developed and continues to refine a robust compliance program designed to ensure operational and regulatory requirements continue to be satisfied and has worked closely with experts and outside counsel to develop compliance procedures intended to assist the Company in monitoring compliance with U.S. state law on an ongoing basis. The Company will continue to work closely with outside counsel and other compliance experts to further develop, enhance and improve its compliance and risk management and mitigation processes and procedures in furtherance of continued compliance with the complex regulatory frameworks of the states where the Company operates. The internal compliance program currently in place includes continued monitoring by the Company n's management team, outside counsel, and the Company's subsidiaries to ensure that all operations conform to and comply with required laws, rules, regulations and SOPs. The Company further requires its operating subsidiaries to report and disclose all instances of non-compliance, regulatory, administrative, or legal proceedings that may be initiated against them to the appropriate point of contact as set forth in the Company's standard operating procedures.

Notwithstanding the foregoing, from time to time, as with all businesses and all rules, it is anticipated that the Company, through its subsidiaries and establishments to which the Company provides operational support, may experience incidences of non-compliance with applicable rules and regulations, which may include minor matters such as:

- improper illumination of external signage;
- missing fields entries in a visitor log;
- total or partial obstruction of camera views;
- supplemental use of onsite surveillance room (i.e., storage);
- minor inventory discrepancies with regulatory reporting software;
- uptime issues regarding regulatory reporting software;
- missing fields in regulatory reports;
- cleaning schedules not available on display;
- inability to strictly adhere to curbside purchase protocols as written;
- updated staffing plan not immediately available on site; and
- marijuana infused product utensils improperly stored.

In addition, either on an inspection basis or in response to complaints, such as from neighbors, customers or former employees, State or local regulators may, among other things, issue investigatory- or demand-type letters, give warnings to or cite businesses which the Company operates or for which the Company provides operational support for violations, including those listed above. Such regulatory actions could lead to a requirement or directive to submit and thereafter comply with (for example) a plan of correction. Depending on the jurisdiction, it is also possible regulators may assess penalties and/or amendments, suspensions or revocations of licenses or otherwise take action that may impact the Company's licenses, business activities, operational support activities or operations.

To address such potential notices of non-compliance, the Company has implemented ongoing compliance reviews to ensure its subsidiaries and establishments to which it provides operational support are operating in conformance with applicable State and local cannabis rules and regulations. In the event non-compliance is discovered, during a compliance review or via internal audit, the Company will promptly remedy the same, including by self-reporting to applicable State and local cannabis regulators as and when required by law and will make all requisite and appropriate public disclosures of non-compliance, citations, notices of violation and the like which may have an impact on its licenses, business activities, operational support activities or operations.

The Company is in compliance with the laws of each of the states of Illinois, Massachusetts, Michigan, Washington and California and the related cannabis licensing framework. Other than as disclosed in this 10-K, there are no current incidences of non-compliance, citations or notices of violation outstanding which may have an impact on the Company's licenses, business activities or operations in these states. Notwithstanding the foregoing, like all businesses the Company may from time to time experience incidences of non-compliance with applicable rules and regulations in the states in which the Company operates and such non-compliance may have an impact on the Company's licenses, business activities or operations in the applicable state. However, the Company takes steps to minimize, disclose and remedy all incidences of non-compliance which may have an impact on the Company's activities or operations in all states in which the Company operates.

Strict compliance with state and local laws with respect to cannabis may neither absolve the Company of liability under U.S. federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company.

Industry Overview

The legal marijuana industry is comprised of several sub-sectors and is legal under different guidelines in many U.S. states though it remains illegal federally in the U.S. Notwithstanding, the overall sector is generally recognized to be one of the fastest growing in the U.S. Independent projections and publicized reports from sources such as New Frontier Data, expect combined medical and adult-use cannabis revenue of US$35 billion or more in 2025, both as the sector gains in credibility and acceptance, and as more and more states legalize either medical use or adult recreational use; or both. As of April 2021, there were 15 states and one district that had legalized medical and recreational use, and more than 36 other states that had legalized medical use.

Product Research and Development

Our branded products portfolio includes stock keeping units ("SKUs") across a range of product categories, including flower, pre-rolls, concentrates, vape, capsules, tinctures, edibles, topicals and other cannabis-related products. Furthermore, we engage in research and development activities focused on developing new extracted or infused cannabis consumer packaged products.

Customers and Revenue

Customers of our consumer packaged goods business include legal state-licensed cannabis dispensaries within each U.S. state in which we operate, as well as national retail channels, including department stores and specialty boutiques. The majority of our branded consumer packaged goods are distributed to unrelated third-party licensed retail cannabis stores. We are not dependent upon a single customer, or a few customers, the loss of any one or more of which would not have a material adverse effect on the business. No customer accounted for 10% or more of our consolidated net revenue during fiscal 2020 or 2019.

Sales, Marketing and Brand Development

The Company employs full-time, in-house marketing, retail, and product development functions. These functions engage in a range of brand-building activities and strategies, including market research, consumer insights research, new brand development, product innovation, copy & content production, design, packaging, retail operations and sales, to support business performance and growth at the local and national levels.

The Company sells its developed, acquired, and licensed branded products in four states, with plans to significantly increase distribution and expend form factors in 2021. The Company's portfolio of product brands includes the following:

- Edibles: *Chewee's, Ka'Kau, KOKO Gemz, Hi-Burst, Left-Handed Brand, Mari's Mints, Marmas, Pebbles, Verdure*
- Wellness and Pain Relief: *Pure Ratios (CBD), Verdure*
- Concentrates: *Crystal Clear, Terp Stix, Golden Goo, Evergreen, EZ Vape, Melo Premium Vape*
- Flower: *Funky Monkey, Private Reserve, Legends, Mini Budz*

Competition

The cannabis industry is highly competitive. We compete on quality, price, brand recognition, and distribution strength. Our cannabis products compete with other products for consumer purchases, as well as shelf space in retail dispensaries and wholesaler attention. We compete with thousands of cannabis producing companies from small "mom and pop" operations to multi-billion-dollar market cap multi-state operators. Our principal multi-state operator competitors include but are not limited to Curaleaf Holdings, Inc., Harvest Health & Recreation, Inc., iAnthus Capital Holdings, Inc., Green Thumb Industries Inc. and Cresco Labs Inc.

Sources and Availability of Production Materials

The principal components in the production of our cannabis consumer packaged goods include cannabis grown internally or acquired through wholesale channels, other agricultural products, and packaging materials (including glass, plastic and cardboard). Due to the U.S. federal prohibition on cannabis, we must source cannabis within each individual state in which it operates. While there are opportunities for centralized sourcing of some packaging materials, given each state's unique regulatory requirements, multi-state operators do not currently have access to nationwide packaging solutions.

To produce and dry cannabis flower, the Company utilizes growing medium, nutrients, water, electrical power, soil adjuvants, and certain beneficial pests as part of its integrated pest management efforts. There are many sources for such products (except for water and power, which are provided by the local utility), and prices are reflective of commodity pricing worldwide. Some of these raw material inputs are sourced internationally, so changes in import laws or duties are a potential risk. The prices of power and water are generally stable and set through processes that involve governmental approvals over any increases, but the prices of growing medium, nutrients, etc. are all at least somewhat exposed to underlying commodity price volatility.

For our extract products, an additional input is butane or propane for use as a solvent. These gases are largely a commodity, their pricing is reflective of worldwide conditions, and they are supplied to the Company's operations by local suppliers of industrial gases and materials in the relevant jurisdictions. Prices for such inputs may be volatile, as with any other commodity.

Our CBD products segment utilizes certain raw materials such as CBD source material, and certain herbs and other Ayurvedic ingredients which are part of Pure Ratios' formulations. These raw materials are generally commodities and their prices are reflective of worldwide commodity prices and volatility.

Seasonality

In certain regions, especially on the West Coast, the cannabis industry can be subject to seasonality in some states that allow home grow. Because homegrown plants are typically harvested in the late summer or early fall, there an be some deceleration in retail and wholesale sales trends during these months as these private supplies are consumed.

Intellectual Property

We protect our brands and trademarks to the extent permissible under applicable law. We hold certain state registered and unregistered trademarks in association with its cannabis goods listed below:

- Edibles: *Chewee's, KOKO Gemz, Hi-Burst, Left-Handed Brand, Mari's Mints, Marmas, Pebbles*
- Wellness and Pain Relief: *Pure Ratios*
- Concentrates: *Crystal Clear, Golden Goo, Evergreen, EZ Vape*
- Flower: *Mini Budz, Funky Monkey, Legends*
- Other: *Lotionz, Magic Kitchen, Potionz, THCaps, Verdure*

Pure Ratios utilizes reservoir patch technology, trade secrets and other intangible knowhow in the creation and formulation of the proprietary blend of herbs and other ingredients which are combined with CBD in its products.

Employees

As of April 5, 2021, we had 380 full time employees, 50 part-time employees, and 10 consultants. None of our employees are represented by a union or parties to a collective bargaining agreement. We believe our employee relations to be good.

Corporate Information

Our website is http://www.4FrontVentures.com. The information regarding our website and its content is for your convenience only. The content of our website is not deemed to be incorporated by reference in this report or filed with the SEC.

The Company's registered office is located at 550 Burrard St., Suite. 2900, Vancouver, BC and its head corporate office, which is the Company's mailing address, is located at 5060 N. 40th St., Suite. 120, Phoenix, AZ. The Company's telephone number is (602) 633-3067.

Available Information

Our filings with the Securities and Exchange Commission ("SEC"), including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports, filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, are accessible free of charge at http://www.4FrontVentures.com as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Our website also provides links to the charters for our Audit and Compensation Committees as well as our Board Mandate and Code of Business Conduct and Ethics, which can be accessed free of charge at https://4frontventures.com/about-us/.The information provided on our website is not part of this Annual Report and is therefore not incorporated by reference unless such information is otherwise specifically referenced elsewhere in this Annual Report. The SEC also maintains a website at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding our company that we file electronically with the SEC.

Implications of Being an Emerging Growth Company

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). For as long as we are an emerging growth company, unlike public companies that are not emerging growth companies under the JOBS Act, we will not be required to:

- provide an auditor's attestation report on management's assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002 (the "Sarbanes Oxley Act");
- provide more than two years of audited financial statements and related management's discussion and analysis of financial condition and results of operations;
- comply with any new requirements adopted by the Public Company Accounting Oversight Board (the "PCAOB") requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer;
- provide certain disclosure regarding executive compensation required of larger public companies or hold stockholder advisory votes on the executive compensation required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"); or
- obtain stockholder approval of any golden parachute payments not previously approved.

We will cease to be an emerging growth company upon the earliest of the:

- last day of the fiscal year in which we have $1.07 billion or more in total annual gross revenues;
- date on which we become a "large accelerated filer" (the fiscal year-end on which the total market value of our common equity securities held by non-affiliates is $700 million or more as of June 30);
- date on which we issue more than $1.0 billion of non-convertible debt over a three-year period; or
- last day of the fiscal year following the fifth anniversary of our initial public offering.

We have elected to take advantage of certain of the reduced disclosure obligations in this report, and may elect to take advantage of other reduced reporting requirements in future filings. As a result, the information that we provide to our stockholders may be different than you might receive from other public reporting companies in which you hold equity interests.

In addition, Section 107 of the JOBS Act also provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

Item 1A. Risk Factors

Not applicable to smaller reporting companies.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

The following table sets forth our owned and leased locations by geographic location as of April 5, 2021. The Company has entered into sale-and-leaseback transactions with Innovative Industrial Properties, Inc. and will continue to enter into such transactions with real estate investment trusts when deemed beneficial to the Company's strategy. As a result, the Company's real estate profile may continue to shift to leased properties.

Location	General Character of Property	Size of Property	Segments Using Property	Owned or Leased	Encumbrances
Phoenix, Arizona	Corporate office	2,000 sq. ft.	Corporate	Leased	None
Georgetown, Massachusetts	Indoor cultivation and processing	168,800 sq. ft.	Legalized marijuana production	Leased	LI Lending has security interest
Boston, Massachusetts	Retail dispensary	4,000 sq. ft.	Retail	Owned	LI Lending has security interest
Elk Grove Village, Illinois	Indoor cultivation and processing	93,870 sq. ft.	Legalized marijuana production	Leased	None
Chicago, Illinois	Retail dispensary	4,200 sq. ft.	Retail	Owned	None
Calumet City, Illinois	Retail dispensary	2,600 sq. ft.	Retail	Leased	None
Worcester, Massachusetts	Retail dispensary	24,424 sq. ft.	Retail	Leased	None
Ann Arbor, Michigan	Retail dispensary	5,400 sq. ft.	Retail	Leased	None
Elma, Washington	Warehouse	60,000 sq. ft.	Legalized Marijuana Production	Leased from the Port of Grays Harbor under a lease which allows the Company to extend the lease up to an additional 50 years from October 1, 2016, by exercising the nine (9) consecutive five (5) year extension rights under the lease.	None
Lathrop Industrial Drive, Washington	Indoor Cultivation, 2 Buildings	116,500 sq. ft.	Legalized Marijuana Production	Leased to and operated by NWCS, a Washington-State licensed cannabis producer/processor	None
Commerce, California	Indoor cultivation and processing	170,000 sq. ft.	Legalized marijuana production	Leased	None

San Diego, California	Office and production facility	2,350 sq. ft.	CBD Production	Leased	None

Item 3. Legal Proceedings.

On December 4, 2019, counsel for Limevee, LLC sent a letter to Chad Conner at Pure Ratios Holdings, Inc. (successor of International Bioceutical Company) regarding allegations of breach of contract involving a Consulting Services Agreement between Limevee and International Bioceutical Company. Limevee alleges that $79 plus additional damages are owed, which would be determined following an accounting of sales in November and December 2019. Limevee's counsel sent an additional letter on February 18, 2020. As of April 5, 2021, no lawsuit has been filed.

On March 2, 2021, 4Front Ventures Corp. received correspondence from Brothers for Life LLC asserting that 4Front was obligated to make a $200 payment pursuant to a June 18, 2019 Fee Agreement (the "Fee Agreement") entered into between Brothers for Life LLC and Cannex, the company which 4Front Holdings LLC combined with in July 2019. The Company disagrees that any payments are due under the Fee Agreement, and intends to pursue its rights under the Fee Agreement vehemently.

Apart from the foregoing and ongoing legal proceedings, from time to time, we may be subject to various other legal proceedings and claims that are routine and incidental to our business. Although some of the legal proceedings set forth herein may result in adverse decisions or settlements, Management believes that the final disposition of such matters will not have a material adverse effect on our business, financial position, results of operations or cash flows.

Item 4. Mine Safety Disclosures.

Not Applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

As of April 5, 2021, the Company has two classes of stock: (i) Class A Subordinate Voting Shares ("SVS"), and (ii) Class C Multiple Voting Shares ("MVS"), both with no par value. The Company is authorized to issue an unlimited number of SVS and an unlimited number of MVS. Holders of SVS are entitled to one vote in respect of each SVS. Holders of MVS are entitled to 800 votes in respect of each MVS, and have certain conversion rights as further described in Note 15 of the Company's Consolidated Financial Statements.

Market Information

Our SVS are listed and posted for trading on the CSE under the symbol "FFNT". The table below sets forth the monthly high and low closing prices for the SVS traded through the CSE for the period from January 1, 2020 to December 31, 2020 in Canadian dollars.

2020	High	Low
January	$ 0.81	$ 0.54
February	$ 0.70	$ 0.40
March	$ 0.45	$ 0.25
April	$ 0.43	$ 0.28
May	$ 0.64	$ 0.39
June	$ 0.60	$ 0.49
July	$ 0.84	$ 0.50
August	$ 0.96	$ 0.73
September	$ 0.97	$ 0.70
October	$ 0.91	$ 0.67
November	$ 1.20	$ 0.76
December	$ 1.21	$ 0.98

The SVS are also quoted on the OTCQX Best Market under the symbol "FFNTF." The table below sets forth the monthly high and low closing prices for the SVS traded through the OTCQX for the period from January 1, 2020 to December 31, 2020 in U.S. dollars.

2020	High	Low
January	$ 0.63	$ 0.41
February	$ 0.53	$ 0.29
March	$ 0.34	$ 0.17
April	$ 0.31	$ 0.20
May	$ 0.47	$ 0.27
June	$ 0.45	$ 0.36
July	$ 0.63	$ 0.37
August	$ 0.73	$ 0.55
September	$ 0.74	$ 0.52
October	$ 0.70	$ 0.50
November	$ 0.93	$ 0.57
December	$ 0.95	$ 0.77

Holders of Record

The approximate number of holders of record of the SVS as of April 5, 2021 was 234.

Dividends

We have not historically declared dividends on our SVS, and we do not currently intend to pay dividends on our SVS. The declaration, amount and payment of any future dividends on SVS, if any, will be at the sole discretion of our board of directors, out of funds legally available for dividends. We anticipate that we will retain our earnings, if any, for the growth and development of our business.

Item 6. Selected Financial Data.

Not required for smaller reporting companies.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Our management's discussion and analysis of financial condition and results of operations should be read in conjunction with our accompanying Consolidated Audited Financial Statements and related notes, as well other information contained in this annual report. The discussion is based upon, among other things, our Consolidated Audited Financial Statements, which have been prepared in accordance with U.S. GAAP. The preparation of financial statements in conformity with U.S. GAAP requires us to, among other things, make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent liabilities at the financial statement dates and the reported amounts of revenues and expenses during the reporting periods. We review our estimates and assumptions on an ongoing basis. Our estimates are based on our historical experience and other assumptions that we believe to be reasonable under the circumstances. Actual results are likely to differ from those estimates under different assumptions or conditions, but we do not believe such differences will materially affect our financial position or results of operations, although they could. All references to results of operations in this discussion are references to results of continuing operations, unless otherwise noted.

Overview

The Company exists pursuant to the provisions of the British Columbia Corporations Act. On July 31, 2019, 4Front Holdings LLC ("Holdings") completed a Reverse Takeover Transaction ("RTO") with Cannex Capital Holdings Inc. ("Cannex") whereby Holdings acquired Cannex and the shareholders of Holdings became the controlling shareholders of the Company. Following the RTO, the Company's SVS are listed on the Canadian Securities Exchange ("CSE") under the ticker "FFNT" and are quoted on the OTC (OTCQX: FFNTF).

The Company has two primary operating segments: THC Cannabis and CBD Wellness. With regard to its THC Cannabis segment, as of December 31, 2020, the Company operated five dispensaries in Massachusetts, Illinois, and Michigan, primarily under the "MISSION" brand name. Also, as of December 31, 2020, the Company operated two production facilities in Massachusetts and one in Illinois. The Company produces the majority of products that are sold at its Massachusetts and Illinois dispensaries. Also as part of its THC Cannabis segment, the Company sells equipment, supplies and intellectual property to cannabis producers in the state of Washington. The Company also operates age-gated online educational platforms for THC Cannabis patients and customers.

The Company's CBD Wellness segment is focused upon its ownership and operation of its wholly-owned subsidiary, Pure Ratios Holdings, Inc. ("Pure Ratios"), a CBD-focused wellness company in California, that sells non-THC products throughout the United States.

While marijuana is legal under the laws of several U.S. states (with varying restrictions), the United States Federal Controlled Substances Act classifies all "marijuana" as a Schedule I drug, whether for medical or recreational use. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety data for the use of the drug under medical supervision.

COVID-19

In March 2020, the World Health Organization (WHO) declared the coronavirus disease 2019 ("COVID-19") a global pandemic. The duration and severity of COVID-19's effects and those of its variants are currently unknown, but the Company's priorities during the pandemic are protecting the health and safety of its employees and its customers, following the recommended actions of government and health authorities.

Operations of the Company are currently ongoing as the cultivation, processing and sale of cannabis products is currently considered an "essential" business by all states in which the Company operates. COVID-19 has not negatively impacted the Company's revenue, gross profit and operating income, nor materially impacted the Company's business operations or liquidity position to date. The Company continues to generate operating cash flows to meet its short-term liquidity needs.

The Company's ability to continue to operate without any significant negative operational impact from the COVID-19 pandemic and any of its variants will in part depend on the Company's ability to protect its employees, customers and supply chain and its continued designation as "essential" in states where it does business that currently or in the future impose restrictions on business operations. The Company continues to implement and evaluate actions to strengthen its financial position and support the continuity of its business and operations in the face of this pandemic and other events.

Foreign Private Issuer Status

As of January 1, 2021, we were no longer a foreign private issuer, and we are required to comply with all of the provisions applicable to a U.S. domestic issuer under the Exchange Act, including filing this Annual Report on Form 10-K, quarterly periodic reports and current reports for certain events, complying with the sections of the Securities Exchange Act of 1934, as amended (the "Exchange Act") regulating the solicitation of proxies, requiring insiders to file public reports of their share ownership and trading activities and insiders being liable for profit from trades made in a short period of time. We are also no longer exempt from the requirements of Regulation FD promulgated under the Exchange Act related to selective disclosures. In addition, we are required to report our financial results under U.S. Generally Accepted Accounting Principles, including our historical financial results, which have previously been prepared in accordance with International Financial Reporting Standards. We expect to continue to incur significant legal, accounting, insurance and other expenses and to expend greater time and resources to comply with these requirements. In addition, we may need to develop our reporting and compliance infrastructure and may face challenges in complying with the new requirements applicable to us.

Recent Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in "Part IV, Item 15, Note 2 – Significant Accounting Policies" to our consolidated financial statements appearing elsewhere in this Annual Report on Form 10-K.

Significant Accounting Judgments, Estimates and Assumptions

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below.

Significant estimates made in the preparation of these consolidated financial statements include the following areas:

Useful lives of property, plant and equipment and intangible assets

Property, plant and equipment are amortized or depreciated over their useful lives. Useful lives are based on management's estimate of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the consolidated statement of operations and comprehensive loss in specific periods.

Amortization of intangible assets is dependent upon estimates of useful lives based on management's estimate.

Inventory

The net realizable value of inventories represents the estimated selling price for inventories in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale. The determination of net realizable value requires significant judgment, including consideration of factors such as shrinkage, the aging of and future demand for inventory, expected future selling price the Company expects to realize by selling the inventory, and the contractual arrangements with customers. The estimates are judgmental in nature and are made at a point in time, using available information, expected business plans, and expected market conditions. As a result, the actual amount received on sale could differ from the estimated value of inventory. Periodic reviews are performed on the inventory balance. The impact of changes in inventory reserves is reflected in cost of goods sold.

Share-based compensation

Share-based compensation expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures. See Note 18.

Fair value of financial instruments

The individual fair values attributed to the different components of a financing transaction, notably investment in equity securities, derivative financial instruments, convertible debt and loans, are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of their issuance; (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market. The assumptions regarding the derivative liabilities are disclosed in Note 21.

Goodwill Impairment

Goodwill arises from business combinations and is generally determined as the excess of the fair value of the consideration transferred, plus the fair value of any non-controlling interests in the acquiree, over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. Goodwill acquired in a business combination is not amortized but tested for impairment at least annually or more frequently if events and circumstances exist that indicate that a goodwill impairment test should be performed. The company uses the approach described in ASC Topic 350 which includes both qualitative and quantitative measures to test for impairment.

Determination of Reporting Units

The Company's assets are aggregated into two reportable segments (THC Cannabis and CBD Wellness). For the purposes of testing goodwill, the Company has identified four reporting units. The Company analyzed its reporting units by first reviewing the operating segments based on retail vs. production operations for THC, and comprehensive operations of Pure Ratios for CBD. The production operating segment was then further divided into two reporting units determined through primary activities for cultivation and production, and ancillary services supporting the production operating segment.

Business combinations

Classification of an acquisition as a business combination or an asset acquisition depends on whether the assets acquired constitute a business, which can be a complex judgment. Whether an acquisition is classified as a business combination or asset acquisition can have a significant impact on the entries made on and after acquisition.

In determining the fair value of all identifiable assets, liabilities and contingent liabilities acquired, the most significant estimates relate to contingent consideration and intangible assets. Management exercises judgement in estimating the probability and timing of when earn-outs are expected to be achieved which is used as the basis for estimating fair value. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied. See Note 11 for additional details.

Segmented reporting

The Company must exercise judgement in defining its business segments (Note 22) and allocating revenue, expenses and assets among the segments. The Company bases allocations on the groupings used to manage the business and report to senior management.

Income taxes

The Company must exercise judgment in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for expected tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Control of entities being consolidated

The Company must exercise judgment in determining if, and when control exists over entities where the Company does not have direct ownership but does have control through management agreements. The Company consolidates all entities that it controls.

Intangible assets

Intangible assets acquired in a business combination are measured at fair value at the acquisition date. The Company must exercise judgment in identifying intangible assets, in determining their useful life, if any, and in testing for impairment.

Results of Operations

Year Ended December 31, 2020 Compared With Year Ended December 31, 2019

The following table sets forth our consolidated statement of operations for the years ended December 31, 2020 and 2019, and the change between the two years ($ in thousands):

			Change	
	2020	2019	$	%
Revenue from Sale of Goods	$ 46,616	$ 14,812	$ 31,804	215%
Real Estate Income	11,019	4,220	6,799	161%
Total Revenues	57,635	19,032	38,603	203%
Cost of Goods Sold	(21,124)	(10,851)	(10,273)	95%
Gross profit	36,511	8,181	28,330	346%
Total Operating Expense	69,121	188,021	(118,900)	(63%)
Income (Loss) from Operations	(32,610)	(179,840)	147,230	82%
Total Other income (expense)	(12,333)	1,814	(14,147)	(780%)
Net Income (Loss) Before Income Taxes	(44,943)	(178,026)	133,083	75%
Income Tax Expense	(15,049)	(966)	(14,083)	1458%
Net Loss from Continuing Operations	(59,992)	(178,992)	119,000	66%
Net Income (Loss) from Discontinued Operations, Net of Taxes	12,987	(3,133)	16,120	515%
Net Income (Loss)	$ (47,005)	$ (182,125)	$ 135,120	74%

Revenue from Sale of Goods

Revenue from sale of goods for the twelve months ended December 31, 2020 was $46,616, an increase of $31,804 or 215% compared to the twelve months ended December 31, 2019. This increase was primarily due to higher sales with the start of adult use sales in at our two dispensaries in Illinois in January and December 2020, and in Massachusetts in August and September of 2020.

Real Estate Income

Real Estate Income from leasing cannabis production facilities ended December 31, 2020 was $11,019, an increase of $6,799 or 161% compared to the twelve months ended December 31, 2019. This increase was primarily due to a full year of real estate income in 2020 as compared to five months of income in 2019 after the Cannex business combination.

Cost of Goods Sold

Cost of goods sold ("COGS") increased $10,273 for the twelve months ended December 31, 2020. COGS represent costs to cultivate and produce cannabis and CBD products that are produced in our owned facilities and are sold to third parties and through our owned dispensaries. For products that are purchased from third parties, COGS is the cost of inventory for sales to retail customers. Production costs increased $5,129 due to the increased production at the at our Illinois and Massachusetts facilities. COGS for purchased inventory grew $5,994 to help facilitate the demand at our owned facilities as adult use became available in Illinois in January and December 2020, and in Massachusetts in August and September 2020.

Gross Profit

Gross profit for the twelve months ended December 31, 2020 was $36,511, an increase of $28,330 or 346%, compared the twelve months ended December 31, 2019. The increase was primarily due to higher sales from the dispensaries in Illinois and Massachusetts as noted in Revenue above.

Total Operating Expenses

Total operating expenses for the twelve months ended December 31, 2020 were $69,121, an decrease of $118,900 or 63%, as compared to the twelve months ended December 31, 2019. This increase is primarily due to an increase of $14,328 due to higher selling costs at the store-level. The sharp decrease is largely due to a $145,203 impairment of goodwill from the Cannex business combination during the twelve months ended December 31, 2019. This impairment was a non-cash item and had no effect on the operations of the Company.

Total Other Income (Expense)

Total Other Income (Expense) for the twelve months ending December 31, 2020 was ($12,333), as compared to $1,814 for the twelve months ended December 31, 2019. This is driven by higher interest expense from the GGP and LI Lending loans (Note 13).

Net Loss From Continuing Operations

Net loss from continuing operations for the twelve months ended December 31, 2020 was $59,992, compared to a net loss from continuing operations of $178,992 for the twelve months ended December 31, 2019. The higher loss for the twelve months ended December 31, 2019 was primarily due to the impairment of goodwill from the Cannex business combination.

Year Ended December 31, 2019 Compared With Year Ended December 31, 2018

The following table sets forth our consolidated statement of operations for the years ended December 31, 2019 and 2018, and the change between the two years ($ in thousands):

			Change	
	2019	2018	$	%
Revenue from Sale of Goods	$ 14,812	$ 3,766	$ 11,046	293%
Real Estate Income	4,220	—	4,220	N/A
Total Revenues	19,032	3,766	15,266	405%
Cost of Goods Sold	(10,851)	(2,618)	(8,233)	314%
Gross profit	8,181	1,148	7,033	613%
Total Operating Expense	188,021	13,523	174,498	1290%
Income (Loss) from Operations	(179,840)	(12,375)	(167,465)	(1353%)
Total Other income (expense)	1,814	2,218	(404)	(18%)
Net Income (Loss) Before Income Taxes	(178,026)	(10,157)	(167,869)	(1653%)
Income Tax Expense	(966)	(105)	(861)	820%
Net Loss from Continuing Operations	(178,992)	(10,262)	(168,730)	(1644%)
Net Income (Loss) from Discontinued Operations, Net of Taxes	(3,133)	—	(3,133)	N/A
Net Income (Loss)	$ (182,125)	$ (10,262)	$ (171,863)	(1675%)

Revenue from Sale of Goods

Revenue for the twelve months ended December 31, 2019 was $14,812 an increase of $11,046 or 293% compared to the twelve months ended December 31, 2018. This increase was primarily due to a full year of operations at businesses acquired in 2018 ($5,586), the acquisition of PHX Interactive, LLC in February 2019 ($2,077), the acquisition of Om of Medicine in April 2019 ($2,061) and the business combination with Cannex in July 2019 ($7,118).

Revenues also improved from the opening of three dispensaries in Maryland, one dispensary in Arkansas, and one dispensary and cultivation location in Worcester, MA throughout 2019 ($3,475). For existing dispensary operations in South Shore, IL, Allentown, PA, and Catonsville, MD combined sales increased in 2019 compared to 2018 by over $5,835. Existing cultivation and processing operations in Illinois increased revenues in the twelve months ended December 31, 2019 by $2,007 through wholesale transactions.

Real Estate Income

Real Estate Income from leasing cannabis production facilities ended December 31, 2019 was $4,220 compared to $nil for to the twelve months ended December 31, 2018, resulting from the five months of real estate income recognized after the Cannex business combination in 2019.

Cost of Goods Sold

Cost of goods sold (“COGS”) increased $8,233 for the twelve months ended December 31, 2019. COGS represent costs to cultivate and produce cannabis and CBD products that are produced in Company owned facilities and are sold to third parties and through Company-owned dispensaries. For products that are purchased from third parties, COGS is the cost of inventory for sales to retail customers. Production costs increased $5,538 due to the increased production at the previously acquired HPI facility as well as increased production at the Company’s Illinois location and newly opened Worcester, MA facility. COGS for purchased inventory grew $10,018 to help facilitate the demand at newly opened or acquired dispensary locations ($8,800) as well as the business combination with Cannex’s equipment and supplies wholesale business ($1,218).

Gross Profit

Gross profit for the twelve months ended December 31, 2019 was $8,181, an increase of $7,033 or 613%, compared the twelve months ended December 31, 2018. The increase was primarily due to the business combination with Cannex and the associated real estate leasing business. Additionally, gross profits increased with a full year's performance of Healthy Pharms, and the acquisition of PHX Interactive, LLC and OM of Medicine. The remaining gross profit improvement can be attributed to progress of existing dispensary operations in Pennsylvania and Illinois, as well as newly opened dispensaries and productions assets in Maryland, Arkansas, Illinois, and Massachusetts.

Total Operating Expenses

Total operating expenses for the twelve months ended December 31, 2019 were $188,021, an increase of $174,498 or 1290%, as compared to the twelve months ended December 31, 2018. The result is largely due to a $146,295 charge from the impairment of goodwill from the Cannex business combination. This impairment is a non-cash items and has no effect on the operations of the Company. The goodwill is the difference between the consideration paid and the fair value of the net assets acquired on July 31, 2019. Goodwill is required to be tested for impairment at least annually and the first test of the goodwill occurred as of December 31, 2019. The goodwill acquired was approximately $180,157 and was the result of the Company's relatively high stock price on July 31, 2019. The Company hired an independent valuation company to test for impairment and the results were reviewed by the Company's auditors. The primary intangible asset acquired is the know-how to efficiently grow and manufacture high quality cannabis products at scale and this know-how has been implemented at Holdings' three legacy production facilities. The Company continues to forecast rapid growth in revenue and cash flows as a result of this know-how and for the impairment testing the Company discounted the cash flows from the rapid growth to be conservative which resulted in a higher impairment amount. The Company continues to forecast rapid growth and improvements to cash flows over the next three years.

Total Other Income (Expense)

Total Other Income (Expense) for the twelve months ending December 31, 2019 was 1,814, a decrease of ($404) or 18%. The decrease is largely due to higher legal settlements in 2018.

Net Loss Before Income Taxes

Net loss before taxes and non-controlling interest for the twelve months ended December 31, 2019 was $178,026, compared to a net loss before taxes and non-controlling interest of $10,157 for the twelve months ended December 31, 2018. This higher loss was primarily due to the impairment of goodwill, additional overhead expenses from Cannex entities, and an increase in corporate headcount. The loss was partially offset by the improvement in the underlying dispensary, cultivation, and production businesses compared to the twelve months ending December 31, 2018.

Results of Operations – Segments

The following tables summarize revenues net of sales discounts by segment for the years ended December 31, 2020, 2019 and 2018:

	For the Year ended December 31,			**2020 vs. 2019**		**2019 vs. 2018**	
	2020	**2019**	**2018**	**$**	**%**	**$**	**%**
THC Cannabis	50,041	17,825	3,766	32,216	181%	14,059	373%
CBD Wellness	7,594	1,207	-	6,388	529%	1,207	N/A
Total	**57,635**	**19,032**	**3,766**	**38,603**	**203%**	**15,266**	**405%**

Year Ended December 31, 2020 Compared With Year Ended December 31, 2019

Net revenues for the THC Cannabis Segment were $50,041 for the year ended December 31, 2020, an increase of $32,216 or 181%, compared to the year ended December 31, 2019. The increase in net revenues was primarily driven by 2019 only including five months of revenue from the Cannex acquisition.

Net revenues for the CBD Wellness Segment were $7,594 for the year ended December 31, 2020, an increase of $6,388 or 529%, compared to the year ended December 31, 2019. The increase in net revenues was primarily driven by a significant increase in digital marketing.

Year Ended December 31, 2019 Compared With Year Ended December 31, 2018

Net revenues for the THC Cannabis Segment were $17,825 for the year ended December 31, 2019, an increase of $14,059 or 373%, compared to the year ended December 31, 2018. The increase in net revenues was primarily driven by the acquisition of Healthy Pharms in November 2018, the acquisition of Om of Medicine in April 2019, and the opening of the Mission Worcester dispensary in May 2019.

Net revenues for the CBD Wellness Segment were $1,207 for the year ended December 31, 2019, an $nil for the year ended December 31, 2018, as Pure Ratios included in the 2019 acquisition of Cannex.

Non-GAAP Financial and Performance Measures

In addition to providing financial measurements based on GAAP, we provide additional financial metrics that are not prepared in accordance with GAAP. Management uses non-GAAP financial measures, in addition to GAAP financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes and to evaluate the Company's financial performance. Management uses the non-GAAP measurement of adjusted EBITDA, which we believe reflects our ongoing business in a manner that allows for meaningful comparisons and analysis of trends in the business, as it facilitates comparing financial results across accounting periods. We also believe that this non-GAAP financial measure enables investors to evaluate the Company's operating results and future prospects in the same manner as management. This non-GAAP financial measures may also exclude expenses and gains that may be unusual in nature, infrequent or not reflective of the Company's ongoing operating results. As there are no standardized methods of calculating non-GAAP measures, our methods may differ from those used by others, and accordingly, the use of these measures may not be directly comparable to similarly titled measures used by others. Accordingly, non-GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Adjusted EBITDA

Adjusted EBITDA is defined by the Company as earnings before interest, taxes, depreciation and amortization less share-based compensation expense and one-time charges related to acquisition and business combination related costs. We consider these measures to be an important indicator of the financial strength and performance of our business. The following table reconciles adjusted EBITDA to its closest GAAP measure.

For the years ended December 31, 2020 and 2019, adjusted EBITDA consisted of the following:

Year ended December 31,	2020 $	2019 $
Net loss (GAAP)	$ (47,051)	$ (182,010)
Interest income	(77)	(85)
Interest expense	15,779	5,559
Income tax expense	15,049	966
Depreciation and amortization	8,563	4,171
Accretion	(643)	(337)
Equity based compensation	5,306	5,913
Legal settlement	(2,480)	(2,500)
Change in value of derivative liability	1,578	(5,317)
Foreign exchange gain (loss)	(19)	57
Acquisition, transaction, and other one-time costs	3,872	2,394
Non-cash inventory adjustment	2,305	—
Non-cash lease expense	2,404	—
Investment write-off	1,701	529
Adjustment to contingent consideration	775	—
Impairment of goodwill	16,748	145,203
Gain on sale of subsidiary	(12,987)	529
Gain on sale leaseback transactions	(3,345)	—
Gain on restructuring of notes receivable	(380)	—
Gain on settlement of debt	(1,218)	—
Adjusted EBITDA (Non-GAAP)	$ 5,880	$ (24,928)

Adjusted EBITDA should not be considered in isolation from, or as a substitute for, net loss. There are a number of limitations related to the use of adjusted EBITDA as compared to net loss, the closest comparable GAAP measure. Adjusted EBITDA excludes:

- Interest income and expense
- Current income tax expense
- Non-cash depreciation and amortization expense
- Accretion expense related to a periodic update of the present value of a liability
- Equity based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense in our business and an important part of our compensation strategy
- Legal settlements
- Non-cash change in fair value of derivative liability
- Non-cash foreign exchange gains or losses, which accounts for the effect of both realized and unrealized foreign exchange transactions; unrealized gains or losses represent foreign exchange revaluation of foreign denominated monetary assets and liabilities
- Acquisition, transaction, and other expenses (income), which vary significantly by transactions and are excluded to evaluate ongoing operating results
- Investment write-off
- Non-cash impairment charges, as the charges are not expected to be a recurring business activity

Adjusted EBITDA is a financial measure that is not calculated in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Management believes that because adjusted EBITDA excludes (a) certain non-cash expenses (such as depreciation, amortization and stock-based compensation) and (b) expenses that are not reflective of the Company’s core operating results over time (such as restructuring costs, litigation or dispute settlement charges or gains, and transaction-related costs), this measure provides investors with additional useful information to measure the Company’s financial performance, particularly with respect to changes in performance from period to period. The Company’s management uses adjusted EBITDA (a) as a measure of operating performance, (b) for planning and forecasting in future periods, and (c) in communications with the Company’s board of directors concerning the Company’s financial performance. The Company’s presentation of adjusted EBITDA are not necessarily comparable to other similarly titled captions of other companies due to different methods of calculation and should not be used by investors as a substitute or alternative to net income or any measure of financial performance calculated and presented in accordance with U.S. GAAP. Instead, management believes adjusted EBITDA should be used to supplement the Company’s financial measures derived in accordance with U.S. GAAP to provide a more complete understanding of the trends affecting the business.

Although adjusted EBITDA is frequently used by investors and securities analysts in their evaluations of companies, adjusted EBITDA has limitations as an analytical tool, and investors should not consider it in isolation or as a substitute for, or more meaningful than, amounts determined in accordance with U.S. GAAP. Some of the limitations to using non-GAAP measures as an analytical tool are (a) they do not reflect the Company's interest income and expense, or the requirements necessary to service interest or principal payments on the Company's debt, (b) they do not reflect future requirements for capital expenditures or contractual commitments, and (c) although depreciation and amortization charges are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and non-GAAP measures do not reflect any cash requirements for such replacements.

Year Ended December 31, 2020 Compared With Year Ended December 31, 2019

Liquidity and Capital Resources

As of December 31, 2020 and 2019, we had total current liabilities of $37,784 and $18,852, respectively, and current assets of $44,736 and $30,241, respectively to meet its current obligations. As of December 31, 2020, we had working capital of $6,952, down $4,727 as compared to December 31, 2019, driven primarily by an increase in cash and cash equivalents.

The Company is an early-stage growth company. It is generating cash from sales and is deploying its capital reserves to acquire and develop assets capable of producing additional revenues and earnings over both the immediate and near term. Capital reserves are being utilized for capital expenditures and improvements in existing facilities, product development and marketing, as well as customer, supplier and investor and industry relations.

Cash Flows

Net Cash Used in Continued Operating Activities

Net cash used in continued operating activities is $13,414 for the twelve month period ended December 31, 2020, a decrease of $15,985 as compared to $29,399 for the twelve month period ended December 31, 2019. The increase is largely due to increased non-cash charges such as depreciation and accrued interest, which was offset by higher interest charges from debt acquired through the Cannex acquisition and from other loans.

Net Cash Provided by (Used in) Continued Investing Activities

Net cash provided by continued investing activities is $41,016 for the twelve month period ended December 31, 2020, an improvement of $62,588 as compared to the ($21,572) cash used in investing activities for the twelve month period ended December 31, 2019. The primary source is proceeds from the sale of our dispensaries and interests in Arizona, Pennsylvania, Maryland and Arkansas, as well as the closing of a sale leaseback transaction. Some of these proceeds were used to purchased $13,785 in property and equipment during the period.

Net Cash Provided by (Used in) Continued Financing Activities

Net cash used in continued financing activities is ($18,008) for the twelve months ended December 31, 2020, a decrease of $71,607 as compared to the twelve month period ended December 31, 2019. The decrease is largely due to $46,113 received in proceeds from loans from Cannex and LI Lending during 2019. The loan proceeds received in 2019 were used in later periods for capital expenditures and working capital. In 2020, the Company repaid $37,813 of convertible debentures, which was partially offset by $8,597 of cash proceeds from issuing convertible debt, and $12,134 from the sale of stock.

Net Cash Provided by (Used in) Discontinued Operations

Net cash provided by discontinued operating, investing, and financing activities is $1,197 for the twelve months ended December 31, 2020, a decrease of $2,881 as compared to the twelve month period ended December 31, 2019. The primary

source is a lower net loss for 2020 due to higher sales at the dispensaries. The Company does not believe that the reduction of cash provided from discontinued activities will materially impact liquidity in short term or future operations.

Availability of Additional Funds

The Company believes its current cash on hand is sufficient to meet its operating and capital requirements for at least the next twelve months from the date these financial statements are issued. Thereafter, the Company may need to raise further capital, through the sale of additional equity or debt securities or otherwise, to support its future operations. The Company's operating needs include the planned costs to operate its business, including amounts required to fund working capital and capital expenditures. If the Company is unable to secure additional capital, it may be required to curtail its research and development initiatives and take additional measures to reduce costs in order to conserve its cash.

Our operating needs include the planned costs to operate our business, including amounts required to fund working capital and capital expenditures. Our future capital requirements and the adequacy of our available funds will depend on many factors, including our ability to successfully commercialize our products and services, competing technological and market developments, and the need to enter into collaborations with other companies or acquire other companies or technologies to enhance or complement our product and service offerings.

Contractual Obligations

The Company has the following gross contractual obligations as of December 31, 2020, which are expected to be payable in the following respective periods:

	Less than 1 year	1 to 3 years	3 to 5 years	Greater than 5 years	Total
Accounts payable and accrued liabilities	$ 11,149	$ 1,600	$ —	$ —	$ 12,749
Convertible notes, notes payable and accrued interest	5,024	16,629	45,362	—	67,015
Contingent consideration payable	2,393	3,103	—	—	5,496
Total	**$ 18,566**	**$ 21,332**	**$ 45,362**	**$ —**	**$ 85,260**

Off-Balance Sheet Arrangements

We did not have, during the periods presented, and we do not currently have, any relationships with any organizations or financial partnerships, such as structured finance or special purpose entities, that would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Subsequent Events

Land and Funding for Illinois Cultivation and Production Facility

On March 15, 2021, the Company announced that it had entered into definitive agreements with the landowner and an affiliate of Innovative Industrial Properties, Inc. ("IIPR") to build a cultivation and production facility in Illinois.

The first phase of the buildout will constitute 258,000 square feet of building, comprising 65,000 square feet of flowering canopy and approximately 70,000 square feet of manufacturing space for the development of 4Front's branded flower, edibles, tinctures, concentrates and other manufactured products. Phase 1 is expected to be operational by Q4 2022.

The subsequent phase(s) of the buildout will add an additional 300,000 square feet of facility to meet market demand. The Company plans to hire more than 240 employees to its cultivation and production teams during Phase 1.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Not required for smaller reporting companies.

Item 8. Financial Statements and Supplementary Data.

The information required by this item is included below in "Item 15. Exhibits and Financial Statement Schedules" and incorporated by reference herein.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

An evaluation was performed pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934 (the "**Exchange Act**") under the supervision and with the participation of our management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this annual report. These disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in our reports under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that this information is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Based on the evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as a result of the material weaknesses in the Company's internal control described below, the Company's disclosure controls and procedures were not effective as of December 31, 2020.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the Exchange Act Rule 13a-15(f). Our internal control over financial reporting is a process designed under the supervision of our Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with U.S. GAAP. The CEO and CFO are also responsible for disclosing any changes to the Company's internal controls during the most recent period that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting. The Company's management, under the supervision and with the participation of its CEO and CFO, conducted an evaluation of the effectiveness of the Company´s internal control over financial reporting as of December 31, 2020 based on the criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis by the Company's internal controls. Management concluded that as of December 31, 2020, the Company had a material weakness relating to three components of the COSO framework. The material weaknesses are summarized below, and remediation efforts are outlined in the "Remediation of Material Weaknesses in Internal Control over Financial Reporting" section below

Material Weaknesses in Internal Control

The Company did not fully design and implement effective control activities based on the criteria established in the COSO framework. The Company has identified deficiencies that constitute a material weakness, either individually or in the aggregate. This material weakness is attributable to the following factors:

- We did not have sufficient accounting staff resources to timely perform closing and audit related procedures.
- We did not have effective controls over the review procedures for balance sheet account reconciliations and manual journal entries.
- We did not have documented evidence of review procedures and did not have sufficient segregation of duties within our accounting function.

Due to the existence of the above material weakness, management, including the CEO and CFO, has concluded that our internal control over financial reporting was not effective as of December 31, 2020. This material weakness creates a reasonable possibility that a material misstatement to the consolidated financial statements will not be prevented or detected on a timely basis.

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to law, rules and regulations that permit us to provide only management's report in this annual report.

Remediation of Material Weaknesses in Internal Control over Financial Reporting

The Company continues to strengthen our internal control over financial reporting and is committed to ensuring that such controls are designed and operating effectively. The Company is implementing process and control improvements to address the above material weakness as follows:

- The Company will assess sufficient resources, both in accounting staff and related technology, needed to timely perform closing and audit related procedures and align identified resources.
- The Company will assess controls needed to effectively review procedures for balance sheet account reconciliations and manual journal entries and implement identified controls.
- The Company will assess review procedures to have sufficient segregation of duties within our accounting function, then standardize and document such procedures for evidence of review.

The material weakness in the Company's internal control over financial reporting will not be considered remediated until the remediated controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. The Company is working to have the material weaknesses remediated as soon as possible. However, there is no assurance that the remediation will be fully effective. As described above, the material weakness has not been remediated as of the filing date of this Form 10-K. If these remediation efforts do not prove effective and control deficiencies and material weaknesses persist or occur in the future, the accuracy and timing of the Company's financial reporting may be materially and adversely affected.

Inherent Limitations on Effectiveness of Controls

Management recognizes that a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud or error, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in Internal Control over Financial Reporting

Other than those described above, there have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2020, that have materially affected, or that are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. Directors and Executive Officers and Corporate Governance.

Directors and Executive Officers

The following table sets forth information about our directors and executive officers as of April 5, 2021:

Name	Age	Position(s)
Executive Officers		
Leonid Gontmakher	35	Chief Executive Officer
Peter Rennard	66	Interim Chief Financial Officer
Joseph Feltham	35	Chief Operating Officer
Andrew Thut	47	Chief Investment Officer
Kris Krane	42	President
Non-Employee Directors		
David Daily (1) (2)	40	Director
Chetan Gulati (1)	43	Director
Kathi Lentzsch (2)	65	Director
Eric Rey (1) (2)	65	Director
Roman Tkachenko (2)	37	Director
Joshua Rosen	47	Director

(1) Member of the Audit Committee
(2) Member of the Compensation Committee

Executive Officers

Leonid Gontmakher has served as our Chief Executive Officer since March 2020, and has been a member of our board of directors since August 2019. From 2014 to 2018, Mr. Gontmakher co-founded and then operated Northwest Cannabis Solutions, which under his leadership grew to be one of the largest and most successful producers of cannabis products in Washington state. From March 2018 to July 2019, he also served as Chief Operating Officer at Cannex Capital Holdings, Inc., which merged with 4Front in July 2019. Mr. Gontmakher has significant experience in cannabis facility design, construction management, equipment sourcing, operations, branding, sales and marketing strategy, and software solutions. Before entering the cannabis industry, from 2008 to 2013 he served on the senior management team at North America's largest processor and distributor of specialized seafood products. Mr. Gontmakher hold a Bachelor of Science degree from Arizona State University.

Peter Rennard has served as our Interim Chief Financial Officer since February 2021. From March 2020 to December 2020, Mr. Rennard served as Interim Chief Financial Officer and Finance Consultant to Cervelo Cycles, a performance bicycle manufacturer. From November 2018 to March 2020, he served as Chief Financial Officer and Finance Consultant to United Scope, LLC, a provider of microscopes and related accessories. From April 2011 to November 2018, Mr. Rennard served as a Partner and Chief Financial Officer for Tatum, LLC, an executive talent and strategic consulting firm, which is a subsidiary of Randstad NV (OTCMKTS:RANJY). Prior to his employment at Tatum, LLC, Mr. Rennard worked in a number of executive-level finance positions, including Toyota Racing Development, Inc., Connolly Pacific and the Limbach Company, LP. Mr. Rennard holds a Bachelor of Arts from Westmont College, and a Master of Business Administration from Pepperdine University.

Joseph Feltham joined the Company in July 2014 and has served in a variety of financial and operational roles, including Chief of Staff and EVP, Operations, and was appointed as the Company's Chief Operating Officer in August 2020. He has brought a wealth of experience and support in financial analysis, market research and operations support and is instrumental in implementing new processes and projects for the company. Mr. Feltham holds a Bachelor of Science from the University of San Francisco.

Andrew Thut was an early investor in 4Front, joining the Company full time as Chief Investment Officer in October 2014. He brings to the team a wealth of financial-management experience and business acumen having previously served as Managing Director of the BlackRock Small Cap Growth Fund at BlackRock Advisors LLC. During his 11-year involvement with BlackRock Small Cap Growth Fund, the $2 billion fund ranked in the top five percent of all domestic small cap growth funds. He also has held positions at MFS Investment Management and BT Alex Brown. Since joining 4Front, he has immersed himself in every facet of the cannabis industry, from the relevant financial drivers of the industry to hands-on experience with dispensaries and cultivation facilities. Mr. Thut holds a Bachelor of Arts from Dartmouth College.

Kris Krane founded 4Front Advisors in February 2011, and has served as the Company's President since 2015. Prior to founding 4Front, Mr. Krane served as director of client services for CannBe, a pioneer in developing best practices within the medical cannabis industry from October 2009 to January 2011. Mr. Krane has dedicated his career to reforming the nation's misguided drug policies, having previously served as associate director of NORML (2000-2005) and executive director of Students for Sensible Drug Policy (2006-2009). He currently serves on the National Cannabis Industry Association board of directors and pens a column about the cannabis industry for Forbes. Mr. Krane's pioneering roots in cannabis advocacy and policy provides a deep understanding of the evolving regulatory environment. Mr. Krane holds a Bachelor of Arts from American University.

Non-Employee Directors

David Daily has served as a member of the Company's board of directors since July 2019. Mr. Daily is the CEO of Gravitron, LLC which he founded in May 2004. Commonly known as Grav.com or GRAV®, its original invention was the first all-glass gravity bong, the Gravitron, which was an instant success and has become a cult classic. Since the Gravitron, Mr. Daily has designed or led the GRAV® design team to bring over 500 unique top-line products to the cannabis market. Mr. Daily is an investor, board member, mentor, and advisor to over a dozen start-up stage brands in cannabis and consumer packaged goods. He holds a B.A. in Economics from The University of Texas at Austin.

Chetan Gulati has served as a member of the Company's board of directors since December 2020. He has been a partner and head of research at Navy Capital, a New York-based asset manager focused on the rapidly growing global cannabis sector from 2019 to the present. Mr. Gulati began his career practicing law at Wachtell, Lipton, Rosen and Katz where he focused on corporate restructurings and finance. He then joined Perry Capital in 2007, and was ultimately appointed to run Perry's London operations from 2010-2016. From 2017-2018 Mr. Gulati was a Partner at Smith Cove Capital. He holds a Bachelor of Arts from the University of Rochester and a Juris Doctor from Yale Law School.

Kathi Lentzsch has served as a member of the Company's board of directors since September 2019. Ms. Lentzsch has more than three decades of experience in retail and wholesale operations and management with public and privately held companies. Until December 2020, Ms. Lentzsch was the CEO, President and a Board member of Bartell Drugs, one of the oldest and largest family-owned pharmacy chains in the country. She left this role after successfully leading the sale of the company to Rite Aid, the third largest pharmacy chain in the country. She previously served as Interim CEO of Gumps, a 150-year old retailer of luxury gifts, President of Enesco Gift, one of the oldest giftware companies in the nation, and held senior executive roles at Pottery Barn (a division of Williams Sonoma), Cost Plus World Market and Pier 1 Imports. It was during her time as CEO of Elephant Pharmacy, a unique retail start-up that offered natural and organic products, alternative remedies and services, with a traditional pharmacy, that Ms. Lentzsch became interested in medical cannabis. She serves as advisor to the Center for Leadership and Strategic Thinking at the Foster School of Business at the University of Washington and holds a B.B.A. degree from the College of William and Mary in Virginia.

Eric Rey has served as a member of the Company's board of directors since July 2019. From 2018 to 2019, Mr. Rey served as a director of Arcadia Biosciences, Inc. (Nasdaq RKDA), where he previously served as co-Founder, President and CEO from 2002 until retiring in March 2016. Mr. Rey has managed agricultural research, product development and commercial programs for more than 35 years. Prior to Arcadia he was a partner at the Rockridge Group, a consulting firm focused on agricultural biotechnology, and was previously with Calgene, Inc. for 16 years serving in various positions including Vice President of Operations for Calgene Oils, a Division of the Monsanto Company. Mr. Rey is a director Texas Crop Science LLC and Micropep Technologies. He holds a Bachelor of Science degree from the University of California at Davis.

Joshua Rosen has served as a director of the Company and its predecessor companies since January 2011 and the Company since formation in July 2019. Mr. Rosen has been Chairman of the Company's board of directors since March 2020. From December 2020 to the present, Mr. Rosen has served as Managing Partner of Bengal Capital, a cannabis investment and advisory firm. From July 2014 to March 2020, Mr. Rosen was CEO of the Company and from July 2014 to January 2021, Mr. Rosen was a Partner at Kea Private Capital, a private equity firm. Mr. Rosen has held positions at Credit Suisse (NYSE:CS) and ABN AMRO Bank N.V. (OTCMKTS:AAVMY) and is on the Board of Managers of Ninety Plus Coffee, LLC. Mr. Rosen holds a Bachelor of Arts from Beloit College.

Roman Tkachenko has served as a member of the Company's board of directors since December 2020. From March 2010 to the present, Mr. Tkachenko has served as the Chief Executive Officer and co-founder of Direct Source Seafood LLC, an importer/wholesaler of specialized frozen seafood products. Direct Source Seafood is the largest importer of king and snow crab from Russia, as well as one of the largest importers of Argentine wild caught shrimp. Direct Source Seafood, LLC has annual revenues of $300 million. From November 2013 to September 2017, Mr. Tkachenko served as the Chief Executive Officer of Marine Treasures International, a company specializing in international sourcing of frozen seafood. Mr. Tkachenko holds a Bachelor of Science in Accounting from Central Washington University.

Involvement in Certain Legal Proceedings

To our knowledge, none of our current directors or executive officers has, during the past ten years:

- been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);

- had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;

- been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;

- been found by a court of competent jurisdiction in a civil action or by the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;

- been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

- been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Except as set forth in our discussion below in "Certain Relationships and Related Party Transactions," none of our directors or executive officers has been involved in any transactions with us or any of our directors, executive officers, affiliates, or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.

Family Relationships

Leonid Gontmakher and Roman Tkachenko are cousins. There are no other family relationships among any of our executive officers or directors.

Corporate Governance Overview

We are committed to having sound corporate governance principles, which are essential to running our business efficiently and maintaining our integrity in the marketplace. We understand that corporate governance practices change and evolve over time, and we seek to adopt and use practices that we believe will be of value to our stockholders and will positively aid in the governance of the Company. To that end, we regularly review our corporate governance policies and practices and compare them to the practices of other peer institutions and public companies. We will continue to monitor emerging developments in corporate governance and enhance our policies and procedures when required or when our board determines that it would benefit our Company and our stockholders.

Director Independence

Although we are not listed on The Nasdaq Stock Market, LLC ("Nasdaq"), we intend to apply applicable Nasdaq independence rules, which require a majority of a listed company's board of directors to be comprised of independent directors within one (1) year of listing. In addition, Nasdaq rules require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and corporate governance committees be independent, and that audit committee members also satisfy independence criteria set forth in Rule 10A-3 under the Exchange Act. The Nasdaq independence definition includes a series of objective tests, such as that the director is not, and has not been for at least three (3) years, one of our employees, that neither the director nor any of his family members has engaged in various types of business dealings with us and that the director is not associated with the holders of more than five percent (5%) of our common stock. In addition, under applicable Nasdaq rules, a director will only qualify as an "independent director" if, in the opinion of the listed company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning their background, employment and affiliations, our board of directors has determined that four of our six directors, do not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the listing standards of Nasdaq. In making such determination, our board of directors considered the relationships that each such non-employee director has with us and all other facts and circumstances that our board of directors deemed relevant in determining his independence, including the beneficial ownership of our capital stock by each non-employee director.

Board's Role in Risk Oversight and Management

Our board of directors, as a whole and through its committees, is responsible for the oversight of risk management, while our management is responsible for the day-to-day management of risks faced by us. The board of directors receives regular reports from members of senior management on areas of material risk to the Company, including operational, financial, legal, regulatory, strategic and reputational risks. In its risk oversight role, our board of directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed.

Role of Board in Risk Oversight Process

Our board of directors has responsibility for the oversight of the Company's risk management processes and, either as a whole or through its committees, regularly discusses with management our major risk exposures, their potential impact on our business and the steps we take to manage them. The risk oversight process includes receiving regular reports from board committees and members of senior management to enable our board to understand the company's risk identification, risk management and risk mitigation strategies with respect to areas of potential material risk, including operations, finance, legal, regulatory, strategic and reputational risk.

The audit committee reviews information regarding liquidity and operations, and oversees our management of financial risks. Periodically, the audit committee reviews our policies with respect to risk assessment, risk management, loss prevention and regulatory compliance. Oversight by the audit committee includes direct communication with our external auditors, and discussions with management regarding significant risk exposures and the actions management has taken to limit, monitor or control such exposures. The compensation committee is responsible for assessing whether any of our compensation policies or programs has the potential to encourage excessive risk-taking. The nominating and corporate governance committee manages risks associated with the independence of the board, corporate disclosure practices, and potential conflicts of interest. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire board is regularly informed through committee reports about such risks. Matters of significant strategic risk are considered by our board of directors as a whole.

Director Nomination Process

Our board of directors believes that its directors should have the highest professional and personal ethics and values, consistent with the Company's longstanding values and standards. They should have broad experience at the policy-making level in business, government or civic organizations. They should be committed to enhancing stockholder value and should have sufficient time to carry out their duties and to provide insight and practical wisdom based on their own unique experience. Each director must represent the interests of all stockholders. When considering potential director candidates, our board of directors also considers the candidate's independence, character, judgment, diversity, age, skills, including financial literacy, and experience in the context of our needs and those of our board of directors. Our board of directors believe that diversity is an important attribute of the members who comprise our board of directors and that the members should represent an array of backgrounds and experiences and should be capable of articulating a variety of viewpoints. Our board of directors priority in selecting board members is the identification of persons who will further the interests of our stockholders through his or her record of professional and personal experiences and expertise relevant to our business.

Stockholder Nominations to the Board of Directors

Director nominations by a stockholder or group of stockholders for consideration by our stockholders at our annual meeting of stockholders, or at a special meeting of our stockholders that includes on its agenda the election of one or more directors, may only be made in accordance with our Articles and applicable law.

Stockholders' notice for any proposals requested pursuant to Rule 14a-8 under the Exchange Act (including director nominations), must be made in accordance with that rule.

Board Mandate and Committees

The board of directors has a written mandate that governs the board of directors. Additionally, the board of directors is empowered by governing corporate law, the Company's Articles and its corporate governance policies to manage or supervise the management of the affairs and business of the Company. The board of directors carries out its responsibilities directly and through two board of directors committees, the Audit Committee and the Compensation Committee, each of which operate under a written committee charters approved by the board of directors. The board of directors meets regularly on a quarterly basis and holds additional meetings as required to deal with the Company's business.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act requires our officers, directors, and persons who own more than ten percent of a registered class of our equity securities to file reports of securities ownership and changes in such ownership with the SEC. Officers, directors, and greater-than-ten-percent stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms that they file.

Based solely upon a review of Forms 3, Forms 4, and Forms 5 furnished to us pursuant to Rule 16a-3 under the Exchange Act, we believe that all such forms required to be filed pursuant to Section 16(a) of the Exchange Act during the year ended December 31, 2020 were timely filed, as necessary, by the officers, directors, and security holders required to file such forms.

Code of Business Conduct and Ethics

The board of directors has adopted the Code of Business Conduct and Ethics which applies to directors, officers, employees, consultants and contractors of the Company and its subsidiaries. The text of the Code of Conduct is available at www.4frontventures.com. The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website, and you should not consider it to be a part of this report.

Item 11. Executive Compensation.

As an emerging growth company under the JOBS Act, we have opted to comply with the executive compensation disclosure rules applicable to "smaller reporting companies" as such term is defined in the rules promulgated under the Securities Act, which permit us to limit reporting of executive compensation to our principal executive officer and our two (2) other most highly compensated named executive officers.

Summary Compensation Table

The following table provides information regarding the compensation awarded to or earned during 2019 and 2020, as applicable, by our named executive officers. All amounts are in whole dollars.

Name and Principal Position	Year	Salary ($)	Bonus ($) (7)	Option Awards ($)	Total ($)
Leonid Gontmakher (1), Chief Executive Officer and Director	2020	400,000	450,000	437,393	1,287,393
	2019	166,667	—	116,446	283,113
Joshua Rosen (2), Chief Executive Officer and Director	2020	348,342	200,000	114,143	662,485
	2019	371,611	46,611	—	418,222
Nicolle Dorsey (3), Chief Financial Officer	2020	202,968	—	116,878	319,846
	2019	68,462	—	87,874	156,336
Brad Kotansky (4), Chief Financial Officer	2020	201,738	—	142,253	343,991
	2019	115,385	—	175,747	291,132
Dave Croom (5), Chief Financial Officer	2020	—	—	—	—
	2019	14,583	—	45,150	59,733
Andrew Thut, Chief Investment Officer	2020	222,966	250,000	151,154	624,120
	2019	212,586	20,278	83,176	316,040
Joseph Feltham (6), Chief Operating Officer	2020	205,899	100,000	474,626	780,525
	2019	160,769	—	464,514	625,283

Notes:

(1) Mr. Gontmakher was appointed Chief Executive Officer on March 31, 2020.

(2) Mr. Rosen ceased being Chief Executive Officer on March 31, 2020.

(3) Ms. Dorsey was appointed Chief Financial Officer on March 31, 2020.

(4) Mr. Kotansky was appointed on September 3, 2019 and ceased being Chief Financial Officer on March 31, 2020.

(5) Mr. Croom ceased being Chief Financial Officer on September 3, 2019.

(6) Mr. Feltham was appointed Chief Operating Officer on September 11, 2020.

(7) Bonus amounts reflect short-term incentive awards based upon performance in the applicable year and paid in the subsequent year.

Narrative to Summary Compensation Table

Executive Compensation Considerations

The Company's compensation committee reviews financial information and other performance metrics relative to the historical compensation of executive management and comparative information prepared internally. The compensation committee also reviews management's recommendations for compensation levels of all of the Company's named executive officers and considered these recommendations with reference to relative compensation levels of like-size institutions. The totality of the information reviewed by the compensation committee is considered when establishing current executive salary levels, and similar analysis is expected to be considered when reviewing and establishing future salaries and long-term incentives. The Company's compensation policies and practices are designed to ensure that they do not foster risk taking above the level of risk associated with the Company's business model. For this purpose, the compensation committee generally considers the Company's financial performance, comparing that performance to the performance metrics included in the Company's strategic plan. The compensation committee also generally evaluates management's compensation in light of other specific risk parameters. The Company's compensation programs are aimed at enabling it to attract and retain the best possible executive talent and rewarding those executives commensurate with their ability and performance. The Company's compensation programs consist primarily of base salary, bonus and option awards.

Base Salary
Base salaries for named executive officers are determined in the same manner as those other salaried employees. Salary guidelines are established by comparing the responsibilities of the individual's position in relation to similar positions in other companies of similar size in our industry.

Section 162(m) of the Code

Section 162(m) generally disallows the corporate tax deduction for certain compensation paid in excess of $1,000,000 annually to "covered employees," which include: (1) the Chief Executive Officer, (2) the Chief Financial Officer, and (3) any employee whose total compensation is required to be reported to shareholders under the Securities Exchange Act of 1934 by reason of such employee being among the three highest compensated officers for the taxable year (excluding the CEO and CFO); and (4) any executive who was a "covered employee" for any tax year beginning after December 31, 2016. A "covered employee" includes any individual who meets the definition of a "covered employee" at any time during the year, and also includes executives who are the top three highest paid officers (excluding the CEO or CFO) even if their compensation is not required to be disclosed under existing SEC rules. Section 162(m) of the Code was amended by the Tax Cut and Jobs Act of 2018 so that the exceptions for payment of "performance-based compensation" or commissions have been eliminated.

Certain of our executives have received total compensation in excess of $1 million, such that we may not be allowed the full federal tax deduction otherwise permitted for such compensation.

Employment Agreements; Potential Payments Upon Termination or Change-in-Control

Effective March 27, 2020, the Company entered into a Severance, General Waiver and Release Agreement with Brad Kotansky (the "Kotansky Agreement"), terminating Mr. Kotansky's employment as Chief Financial Officer of the Company. The Kotansky Agreement provides that, among other things, Mr. Kotansky was to receive a cash severance payment of $112,500, plus an additional lump sum cash payment equal to six months' of COBRA medical coverage, and the immediate vesting of options to purchase 500,000 SVS. Mr. Kotansky's receipt of the aforementioned payments and benefits is conditioned upon the fulfillment of his obligations under the Kotansky Agreement, consideration for the waiver and release of claims set forth in the Kotansky Agreement, and Mr. Kotansky's compliance with the other covenants set forth in the Kotansky Agreement.

Effective April 15, 2020, the Company entered into an Executive Employment Agreement with Joshua N. Rosen (the "Rosen Agreement"), to serve as the Company's Chief Executive Officer. The terms of the Rosen Agreement provide for an annual base salary of $350, and that Mr. Rosen is entitled to participate in all equity incentive and employee benefit plans or programs maintained by the Company. Upon a termination without cause (or if Mr. Rosen resigns for Good Reason, as defined in the Rosen Agreement), he is entitled to receive any severance benefits through twelve months from the termination of the Rosen Agreement. Pursuant to the Rosen Agreement, Mr. Rosen also received a non-exclusive, royalty free license to use the Antibition brand, which license is terminable by the Company paying to Mr. Rosen a $1.00 termination fee. Mr. Rosen's receipt of the aforementioned payments and benefits is conditioned upon the fulfillment of his obligations under the Rosen Agreement, including compliance with the confidentiality, non-solicitation, non-disparagement and other restrictive covenants set forth in the Rosen Agreement. The Rosen Agreement was terminated on January 2, 2021, when the Company entered into a Separation and Release Agreement (the "Rosen Separation Agreement") with Mr. Rosen, which supersedes and replaces the Rosen Agreement. Under the Rosen Separation Agreement, Mr. Rosen transitioned from being the Company's Chief Executive Officer to taking on a role as the non-employee Chairman of the Company's board of directors. The Rosen Separation Agreement provides that, among other things, the Company shall pay Mr. Rosen $350 in 12 monthly installments, the Company may reimburse Mr. Rosen's COBRA premiums over a period of 12 months, and the Company will pay Mr. Rosen director fees of $13 per month. Mr. Rosen's receipt of the aforementioned payments and benefits is conditioned upon the fulfillment of his obligations under the Rosen Separation Agreement, consideration for the waiver and release of claims set forth in the Rosen Separation Agreement, and Mr. Rosen's compliance with the non-disparagement, and other standard covenants set forth in the Agreement.

Effective June 30, 2020, the Company entered into a Severance, General Waiver and Release Agreement with Jerry Derevanny (the "Derevanny Agreement"), terminating Mr. Derevanny's employment as General Counsel of the Company. The Derevanny Agreement provides that, among other things, Mr. Derevanny was to receive a cash severance payment of $192, and a grant of options to purchase 1,400,000 SVS at a purchase price of C$0.80 per SVS, which options shall vest as follows: (i) two-thirds (2/3) of such options vested immediately upon the parties' execution of the Derevanny Agreement, and (ii) the remaining one-third (1/3) of such options shall vest on June 30, 2021. Mr. Derevanny's receipt of the aforementioned payments and benefits is conditioned upon the fulfillment of his obligations under the Derevanny Agreement, consideration for the waiver and release of claims set forth in the Derevanny Agreement, and Mr. Derevanny's compliance with the other covenants set forth in the Derevanny Agreement.

On February 1, 2021, the Company entered into a Separation Agreement and Release (the "Dorsey Agreement") with its former Chief Financial Officer, Nicolle Dorsey. As disclosed in the Company's Current Report on Form 8-K filed with the SEC on February 8, 2021, the Dorsey Agreement is filed herewith as Exhibit 10.17.

Outstanding Equity Awards at 2020 Fiscal Year End

The following table provides information with respect to holdings of unvested options and stock awards held by our named executive officers, at December 31, 2020. All amounts are in whole dollars.

		Option Awards			
Name and Principal Position	**Grant Date**	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Option Exercise Price (C$)**	**Option Expiration Date**
Leonid Gontmakher,	12/11/2017	1,800,000	—	$ 1.00	12/11/2022
Chief Executive Officer and Director	8/22/2019	233,333	466,667	$ 1.00	8/22/2024
	10/2/2020	—	3,000,000	$ 0.77	10/2/2025
Joshua Rosen,	7/31/2019	327,600	—	$ 0.10	9/16/2024
Chief Executive Officer and Director	8/22/2019	660,000	1,340,000	$ 1.00	8/22/2024
	12/2/2020	2,000,000	2,000,000	$ 1.11	12/2/2025
Nicolle Dorsey,	8/22/2019	166,667	333,333	$ 1.00	8/22/2024
Chief Financial Officer	9/15/2020	—	250,000	$ 0.86	9/15/2025
Brad Kotansky,	8/22/2019	500,000	—	$ 1.00	8/22/2024
Chief Financial Officer					
Dave Croom,	8/5/2018	600,000	—	$ 1.00	8/5/2023
Chief Financial Officer	8/22/2019	—	450,000	$ 1.00	8/22/2024
Andrew Thut,	7/31/2019	1,965,440	—	$ 0.10	9/16/2024
Chief Investment Officer	8/22/2019	166,667	333,333	$ 1.00	8/22/2024
	9/15/2020	—	500,000	$ 0.86	9/15/2025
Joseph Feltham,	7/31/2019	109,200	—	$ 0.10	9/16/2024
Chief Operating Officer	8/22/2019	250,000	500,000	$ 0.80	8/22/2024
	9/15/2020	—	390,800	$ 0.86	9/15/2025

Non-Employee Director Compensation

The table below shows the equity and other compensation granted to our non-employee directors during fiscal 2020. All amounts in the table are in whole dollars.

Name	**Fees Earned or Paid in Cash ($)**	**Stock Awards ($)**	**Option Awards ($)**	**Non-Equity Incentive Plan Compensation ($)**	**Nonqualified Deferred Compensation Earnings ($)**	**All Other Compensation ($)**	**Total ($)**
Betty Aldworth (1)	$ 22,000	$ —	$ 67,633	$ —	$ —	$ —	$ 89,633
David Daily	22,000	—	105,507	—	—	—	127,507
Chetan Gulati	—	—	4,410	—	—	—	4,410
Kathi Lentzsch	22,000	—	67,633	—	—	—	89,633
Eric Rey	22,000	—	105,507	—	—	—	127,507
Roman Tkachenko	—	—	4,410	—	—	—	4,410

(1) Resigned in December 2020

The Compensation Committee has set the compensation for the independent directors at $4 per month. Directors who are officers, employees, or consultants of the Company receive no compensation. The Compensation Committee will review the compensation paid to the Company's directors annually to ensure that the Company's approach to Board compensation is competitive and reflects best practices taking into account current governance trends.

Compensation Committee Interlocks and Insider Participation

Not applicable to smaller reporting companies.

Compensation Committee Report

Not applicable to smaller reporting companies.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.
The following table sets forth the beneficial ownership of our common stock as of December 31, 2020 by:

- each stockholder known by us to beneficially own more than 5% of our SVS;
- each of our directors;
- each of our named executive officers; and
- all of our directors and executive officers as a group.

We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally provide that a person is the beneficial owner of securities if such person has or shares the power to vote or direct the voting of securities, or to dispose or direct the disposition of securities. A security holder is also deemed to be, as of any date, the beneficial owner of all securities that such security holder has the right to acquire within 60 days after such date through (i) the exercise of any option or warrant, (ii) the conversion of a security, (iii) the power to revoke a trust, discretionary account or similar arrangement or (iv) the automatic termination of a trust, discretionary account or similar arrangement. Except as disclosed in the footnotes to this table and subject to applicable community property laws, we believe that each person identified in the table has sole voting and investment power over all of the shares shown opposite such person's name.

The percentage of beneficial ownership is based on 537,575,044 SVS outstanding as of December 31, 2020.

The address for each director and executive officer is c/o 4Front Ventures Corp., 5060 N. 40th Street Suite 120, Phoenix, AZ 85018.

The following table sets out information as of December 31, 2020 with respect to security ownership of certain beneficial owners and management.

	Subordinate Voting Shares		Multiple Voting Shares		Total		Voting
Name, Position and Address of Beneficial Owner	**Number Beneficially Owned**	**% of Total Subordinate Voting Shares**	**Number Beneficially Owned**	**% of Total Multiple Voting Shares**	**Total Number of Capital Stock Beneficially Owned**	**% of Total Capital Stock**	**% of Voting Capital Stock**
Leonid Gontmakher *Chief Executive Officer*	30,313,057	5.64%	—	0.00%	30,313,057	5.63%	1.94%
Peter Rennard *Interim Chief Financial Officer*	—	0.00%	—	0.00%	—	0.00%	0.00%
Joseph Feltham *Chief Operating Officer*	905,840	0.17%	—	0.00%	905,840	0.17%	0.06%
Andrew Thut *Chief Investment Officer*	11,678,960	2.17%	154,956	12.14%	11,833,916	2.20%	8.70%
Kris Krane *President*	10,415,280	1.94%	138,888	10.88%	10,554,168	1.96%	7.80%
David Daily *Director*	22,000	0.00%	—	0.00%	22,000	0.00%	0.00%
Chetan Gulati *Director*	7,223,272	1.34%	—	0.00%	7,223,272	1.34%	0.46%
Kathi Lentzsch *Director*	—	0.00%	—	0.00%	—	0.00%	0.00%
Eric Rey *Director*	20,000	0.00%	—	0.00%	20,000	0.00%	0.00%
Roman Tkachenko *Director*	14,191,930	2.64%	—	0.00%	14,191,930	2.63%	0.91%
Joshua Rosen *Director*	205,280	0.04%	309,418	24.25%	514,698	0.10%	15.90%
All Board directors and named executive officers as a group	**74,975,619**	13.95%	**603,262**	**47.27%**	**75,578,881**	**14.03%**	**35.78%**
Camelback Ventures, LLC, Endowment Arm	53,352,000	9.92%	—	0.00%	53,352,000	9.90%	3.42%
Vlad Orlovskii	30,453,118	5.66%	—	0.00%	30,453,118	5.65%	1.95%

Equity Compensation Plan Information

On July 31, 2019, shareholders approved the 4Front Ventures Corp. 2019 Stock and Incentive Plan (the "Stock and Incentive Plan"). The Stock and Incentive Plan permits the grant of: (i) nonqualified stock options ("NQSOs") and incentive stock options ("ISOs") (collectively, "Options"); (ii) restricted stock awards; (iii) restricted stock units ("RSUs"); (iv) stock appreciation rights ("SARs"); and (v) performance compensation awards, which are referred to herein collectively as "Awards," as more fully described below.

The following table sets out information as of December 31, 2020 with respect to the Stock and Incentive Plan.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	49,692,800	$ 0.66	4,192,325
Equity compensation plans not approved by security holders	—	—	—
Total	49,692,800	$ 0.66	4,192,325

As at December 31, 2020, the following awards were outstanding under the Stock and Incentive Plan: a total of 49,692,800 options, representing approximately 9.2% of the then outstanding share number. As at December 31, 2020, an aggregate of 4,192,325 options remained available for issuance under the Stock and Incentive Plan, representing approximately 0.08% of the then Outstanding Share Number.

Summary of Terms and Conditions of the Incentive Plan

Purpose of the Incentive Plan

The purpose of the Stock and Incentive Plan is to enable the Company and its affiliated companies to: (i) promote and retain employees, officers, consultants, advisors and directors capable of assuring the future success of the Company; (ii) to offer such persons incentives to put forth maximum efforts; and (iii) to compensate such persons through various stock and cash-based arrangements and provide them with opportunities for stock ownership, thereby aligning the interests of such persons and shareholders.

Eligible Persons

Any of the Company's employees, officers, directors, consultants (who are natural persons) are eligible to participate in the Stock and Incentive Plan if selected by the Compensation Committee (as defined herein) (the "**Participants**"). The basis of participation of an individual under the Stock and Incentive Plan, and the type and amount of any Award that an individual will be entitled to receive under the Stock and Incentive Plan, will be determined by the Compensation Committee based on its judgment as to the best interests of the Company and its shareholders, and therefore cannot be determined in advance.

The maximum number of SVS that may be issued under the Stock and Incentive Plan shall be determined by the Board from time to time, but in no case shall exceed, in the aggregate, 10% of the Outstanding Share Number Notwithstanding the foregoing, a maximum of 20,000,000 SVS may be issued as ISOs, subject to adjustment as provided in the Stock and Incentive Plan. Any shares subject to an Award under the Stock and Incentive Plan that are forfeited, cancelled, expire unexercised, are settled in cash, or are used or withheld to satisfy tax withholding obligations of a Participant shall again be available for Awards under the Stock and Incentive Plan.

In the event of any dividend, recapitalization, forward or reverse stock split, reorganization, merger, amalgamation, consolidation, split-up, split-off, combination, repurchase or exchange of SVS or other securities of the Company, issuance of warrants or other rights to acquire SVS or other securities of the Company, or other similar corporate transaction or event, which affects the SVS, or unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange or inter-dealer quotation system, accounting principles or law, the Compensation Committee may make such adjustment, which is appropriate in order to prevent dilution or enlargement of the rights of Participants under the Stock and Incentive Plan, to: (i) the number and kind of shares which may thereafter be issued in connection with Awards; (ii) the number and kind of shares issuable in respect of outstanding Awards; (iii) the purchase price or exercise price relating to any Award or, if deemed appropriate, make provision for a cash payment with respect to any outstanding Award; and (iv) any share limit set forth in the Stock and Incentive Plan.

Description of Awards

Pursuant to the Stock and Incentive Plan, the Company is authorized to issue option awards to participants.

Options

The Compensation Committee is authorized to grant Options to purchase Subordinate Voting Shares that are either ISOs meaning they are intended to satisfy the requirements of Section 422 of the *U.S. Internal Revenue Code of 1986*) (the "**Code**"), or NQSOs, meaning they are not intended to satisfy the requirements of Section 422 of the Code. Options granted under the Stock and Incentive Plan will be subject to the terms and conditions established by the Compensation Committee. Under the terms of the Stock and Incentive Plan, unless the Compensation Committee determines otherwise in the case of an Option substituted for another Option in connection with a corporate transaction, the exercise price of the Options will not be less than the fair market value (as determined under the Stock and Incentive Plan) of the shares at the time of grant. Options granted under the Stock and Incentive Plan will be subject to such terms, including the exercise price and the conditions and timing of exercise, as may be determined by the Compensation Committee and specified in the applicable award agreement. The maximum term of an Option granted under the Stock and Incentive Plan will be ten years from the date of grant (or five years in the case of an ISO granted to a 10% shareholder). Payment in respect of the exercise of an Option may be made in cash or by check, by surrender of unrestricted shares (at their fair market value on the date of exercise) or by such other method as the Compensation Committee may determine to be appropriate.

Administration of the Stock and Incentive Plan

The Compensation Committee may impose restrictions on the grant, exercise or payment of an Award as it determines appropriate. Generally, Awards granted under the Stock and Incentive Plan shall be nontransferable except by will or by the laws of descent and distribution. No Participant shall have any rights as a shareholder with respect to SVS covered by Options, SARs, restricted stock awards, or RSUs, unless and until such Awards are settled in SVS.

No Option (or, if applicable, SARs) shall be exercisable, no SVS shall be issued, no certificates for SVS shall be delivered and no payment shall be made under the Stock and Incentive Plan except in compliance with all applicable laws.

Tax Withholding

The Company may take such action as it deems appropriate to ensure that all applicable federal, state, local and/or foreign payroll, withholding, income or other taxes, which are the sole and absolute responsibility of a Participant, are withheld or collected from such Participant.

Amendments and Termination

Subject to the provisions of the Stock and Incentive Plan, the Board may from time to time amend, suspend or terminate the Stock and Incentive Plan, and the Compensation Committee may amend the terms of any previously granted Award, provided that no amendment to the terms of any previously granted Award may (except as expressly provided in the Stock and Incentive Plan) materially and adversely alter or impair the terms or conditions of the Award previously granted to a Participant under the Stock and Incentive Plan without the written consent of the Participant or holder thereof. Any amendment to the Stock and Incentive Plan, or to the terms of any Award previously granted, is subject to compliance with all applicable laws, rules, regulations and policies of any applicable governmental entity or securities exchange, including receipt of any required approval from the governmental entity or stock exchange, and any such amendment, alteration, suspension, discontinuation or termination of an Award will be in compliance with CSE policies.

For greater certainty and without limiting the foregoing, the Board may amend, suspend, terminate or discontinue the Stock and Incentive Plan, and the Compensation Committee may amend or alter any previously granted Award, as applicable, without obtaining the approval of shareholders in order to: (i) amend the eligibility for, and limitations or conditions imposed upon, participation in the Stock and Incentive Plan; (ii) amend any terms relating to the granting or exercise of Awards; (iii) make changes that are necessary or desirable to comply with applicable laws, rules, regulations and policies of any applicable governmental entity or stock exchange (including amendments to Awards necessary or desirable to avoid any adverse tax results under the Section 409A of the Code; (iv) amend any terms relating to the administration of the Stock and Incentive Plan; or (v) correct any defect, supply any omission or reconcile any inconsistency in the Stock and Incentive Plan or in any Award or Award agreement.

Notwithstanding the foregoing, the Stock and Incentive Plan specifically provides that shareholder approval would be required for any amendments to the Stock and Incentive Plan or an Award that would: (i) require shareholder approval under the rules or regulations of securities exchange that is applicable to the Company; (ii) increase the number of shares authorized under the Stock and Incentive Plan; (iii) permit repricing of Options or SARs; (iv) permit the award of Options or SARs at a price less than 100% of the fair market value on the date of the grant; (v) permit Options to be transferable other than in accordance with the provisions of the Stock and Incentive Plan; (vi) amend the termination and amendment provisions of the Stock and Incentive Plan; or (vii) increase the maximum term permitted for Options and SARs under the Stock and Incentive Plan or extend the terms of any Options beyond their original expiry date.

Corporate Transactions

The Stock and Incentive Plan provides that, in the event of any reorganization, merger, consolidation, split-up, spin-off, combination, plan of arrangement, take-over bid or tender offer, repurchase or exchange of SVS or other securities of the Company or any other similar corporate transaction or event involving the Company (or the Company shall enter into a written agreement to undergo such a transaction or event), the Compensation Committee or the Board may, in its sole discretion, provide for any of the following to be effective upon the consummation of the event (or effective immediately prior to the consummation of the event, provided that the consummation of the event subsequently occurs): (i) either (A) termination of the Award, whether or not vested, in exchange for an amount of cash and/or other property, if any, equal to the amount that would have been attained upon the exercise of the vested portion of the Award or realization of the Participant's vested rights, or (B) the replacement of the Award with other rights or property selected by the Compensation Committee or the Board, in its sole discretion; (ii) that the Award be assumed by the successor or survivor company, or a parent or subsidiary thereof, or shall be substituted for by similar Options, rights or awards covering the stock of the successor or survivor company, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices; (iii) that the Award shall be exercisable or payable or fully vested with respect to all Shares covered thereby, notwithstanding anything to the contrary in the applicable Award agreement; or (iv) hat the Award cannot vest, be exercised or become payable after a date certain in the future, which may be the effective date of the event.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Related Party Transactions

Certain subsidiaries which were acquired in the business combination with Cannex have contractual relationships with two licensed Washington cannabis producer/processors: Superior Gardens LLC (d/b/a Northwest Cannabis Solutions) ("NWCS") and 7Point Holdings LLC ("7Point"). The sole owner of NWCS was a related party of Cannex. However, upon the acquisition on July 31, 2019, management determined the sole owner did not have significant influence in the Company thus removing consideration of NWCS as a related party. The sole owner of 7Point was an executive of the Company during 2019. As a result of his departure, 7Point is no longer considered a related party.

NWCS and the Company are parties to a commercial gross lease expiring December 31, 2022 with two five-year renewal options. For the twelve months ended December 31, 2019 the Company recognized $3,338 from interest revenue on the lease receivable for this lease.

7Point and the Company are parties to a commercial sublease expiring May 31, 2023 with one five-year renewal option. For the twelve months ended December 31, 2020 the Company recognized $3,094 (2019 - $1,190) from interest revenue on the lease receivable for this lease

The Company has a service agreement with NWCS to provide consulting and personnel services for growing and processing cannabis for $30 per month and to act as exclusive purchasing agent for equipment, machinery, and other supplies for $20 per month for a three-year term that expired on January 1, 2021 and automatically renewed for an additional three-year term. The Company recognized a total of $250 for the year ended December 31, 2019.

NWCS and the Company entered into a packaging supply agreement under commercially reasonable pricing terms by which NWCS submits packaging and equipment orders for Company-designed packaging sold by NWCS under an exclusive license to use Company brands and recipes in the state of Washington. The packaging supply agreement had an initial term of three years and expired on January 1, 2021 and automatic renewal for additional three-year periods. The Company recognized total of $3,703 in revenue for the year ended December 31, 2019 under the packaging supply agreement.

As of December 31, 2019, the Company held three notes receivable from 7Point with a balance of $355.

As of December 31, 2019, $597 of the Company's trade receivables were due from NWCS (collected in the following year).

Roman Tkachenko, a director and Leonid Gontmakher, the Company's Chief Executive Officer own and control LI Lending LLC, which extended the Company a real estate improvement/development loan of $45,000 of which $43,000 was outstanding as of December 31, 2020.

An officer of the Company holds an interest in an online marketing company serving the online CBD market which provided online marketing services during 2020 and 2019 for Pure Ratios. Pure Ratios paid $4,875 (2019 - $1,101) for the twelve months ended December 31, 2020 to this vendor for management fees, pass through marketing costs and customer service.

On November 12, 2020, the Company entered into an Amended and Restated Consulting Agreement (the "Leadership Consulting Agreement") with Ag-Grow Imports, LLC ("AGI"), a Washington limited liability company owned and controlled by Joshua N. Rosen, Chairman of the Company's board of directors, and Maha Consulting LLC ("Maha"), a Puerto Rican limited liability company owned and controlled by Leonid Gontmakher, the Company's Chief Executive Officer. The Leadership Consulting Agreement provides that, among other things, that AGI shall pay to Maha $33 per month for consulting services rendered to AGI and the Company, including the support of the Company's intellectual property efforts, key infrastructure projects and leadership services. Additionally, the Leadership Consulting Agreement provides that AGI and/or the Company, each in their sole discretion, may pay cash bonuses and/or issue equity incentive awards to Maha based on its performance under the Leadership Consulting Agreement. The Leadership Consulting Agreement shall continue in full force and effect for a period of 12 months, and shall automatically renew for additional 12 month periods, unless a party to the Leadership Consulting Agreement delivers written notice of non-renewal.

The Company has issued notes receivable to related parties that hold or have applied for cannabis licenses or that have secured real estate that can be used for a cannabis facility. The Company had $nil and $696 in such notes at December 31, 2020 and 2019, respectively.

Item 14. Principal Accountant Fees and Services.

Principal Independent Accountant Fees and Services

Davidson & Company LLC ("Davidson") has served as our independent registered public accounting firm since July 31, 2019. The engagement of Davidson was approved by the Audit Committee and the Board. Davidson completed the audits of the Company for the year ended December 31, 2020 and 2019.

During the years ended December 31, 2020 and 2019, there were no (1) disagreements with Davidson on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which, if not resolved to Davidson's satisfaction, would have caused Davidson to make reference thereto in its report on the consolidated financial statements of the Company (as described in Item 304(a)(1)(iv) of Regulation S-K), (2) reportable events (as described in Item 304(a)(1)(v) of Regulation S-K) or (3) "reportable events as such term is defined in NI 51-102.

Aggregate fees billed by our independent auditors for the years ended December 31, 2020 and December 31, 2019 are detailed in the table below.

Principal Independent Accountant Fees and Services

	2020	2019
Audit Fees[1]	$ 800,000	$ 946,818
Audit Related Fees[2]	74,397	—
Tax Fees[3]	—	15,277
All Other Fees[4]	—	—
Total Fees Paid	**$ 874,397**	**$ 962,095**

(1) Fees for audit services on an accrued basis.
(2) Fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit of the financial statements.
(3) Fees for professional services rendered for tax compliance, tax advice and tax planning.
(4) All other fees billed by the auditor for products and services not included in the foregoing categories.

Pre-approval Policies and Procedures

Our audit committee has established a policy of reviewing, in advance, and either approving or not approving, all audit, audit-related, tax and other non-audit services that our independent registered public accounting firm provides to us. This policy requires that all services received from independent registered public accounting firms be approved in advance by the audit committee. The audit committee has delegated pre-approval responsibility to the Chair of the audit Committee with respect to non-audit related fees and services.

Our audit committee has determined that the provision of the services as set out above is compatible with the maintaining of Davidson’s independence in the conduct of their auditing functions.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) The following documents included elsewhere in this annual report on Form 10-K (see F-pages herein regarding financial statement information) are incorporated herein by reference and filed as part of this report:

(1) Financial statements:

The consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years ended December 31, 2020 and 2019, together with notes thereto.

(2) Financial statement schedule: None

(3) Exhibits required by Item 601 of Regulation S-K:

		Incorporated by Reference			
Exhibit Number	Exhibit Description	Form	Filing Date	Exhibit Number	Filed Herewith
3.1	Notice of Articles of Registrant	20-F	June 30, 2020	1.1	
3.2	Articles of Registrant	20-F	June 30, 2020	1.2	
3.3	Amended and Restated Articles of Registrant dated December 23, 2020				x
4.1	Description of Securities	20-F	June 30, 2020	2.1	
10.1	Business Combination Agreement dated March 1, 2019 between 4Front Holdings LLC, 4Front Corp., 1196260 B.C. Ltd. and Cannex Capital Holdings Inc.	20-F	June 30, 2020	4.1	
10.2	Senior secured convertible notes issued by Cannex Capital Holdings Inc. on November 21, 2018 to Gotham Green Fund 1, L.P., Gotham Green Fund 1 (Q), L.P., and Gotham Green Credit Partners SPV 2, L.P.	20-F	June 30, 2020	4.3	
10.3	Construction Loan Agreements dated May 10, 2019, by and between Linchpin Investors LLC, a subsidiary of the Corporation, and LI Lending LLC, in the amount of up-to $50,000,000 (later modified to up-to $45,000,000)	20-F	June 30, 2020	4.4	
10.4	Stock Purchase Agreement by and among 4Front Holdings LLC, Paul Overgaag , Nathaniel Averill and Healthy Pharms, Inc. dated November 13, 2018	20-F	June 30, 2020	4.5	
10.5	Contribution Agreement November 13, 2018 between Mission Partners USA, LLC and 4Front Holdings LLC	20-F	June 30, 2020	4.6	

10.6	Lock-up agreement dated August 22, 2019, by and among 4Front Ventures Corp. and each of Camelback Ventures, LLC, Joshua Rosen, Trevor Pratte, Karl Chowscano, Andrew Thut, Kris Krane, Leo Gontmakher, Arkadi Gontmakher, Vlad Orlovskii, Oleg Orlovskii, Roman Tkachenko and Glenn Backus	20-F	June 30, 2020	4.7	
10.7	Amended and restated securities purchase agreement dated July 31, 2019 among Gotham Green Fund 1, L.P., Gotham Green Fund 1 (Q), L.P., Gotham Green Credit Partners SPV 2, L.P., Gotham Green Fund II, L.P., Gotham Green Fund II (Q), L.P., 4Front Ventures Corp., Cannex Holdings (Nevada) Inc., 4Front Ventures Corp., 4Front U.S. Holdings Inc. and Cannex Holdings (Nevada) Inc., as amended on January 29, 2020 and March 20, 2020	20-F	June 30, 2020	4.8	
10.8	Industrial building lease dated September 1, 2015 by and between Kinzie Properties, LLC, 2400 Greenleaf Partners, LLC, and IL Grown Medicine LLC	20-F	June 30, 2020	4.9	
10.9	Amended and Restated Class B Proportionate Shares Option Plan +	20-F	June 30, 2020	4.10	
10.10	Amended and Restated Stock Option Plan +	20-F	June 30, 2020	4.11	
10.11	Form of Director Indemnification Agreement	20-F	June 30, 2020	4.12	
10.12	Executive Employment Agreement with Joshua N. Rosen dated April 15, 2020 +	20-F	June 30, 2020	4.2	
10.13	Severance, General Waiver and Release Agreement with Brad Kotansky dated March 27, 2020 +				x
10.14	Severance, General Waiver and Release Agreement with Jerry Derevanny dated June 30, 2020 +				x
10.15	Amended and Restated Consulting Agreement with Ag-Grow Imports, LLC and Maha Consulting LLC				x
10.16	Separation Agreement and Release with Joshua N. Rosen dated January 2, 2021				x
10.17	Severance, General Waiver and Release Agreement with Nicolle Dorsey dated February 3, 2021 +				x
10.18	Membership Interest Purchase Agreement – Denham dated January 1, 2020				x
10.19	Membership Interest Purchase Agreement Amendment 1 – Denham dated March 30, 2020				x
10.20	Membership Interest Purchase Agreement Amendment 2 – Denham dated August 12, 2020				x
10.21	Membership Interest Purchase Agreement – Ethos dated April 30, 2020				x
10.22	Asset Purchase Agreement – Ethos dated April 30, 2020				x
10.23	LI Lending Amended & Restated Promissory Note dated December 17, 2020				x
10.24	Premium Termination Agreement dated August 11, 2020				x
21.1	List of Subsidiaries				x

31.1	Certification of the Chief Executive Officer (Principal Executive Officer) pursuant to Rule 13a-14(a) of the Securities Exchange Act	x
31.2	Certification of the Chief Financial Officer (Principal Financial Officer) pursuant to Rule 13a-14(a) of the Securities Exchange Act	x
32.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Rule 13a-14(b) Under the Securities Exchange Act of 1934 and Section 1350 of Chapter 60 of Title 18 of the United States Code *	x
101.INS	XBRL Instance Document	x
101.SCH	XBRL Taxonomy Extension Schema Document	x
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	x
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	x
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	x
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	x

+	Indicates management contract or compensatory plan.
*	This certification is being furnished solely to accompany this Annual Report pursuant to 18 U.S.C. Section 1350, and it is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934 and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

4FRONT VENTURES CORP.

April 6, 2021

By: /s/ Leo Gontmakher
Leo Gontmakher
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature and Title:	**Date:**
/s/ Leo Gontmakher **Leo Gontmakher,** **Chief Executive Officer and Director** **(Principal Executive Officer)**	April 6, 2021
/s/ Peter Rennard **Peter Rennard,** **Interim Chief Financial Officer** **(Principal Financial and Accounting Officer)**	April 6, 2021
/s/ David Daily **David Daily,** **Director**	April 6, 2021
/s/ Chetan Gulati **Chetan Gulati,** **Director**	April 6, 2021
/s/ Kathi Lentzsch **Kathi Lentzsch,** **Director**	April 6, 2021
/s/ Eric Rey **Eric Rey,** **Director**	April 6, 2021
/s/ Josh Rosen **Josh Rosen,** **Director**	April 6, 2021
/s/ Roman Tkachenko **Roman Tkachenko,** **Director**	April 6, 2021

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of
4Front Ventures Corp.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of 4Front Ventures Corp. (the "Company") as of December 31, 2020 and 2019, and the related consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows for the years ended December 31, 2020 and 2019, and the related notes and schedules (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years ended December 31, 2020 and 2019, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Company's auditor since 2019.

/s/ DAVIDSON & COMPANY LLP

Vancouver, Canada Chartered Professional Accountants

April 6, 2021

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

4FRONT VENTURES CORP.
Formerly 4Front Holdings, LLC
Consolidated Balance Sheets
As of December 31, 2020 and December 31, 2019
Amounts expressed in thousands of U.S. dollars except for share and per share data

	December 31, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash	$ 18,932	$ 5,789
Accounts receivable	437	597
Other receivables	1,341	405
Current portion of lease receivables	3,450	9,556
Inventory	18,037	9,825
Current portion of notes receivable	264	1,871
Prepaid expenses	2,275	2,198
Total current assets	44,736	30,241
Restricted cash	—	2,352
Property and equipment, net	33,618	41,822
Notes receivable and accrued interest	91	1,049
Lease receivables	7,595	23,944
Intangible assets, net	28,790	35,147
Goodwill	23,155	40,283
Right-of-use assets	62,466	20,757
Investments	—	759
Deposits	4,305	6,347
TOTAL ASSETS	$ 204,756	$ 202,701
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current liabilities:		
Accounts payable	$ 4,722	$ 5,866
Accrued expenses and other current liabilities	6,427	3,465
Taxes payable	11,502	1,609
Derivative liability	5,807	—
Current portion of convertible notes	1,652	—
Current portion of lease liability	1,909	972
Current portion of contingent consideration payable	2,393	750
Current portion of notes payable and accrued interest	3,372	6,190
Total current liabilities	37,784	18,852
Convertible notes	14,722	35,607
Notes payable and accrued interest from related party	45,362	44,289
Long term notes payable	1,907	1,903
Long term accounts payable	1,600	1,600
Contingent consideration payable	3,103	4,714
Deferred tax liability	6,530	—
Lease liability	51,545	20,976
TOTAL LIABILITIES	162,553	127,941
SHAREHOLDERS' EQUITY		
Equity attributable to 4Front Ventures Corp.	250,583	252,656
Additional paid-in capital	42,116	25,618
Deficit	(250,548)	(203,497)
Non-controlling interest	52	(17)
TOTAL SHAREHOLDERS' EQUITY	42,203	74,760
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 204,756	$ 202,701

The accompanying notes are an integral part of these consolidated financial statements.

4FRONT VENTURES CORP.
Formerly 4Front Holdings, LLC
Consolidated Statements of Operations and Comprehensive Loss
For the Years Ended December 31, 2020 and 2019
Amounts expressed in thousands of U.S. dollars except for share and per share data

	December 31, 2020	December 31, 2019
REVENUE		
Revenue from sale of goods	$ 46,616	$ 14,812
Real estate income	11,019	4,220
Total revenues	57,635	19,032
Cost of goods sold, sale of grown and manufactured products	(11,973)	(6,844)
Cost of goods gold, sale of purchased products	(9,151)	(4,007)
Gross profit	36,511	8,181
OPERATING EXPENSES		
Selling and marketing expenses	23,174	9,038
General and administrative expenses	20,494	24,984
Depreciation and amortization	4,061	3,163
Equity based compensation	5,306	5,913
Impairment of goodwill and intangible assets	16,748	145,203
Foreign exchange (gain) loss	(19)	57
Accretion	(643)	(337)
Total operating expenses	69,121	188,021
Loss from operations	(32,610)	(179,840)
Other income (expense)		
Interest income	77	85
Interest expense	(15,779)	(5,559)
Change in fair value of derivative liability	(1,578)	5,317
Gain on sale leaseback transactions	3,345	—
Gain on restructuring of notes payable	380	—
Gain on extinguishment of debt	1,218	—
Loss on investments	(759)	(529)
Other	763	2,500
Total other income (expense)	(12,333)	1,814
Net loss before income taxes	(44,943)	(178,026)
Income tax expense	(15,049)	(966)
Net loss from continuing operations	(59,992)	(178,992)
Net income (loss) from discontinued operations, net of taxes	12,987	(3,133)
Net loss	(47,005)	(182,125)
Net income (loss) attributable to non-controlling interest	46	(115)
Net loss attributable to shareholders	$ (47,051)	$ (182,010)
Basic and diluted loss per share	$ (0.09)	$ (0.43)
Weighted average number of shares outstanding, basic and diluted	520,563,800	420,306,991

The accompanying notes are an integral part of these consolidated financial statements.

4FRONT VENTURES CORP.
Formerly 4Front Holdings, LLC
Consolidated Statements of Changes in Shareholders' Equity
For the Years Ended December 31, 2020 and 2019
Amounts expressed in thousands of U.S. dollars except for share and per share data

	Share Capital			Additional Paid-In Capital	Deficit	Total 4Front Ventures Corp. Shareholders' Equity	Non-Controlling Interest	Total Shareholders' Equity
	Units	Shares	Amount					
Balance, December 31, 2018	803,591	-	$ 68,959	$ 2,227	$ (21,487)	$ 49,699	$ (1,668)	$ 48,031
Class F units of Holdings for acquisition of PHX	5,496	—	2,676	—	—	2,676	—	2,676
Class F units for acquisition of Om	9,040	—	4,400	—	—	4,400	—	4,400
Class F units of Holdings for acquisition of non-controlling interests	11,642	—	7,989	—	—	7,989	—	7,989
Purchase of non-controlling interests	—	—	(10,156)	—	—	(10,156)	1,766	(8,390)
Issuance of Class F units due to timing of the Cannex acquisition	3,901	—	—	—	—	—	—	—
Issuance of Class F units to brokers	236	—	115	—	—	115	—	115
Share issuance costs	—	—	(115)	—	—	(115)	—	(115)
Share-based compensation through July 31, 2019	34,572	—	—	3,776	—	3,776	—	3,776
Conversion of 4Front Holdings units to 4Front Ventures Corp. shares	(868,478)	340,370,271	—	—	—	—	—	—
Cannex acquisition	—	190,482,146	181,110	6,825	—	187,935	—	187,935
GGP warrants acquired with Cannex	—	—	—	5,779	—	5,779	—	5,779
Issuance of broker warrants	—	—	—	1,823	—	1,823	—	1,823
Share issuance costs	—	—	—	(1,823)	—	(1,823)	—	(1,823)
Issuance of shares to brokers	—	1,035,456	420	—	—	420	—	420
Share issuance costs	—	—	(420)	—	—	(420)	—	(420)
Conversion option on GGP notes transferred to equity	—	—	—	4,874	—	4,874	—	4,874
Purchase of non-controlling interests in Arkansas entities	—	—	(2,322)	—	—	(2,322)	—	(2,322)
Share-based compensation after July 31, 2019	—	—	—	2,137	—	2,137	—	2,137
Return of treasury shares	—	(365,054)	—	—	—	—	—	—
Net loss	—	—	—	—	(182,010)	(182,010)	(115)	(182,125)
Balance, December 31, 2019	—	531,522,819	$ 252,656	$ 25,618	$ (203,497)	$ 74,777	$ (17)	$ 74,760

The accompanying notes are an integral part of these consolidated financial statements.

4FRONT VENTURES CORP.
Formerly 4Front Holdings, LLC
Consolidated Statements of Changes in Shareholders' Equity
For the Years Ended December 31, 2020 and 2019
Amounts expressed in thousands of U.S. dollars except for share and per share data

	Share Capital			Additional Paid-In Capital	Deficit	Total 4Front Ventures Corp. Shareholders' Equity	Non-Controlling Interest	Total Shareholders' Equity
	Units	Shares	Amount					
Balance, December 31, 2019	—	531,522,819	$ 252,656	$ 25,618	$ (203,497)	$ 74,777	$ (17)	$ 74,760
Conversion option and warrants for GGP notes transferred to equity	—	—	—	411	—	411	—	411
Conversion option for convertible notes transferred to equity	—	—	—	5,163	—	5,163	—	5,163
Shares issued for Pure Ratios earnout	—	223,145	94	—	—	94	—	94
Share-based compensation	—	—	—	5,306	—	5,306	—	5,306
Exchange of stock for convertible swap notes	—	(29,448,468)	(13,661)	—	—	(13,661)	—	(13,661)
Conversion of notes to equity	—	4,479,113	1,939	—	—	1,939	—	1,939
Shares issued with exercise of warrants	—	2,686,463	1,352	—	—	1,352	—	1,352
Shares issued for services	—	1,192,640	644	—	—	644	—	644
Issuance of stock for purchase of non-controlling interests	—	3,551,040	231	—	—	231	(231)	—
Derecognition of NCI with the sale of Maryland entities	—	—	—	—	—	—	254	254
Issuance of stock for bought deal	—	24,644,500	8,018	—	—	8,018	—	8,018
Issuance of broker warrants	—	—	—	577	—	577	—	577
Share issuance costs for bought deal	—	—	(690)	—	—	(690)	—	(690)
Issuance of warrants to Advisors	—	—	—	381	—	381	—	381
Issuance of warrants to LI Lending	—	—	—	4,660	—	4,660	—	4,660
Net loss	—	—	—	—	(47,051)	(47,051)	46	(47,005)
Balance, December 31, 2020	—	538,851,252	$ 250,583	$ 42,116	$ (250,548)	$ 42,151	$ 52	$ 42,203

The accompanying notes are an integral part of these consolidated financial statements.

Amounts expressed in thousands of U.S. dollars except for share and per share data

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(47,005)	(182,125)
Adjustments to reconcile net loss to net cash used by operating activities		
Depreciation and amortization	8,563	4,171
Equity based compensation	5,306	5,913
Change in fair value of derivative liability	1,578	(5,317)
Accretion of lease liability	(107)	(958)
Write-off of investment	759	529
Write-off of receivable	518	—
Write-off of deposit	424	—
Impairment of inventory	—	483
Accrued interest income on notes receivable	—	(97)
Change in contingent consideration payable	774	214
Accretion of contingent consideration	758	—
Accretion of convertible debenture and interest	1,009	1,553
Accrued interest on notes payable	3,073	—
Interest accrued - lease receivable	(312)	(308)
Deferred taxes	6,530	(232)
Impairment of goodwill and intangibles	16,748	145,203
Tax adjustment to goodwill	(1,406)	—
Gain on sale of dispensaries	(13,454)	—
Gain on sales lease back	(3,345)	—
Equity issued to pay consulting fees	644	—
Changes in operating assets and liabilities	5,531	1,572
NET CASH PROVIDED BY (USED IN) CONTINUED OPERATING ACTIVITIES	(13,414)	(29,399)
Net cash provided by (used in) discontinued operating activities	(627)	2,005
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(14,041)	(27,394)
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term deposits	—	(2,507)
Issuance of notes receivable, net of repayments	(3,503)	802
Advances to discontinued operations	—	(7,504)
Notes receivable repayments	782	—
Business combination with Cannex, net cash acquired	—	9,119
Business combination with Om, net cash acquired	—	(176)
Purchase of non-controlling interest	—	(400)
Sale of dispensaries and interests in cannabis licenses	25,423	—
Sale lease back transactions	32,189	—
Purchases of property and equipment	(13,875)	(20,906)
NET CASH PROVIDED BY (USED IN) CONTINUED INVESTING ACTIVITIES	41,016	(21,572)
Net cash provided by (used in) discontinued investing activities	(1,679)	2,073
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	39,337	(19,499)
CASH FLOWS FROM FINANCING ACTIVITIES		
Notes payable received (repaid), net of costs	(317)	46,113
Cannex loan	—	12,497
Sale of stock with warrants, net of issuance costs	12,134	—
Issuance of convertible notes	8,636	—
Proceeds from the exercise of warrants	1,352	—
Repayment of convertible debentures	(37,813)	(953)
Repayment of notes payable	(2,000)	(4,058)
NET CASH PROVIDED BY (USED IN) CONTINUED FINANCING ACTIVITIES	(18,008)	53,599
Net cash provided by discontinued financing activities	3,503	—
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(14,505)	53,599
NET INCREASE (DECREASE) IN CASH	10,791	6,706
CASH, BEGINNING OF YEAR	8,141	1,435
CASH, END OF YEAR	$ 18,932	$ 8,141

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS

4Front Ventures Corp. ("4Front" or the "Company") exists pursuant to the provisions of the British Columbia Corporations Act. On July 31, 2019, 4Front Holdings LLC ("Holdings") completed a Reverse Takeover Transaction ("RTO") with Cannex Capital Holdings Inc. ("Cannex") whereby Holdings acquired Cannex and the shareholders of Holdings became the controlling shareholders of the Company (Note 11). Following the RTO, the Company's SVS are listed on the Canadian Securities Exchange ("CSE") under the ticker "FFNT" and are quoted on the OTC (OTCQX: FFNTF).

As of December 31, 2020, the Company operates five dispensaries in Massachusetts, Illinois, and Michigan. The Company operates two production facilities in Massachusetts and one in Illinois. The Company produces the majority of products that are sold at its Massachusetts and Illinois dispensaries.

The Company leases real estate and sells equipment, supplies and intellectual property to cannabis producers in the state of Washington. The Company also owns and operates Pure Ratios (which was acquired by Cannex in June 2019), a CBD-focused wellness company in California, that sells non-THC products throughout the United States.

While marijuana is legal under the laws of several U.S. states (with varying restrictions), the United States Federal Controlled Substances Act classifies all "marijuana" as a Schedule I drug, whether for medical or recreational use. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision.

The head office address of the Company is 5060 North 40th Street, Suite 120, Phoenix, Arizona, and the registered office is 550 Burrard Street, Suite 2900, Vancouver, British Columbia.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation and Statement of Compliance

The accompanying consolidated financial statements as of December 31, 2020 and 2019 (the "consolidated financial statements"), have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

(b) Basis of Measurement

These consolidated financial statements have been prepared on the going concern basis, under the historical cost convention, except for certain financial instruments that are measured at fair value as described herein.

(c) Functional and Presentation Currency

The Company's, and its subsidiaries', functional currency, as determined by management, is the United States ("U.S.") dollar. These consolidated financial statements are presented in U.S. dollars.

(d) Basis of Consolidation

The accompanying consolidated financial statements are comprised of the financial statements of the Company and its subsidiaries and reflect all adjustments which are necessary for a fair statement of the financial position, results of operations, and cash flows for the periods presented in accordance with GAAP. All intercompany balances and transactions are eliminated in consolidation. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect these returns through the power to direct the relevant activities of the entity. To the extent that subsidiaries provide services that relate to the Company's activities, they are fully consolidated from the date control is transferred and are deconsolidated from the date control ceases.

Amounts expressed in thousands of U.S. dollars except for share and per share data

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

The following are the Company's wholly owned subsidiaries and entities that are controlled by the Company that are included in these consolidated financial statements as of and for the years ended December 31, 2020 and 2019:

Business Name	Entity Type	State of Operations	Ownership % 2020	Ownership % 2019
4Front Holdings, LLC	Holding Company	DE	100%	100%
4Front Advisors, LLC	Consulting Company	AZ	100%	100%
Mission Partners USA, LLC	Investment Company	DE	100%	100%
Linchpin Investors, LLC	Finance Company	DE	100%	100%
Healthy Pharms Inc.	Collocated Cultivation / Production / Dispensary	MA	100%	100%
MMA Capital, LLC	Finance Company	MA	95.0%	85.3%
IL Grown Medicine, LLC	Cultivation	IL	100%	100%
Harborside Illinois Grown Medicine, Inc.	Dispensary (allowing for the operation of 2 dispensaries)	IL	100%	100%
Om of Medicine, LLC	Co-located Medical Provisioning Center (Dispensary); Co-located Adult-Use Dispensary	MI	100%	100%
Mission MA, Inc.	Collocated Cultivation / Production / Dispensary	MA	100%	100%
Real Estate Properties LLC	Real Estate Holding	WA	100%	100%
Fuller Hill Development Co, LLC	Real Estate Holding	WA	100%	100%
Ag-Grow Imports LLC	Importer of Equipment	WA	100%	100%
Pure Ratios Holdings, Inc.	Online CBD Retail	DE	100%	100%
4Front California Capital Holdings Inc.	Real Estate Holding	CA	100%	100%
4Front Nevada Corp.	Holding Company	NV	100%	100%
Brightleaf Development LLC	Holding Company	WA	100%	100%
Mission Partners IP, LLC	IP Holding Company	DE	100%	100%
4Front US Holdings, Inc.	Holding Company	DE	100%	100%
4Front Management Associates, LLC	Management Company	MA	95%	76%
4Front Ventures Corp.	Holding Company	Canada	100%	100%

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash deposits in financial institutions, other deposits that are readily convertible into cash, with original maturities of three months or less, and cash held at retail locations. For the years presented, the Company did not have any cash equivalents.

(f) Inventories

Raw material consists of unharvested cannabis plants, and materials used to manufacture CBD and cannabis products. Work in process is harvested cannabis, processed cannabis oil, and manufactured products that are not complete. Finished goods are cultivation supplies to be sold to cultivators, purchased and manufactured packaged flower, pre-rolls, vape cartridges, edibles, CBD products, and paraphernalia.

Inventories of purchased finished goods and packing materials are initially valued at cost and subsequently at the lower of cost or net realizable value.

Costs incurred during the growing and production process are capitalized as incurred to the extent that cost is less than net realizable value. These costs include materials, labor and manufacturing overhead used in the growing and production processes.

Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined using the weighted average cost basis. Products for resale and supplies and consumables are valued at lower of cost and net realizable value. The Company reviews inventory for obsolete, redundant and slow-moving goods and any such inventories are written down to net realizable value.

(g) Property and Equipment

Property and equipment are stated at cost, including capitalized borrowing costs, net of accumulated depreciation and impairment losses, if any. Expenditures that materially increase the life of the assets are capitalized. Ordinary repairs and maintenance are expensed as incurred. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset using the following terms and methods:

Land/ Assets Under Construction	Not Depreciated
Buildings and Improvements	10 – 39 Years
Furniture and Fixtures	5 – 7 Years
Equipment	7 years
Software	5 Years
Leasehold Improvements	Lesser of Remaining Life of Lease or Useful Life

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively if appropriate. An item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in operations in the year the asset is derecognized.

The Company evaluates the recoverability of other long-lived assets, including property, plant and equipment, and certain identifiable intangible assets, whenever events or changes in circumstances indicate that the carrying value of an asset or asset group may not be recoverable. The Company performs impairment tests of indefinite-lived intangible assets on an annual basis or more frequently in certain circumstances. Factors which could trigger an impairment review include significant underperformance relative to historical or projected future operating results, significant changes in the manner of use of the assets or the strategy for the overall business, a significant decrease in the market value of the assets or significant negative industry or economic trends. When the Company determines that the carrying value of long-lived assets may not be recoverable based upon the existence of one or more of the indicators, the assets are assessed for impairment based on the estimated future

undiscounted cash flows expected to result from the use of the asset and its eventual disposition. If the carrying value of an asset exceeds its estimated future undiscounted cash flows, an impairment loss is recorded for the excess of the asset's carrying value over its fair value.

(h) Impairment of non-financial assets

The Company evaluates the recoverability of other long-lived assets, including property, plant and equipment, and certain identifiable intangible assets, whenever events or changes in circumstances indicate that the carrying value of an asset or asset group may not be recoverable. The Company performs impairment tests of indefinite-lived intangible assets on an annual basis or more frequently in certain circumstances. Factors which could trigger an impairment review include significant underperformance relative to historical or projected future operating results, significant changes in the manner of use of the assets or the strategy for the overall business, a significant decrease in the market value of the assets or significant negative industry or economic trends.

When the Company determines that the carrying value of long-lived assets may not be recoverable based upon the existence of one or more of the indicators, the assets are assessed for impairment based on the estimated future undiscounted cash flows expected to result from the use of the asset and its disposition, an impairment loss is recorded for the excess of the asset's carrying value over its fair value.

(i) Intangible Assets

Intangible assets are recorded at cost less accumulated amortization and impairment losses, if any. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Amortization periods of assets with finite lives are based on management's estimates at the date of acquisition and were as follows for each class of intangible asset as of December 31, 2020:

Intangible assets estimated useful life:	
Customer Relationships	5 years
Tradenames	1-10 years
Non-competition Agreement	2-3 years
Know-how (trade secrets)	5 years

Intangible assets with finite lives are amortized over their estimated useful lives. The estimated useful lives, residual values, and amortization methods are reviewed at each year end, and any changes in estimates are accounted for prospectively.

(j) Goodwill

Goodwill arises from business combinations and is generally determined as the excess of the fair value of the consideration transferred, plus the fair value of any non-controlling interests in the acquiree, over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. Goodwill acquired in a business combination is not amortized but tested for impairment at least annually or more frequently if events and circumstances exist that indicate that a goodwill impairment test should be performed.

The Company tests impairment of goodwill in two steps:

1. Indicators of impairment – a qualitative test to determine whether indicators of impairment (or conversely indicators of non-impairment), collectively "trigger events", are present by assessing the below. If there is no negative trigger event, no further analysis is necessary.
    a. Macroeconomic conditions such as a deterioration in general economic conditions, limitations on accessing capital, fluctuations in foreign exchange rates, or other developments in equity and credit markets.

b. Industry and market considerations such as a deterioration in the environment in which an entity operates, an increased competitive environment, a decline in market-dependent multiples or metrics (consider in both absolute terms and relative to peers), a change in the market for an entity's products or services, or a regulatory or political development.
c. Cost factors such as increases in raw materials, labor, or other costs that have a negative effect on earnings and cash flows.
d. Overall financial performance such as negative or declining cash flows or a decline in actual or planned revenue or earnings compared with actual and projected results of relevant prior periods. In this case we have selected a 2019 to 2020 EBITDA comparative.
e. Other relevant entity-specific events such as changes in management, key personnel, strategy, or customers; contemplation of bankruptcy; or litigation
f. Events affecting a Reporting Unit such as a change in the composition or carrying amount of its net assets, a more-likely-than-not expectation of selling or disposing all, or a portion, of a Reporting Unit, the testing for recoverability of a significant asset group within a Reporting Unit, or recognition of a goodwill impairment loss in the financial statements of a subsidiary that is a component of a Reporting Unit
g. If applicable, a sustained decrease in share price (consider in both absolute terms and relative to peers).

2. Quantitative Assessment - If the qualitative assessment above indicates that it is more likely than not that the fair value of the indefinite-lived intangible asset or the reporting unit (for goodwill) is less than its carrying value, a quantitative impairment test to compare the fair value to the carrying value. An impairment charge is recorded if the carrying value exceeds the fair value.

(k) Income Taxes

Deferred taxes are provided using an asset and liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Deferred tax assets and liabilities are measured using the enacted taxes rates. The effect on deferred tax assets and liabilities of a change in tax law or tax rates is recognized in income in the period that enactment occurs. As discussed further in Note 24, the Company is subject to the limitations of IRC Section 280E.

(l) Revenue Recognition

Revenue is recognized by the Company in accordance with ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Through application of the standard, the Company recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

In order to recognize revenue under ASU 2014-09, the Company applies the following five steps:

- Identify a customer along with a corresponding contract;
- Identify the performance obligation(s) in the contract to transfer goods or provide distinct services to a customer;
- Determine the transaction price the Company expects to be entitled to in exchange for transferring promised goods or services to a customer;

- Allocate the transaction price to the performance obligation(s) in the contract;
- Recognize revenue when or as the Company satisfies the performance obligation(s).

Real estate income

The Company accounts for leases and subleases with its tenants as finance leases. At the inception of a finance lease, the Company recognizes a lease receivable for the net present value of the future lease payments, derecognizes the underlying assets from property and equipment and derecognize the right-of-use-asset for the lease on any subleased facility. Lease payments received are primarily recognized as real estate income in the Consolidated Statements of Operations and Comprehensive Loss. A portion of the lease payment amortizes the lease receivable.

Sale of goods

Revenues consist of consumer packaged goods and retail sales of cannabis, which are generally recognized at a point in time when control over the goods have been transferred to the customer and is recorded net of sales discounts. Payment is typically due upon transferring the goods to the customer or within a specified time period permitted under the Company's credit policy. Sales discounts were not material during the years ended December 31, 2020 and 2019.

Revenue is recognized upon the satisfaction of the performance obligation. The Company satisfies its performance obligation and transfers control upon delivery and acceptance by the customer.

The Company treats shipping and handling activities as a fulfillment cost, classified as cost of sales. Accordingly, the Company accrues all fulfillment costs related to the shipping and handling of consumer goods at the time of shipment.

For some of its locations, the Company offers a loyalty reward program to its dispensary customers. A portion of the revenue generated in a sale is allocated to the loyalty points earned. The amount allocated to the points earned is deferred until the loyalty points are redeemed or expire. As of December 31, 2020 and 2019, the loyalty liability totaled $417 and $nil, respectively, and is included in accrued liabilities on the consolidated balance sheets.

(m) Share-based compensation

The stock option plan (Note 18) allows Company directors, employees and consultants to acquire shares of the Company. The Company measures the fair value of services received in exchange for all options granted based on the fair market value of the award as of the grant date. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity.

Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to capital stock.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

(n) Fair Value of Financial Instruments (See Note 21)

The Company applies fair value accounting for all financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities that are required to be recorded at fair value, the Company considers all related factors of the asset by market participants in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions, and credit risk.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(o) Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Contingent consideration is measured upon acquisition and is estimated using probability weighting of potential payouts. Subsequent changes in the estimated contingent consideration from the final purchase price allocation are recognized in the Company's consolidated statement of operations.

(p) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share options and warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new shares, warrants or options are shown in equity as a deduction from the proceeds. The proceeds from the exercise of stock options are recorded as share capital. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Accounting Standards Codification (ASC) 740, Income Taxes.

(q) Loss per Share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share has been calculated using the weighted average number of common shares that would have been outstanding during the respective period had all stock options and warrants outstanding and having a dilutive effect been converted into shares at the beginning of the period and the proceeds used to repurchase the Company's common shares at the average market price for the period. If these computations prove to be anti-dilutive, diluted loss per share is the same as the basic loss per share.

(r) Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The Company measures goodwill as the fair value of the consideration, less the net recognized amount of the identifiable assets and liabilities assumed, all measured at fair value as of the acquisition date. Any excess of the fair value of the

net assets acquired over the consideration, is a gain on business acquisition and would be recognized as a gain in the consolidated statement of operations and comprehensive loss.

In determining the fair value of all identifiable assets, liabilities and contingent liabilities acquired, the most significant estimates relate to contingent consideration and intangible assets. Management exercises judgement in estimating the probability and timing of when earn-outs are expected to be achieved, which is used as the basis for estimating fair value.

(s) Foreign Currency

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into the entity's functional currency by the use of the exchange rate in effect at that date. At the period-end date, unsettled monetary assets and liabilities are translated into the functional currency by using the exchange rate in effect at the period-end date and the related translation differences are recognized in net income.

(t) Use of Estimates

The preparation of the consolidated financial statements and accompanying notes in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported. Actual results can differ from these estimates.

(u) Recent Accounting Pronouncements

Recently Adopted

(i) In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02 "Leases (Topic 842)" ("ASU 2016-02"), which requires lessees to record most leases on the balance sheet but recognize expense on the income statement in a manner similar to current accounting. For lessors, ASU 2016-02 also modifies the classification criteria and the accounting for sales-type and direct financing leases. The standard requires a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements and was effective in the first quarter of 2019.

Upon adoption of ASU 2016-02, the Company recorded right-of-use assets of $5,580 and corresponding lease liabilities of $5,897 with the difference of $317 recorded in opening retained earnings. The adoption did not have a material impact on consolidated net earnings or cash flows. See Note 12 for additional information.

(ii) In June 2016, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments". ASU 2016-13 requires the measurement of current expected credit losses for financial assets held at the reporting date based on historical experience, current conditions and reasonable and supportable forecasts. Adoption of ASU 2016-13 requires financial institutions and other organizations to use forward-looking information to better formulate their credit loss estimates. In addition, the ASU amends the accounting for credit losses on available for sale debt securities and purchased financial assets with credit deterioration. This update was effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company adopted the provisions of ASU 2016-13 as of January 1, 2020. The adoption did not have a material impact on the Company's consolidated financial statements.

(iii) In January 2017, the FASB issued ASU No. 2017-04 "Intangibles— Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment", which simplifies the accounting for goodwill impairment. ASU 2017-04 requires entities to record an impairment charge based on the excess of a reporting unit's

carrying amount over its fair value (Step 1 under the current impairment test). The standard eliminates Step 2 from the current goodwill impairment test, which included determining the implied fair value of goodwill and comparing it with the carrying amount of that goodwill. ASU 2017-04 is applied prospectively and the Company adopted the new standard in the first quarter of 2020. The adoption did not have a material impact on the Company's consolidated financial statements.

(iv) In August 2018, the FASB issued ASU 2018-13, "Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820)". ASU 2018-13 adds, modifies, and removes certain fair value measurement disclosure requirements. ASU 2018-13 is effective for annual and interim periods beginning after December 15, 2019. ASU 2018-13 is applied prospectively and the Company adopted the new standard in the first quarter of 2020. The adoption did not have a material impact on the Company's consolidated financial statements.

Accounting Pronouncements Not Yet Adopted

(i) In December 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740) - Simplifying the Accounting for Income Taxes", which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. ASU 2019-12 is effective for the Company beginning January 1, 2021. The Company is currently evaluating the effect of adopting this ASU on the Company's financial statements.

(ii) In January 2020, the FASB issued ASU 2020-01, "Investments - Equity Securities (Topic 321), Investments - Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)", which is intended to clarify the interaction of the accounting for equity securities under Topic 321 and investments accounted for under the equity method of accounting in Topic 323 and the accounting for certain forward contracts and purchased options accounted for under Topic 815. ASU 2020-01 is effective for the Company beginning January 1, 2021. The Company is currently evaluating the effect of adopting this ASU on the Company's financial statements.

(iii) In August 2020, the FASB issued ASU 2020-06, "Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40)". ASU 2020-06 simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. The Company is currently evaluating the impact of adopting this ASU on the Company's financial statements.

3. CAPITAL MANAGEMENT

The Company's primary objectives, when managing its capital, are to maintain adequate levels of funding to ensure the Company's ability to continue as a going concern, support the operations of the Company and to maintain corporate and administrative functions. The Company defines capital as notes payable, convertible notes and equity, consisting of the issued units of the Company. The capital structure of the Company is managed to provide sufficient funding for planned operating activities of the Company. Funds are primarily secured through a combination of equity capital raised by way of private placements and debt. There can be no assurances that the Company will be able to continue raising equity capital and debt in this manner.

Capital is comprised of the Company's shareholders' equity. As of December 31, 2020, the Company's shareholders' equity was $42,151. There were no changes to the Company's approach to capital management during the twelve months ended December 31, 2020.

Amounts expressed in thousands of U.S. dollars except for share and per share data

4. CASH AND RESTRICTED CASH

Cash at banks earns interest at floating rates based on daily bank deposit rates. The Company had $nil and $2,352 in restricted cash at December 31, 2020 and 2019, respectively, held under the terms of a debt facility.

5. DEPOSITS

Long-term deposits are made up of the following:

	December 31, 2020	December 31, 2019
Deposits on equipment	$ 1,156	$ 3,505
Deposits on construction	—	1,500
Other long-term deposits	3,149	1,342
Total	$ 4,305	$ 6,347

6. INVENTORY

The Company's inventories include the following at December 31, 2020 and December 31, 2019:

	December 31,2020	December 31,2019
Raw materials – harvested cannabis	$ 4,693	$ 687
Raw materials – CBD and ingredients	214	76
Work in process – flower and extract	9,454	6,757
Finished goods – cultivation supplies	886	677
Finished goods – packaged products	2,790	1,628
Total	$ 18,037	$ 9,825

During 2020 and 2019, no inventory was pledged as collateral.

7. NOTES RECEIVABLE

	December 31, 2020	December 31, 2019
Accucanna Note [(1)]	$ —	$ 1,597
NWCS and 7 Point Notes [(2)]	355	586
Related Party Notes [(3)]	—	696
Other	—	41
Total	$ 355	$ 2,920
Less: notes receivable, current	(264)	(1,871)
Notes receivable, long term	$ 91	$ 1,049

(1) *Accucanna Note*

The Company, as part of the Cannex acquisition (Note 11), acquired a loan receivable from Accucanna, LLC ("Accucanna"), a California cannabis dispensary licensee which shared significant common ownership with Pure Ratios. The $1,500 loan was evidenced by a secured convertible promissory note. The note bore interest

Amounts expressed in thousands of U.S. dollars except for share and per share data

of 10% for the first six months and 18% thereafter. The loan was restructured in 2020 and the remaining balance was repaid prior to December 31, 2020.

(2) *NWCS and 7Point Notes*

The Company acquired three notes receivable in the Cannex business combination (Note 11). The notes bear interest ranging from 10% - 13% per annum and are repayable in installments totaling $22 per month, maturing in 2022.

(3) *Related Party Notes*

The Company held various loans totaling $nil and $696 at December 31, 2020, and December 31, 2019, respectively, from related parties that hold cannabis licenses, have applied for cannabis licenses, or control real estate that can be used for a cannabis facility. The parties are related because a Company executive is a member of the Board of Managers of the party, or employees of the Company have a significant ownership of the party. The loans are unsecured, non-interest bearing, and are payable on demand. The loans were written-off during 2020.

8. INVESTMENTS

As of December 31, 2020 and 2019 the Company holds investments of equity in private companies as follows:

	December 31, 2020	December 31, 2019
HelloMe Inc., a California-based company focused on products on the beauty and wellness industry.	$ —	$ 509
LemonHaze Inc., a Washington-based private cannabis event company.	—	150
Retail Education Tools, Inc., a Washington-based start-up application company focused on marketing tools for emerging cannabis companies.	—	100
Total investments	$ —	$ 759

During 2020, the Company determined that the value of these investments is $nil due to a lack of revenue growth and no evidence of future profitability. Accordingly, a loss on investments of $759 has been recorded on the consolidated statement of operations and comprehensive loss.

Amounts expressed in thousands of U.S. dollars except for share and per share data

9. PROPERTY AND EQUIPMENT

Property and equipment and related depreciation are summarized in the table below:

	As of December 31,	
	2020	2019
Land	$ 150	$ 1,636
Buildings & improvements	3,745	11,157
Construction in process	19,934	8,561
Furniture, equipment & other	9,968	7,504
Leasehold improvements	5,839	16,057
Total	39,636	44,915
Less: accumulated depreciation	(6,018)	(3,093)
Total property and equipment, net	**$ 33,618**	**$ 41,822**

On December 17, 2020, the Company closed two sale and lease back transactions to sell its Olympia, Washington cultivation and processing facility and its Georgetown, Massachusetts combination cultivation, production and dispensary to Innovative Industrial Properties, Inc. ("IIPR"). Under the long-term agreements, the Company will lease back the facilities and continue to operate and manage them. As a result of the sale, the Company disposed of $12,665 of land, buildings, building improvements, and equipment. The Company recognized a gain of $3,345 on the transactions. For further information regarding these transactions, see Note 12 - Leases.

Approximately $33,000 of property and equipment is secured by LI Lending as collateral on the LI Lending note (Note 13). There were no significant contractual commitments for future capital expenditures as of December 31, 2020 and 2019.

Depreciation of property and equipment is computed using the straight-line method over the asset's estimated useful life. Depreciation expense for the year ended December 31, 2020 and 2019 was $1,052 and $2,553 respectively, of which $3,769 and $1,700 respectively is included in cost of goods sold.

Amounts expressed in thousands of U.S. dollars except for share and per share data

10. INTANGIBLE ASSETS AND GOODWILL

Intangible Assets

Intangible assets are recorded at cost less accumulated amortization and impairment losses. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Amortization of definite life intangibles is recognized on a straight-line basis over their estimated useful lives. The estimated useful lives, residual values, and amortization methods are reviewed at each year end, and any changes in estimates are accounted for prospectively.

	Licenses	Customer Relationships	Non-Competition Agreements	Trademarks	Know-How	Total
Balance, December 31, 2018	$ 18,741	$ 2,827	$ 237	$ 88	$ —	$ 21,893
Cannex acquisition (Note 11)	—	—	—	3,900	9,700	13,600
Om of Medicine acquisition (Note 11)	7,700	—	—	—	—	7,700
Accumulated amortization	—	(580)	(100)	(263)	(808)	(1,751)
Impairment	(6,295)	—	—	—	—	(6,295)
Balance, December 31, 2019	$ 20,146	$ 2,247	$ 137	$ 3,725	$ 8,892	$ 35,147
Amortization expense	—	(579)	(94)	(377)	(1,959)	(3,009)
Impairment	—	—	—	(3,348)	—	(3,348)
Balance, December 31, 2020	$ 20,146	$ 1,668	$ 43	$ —	$ 6,933	$ 28,790

Goodwill

Balance, December 31, 2018	$ 6,065
Cannex acquisition (Note 11)	166,557
Om acquisition (Note 11)	1,435
PHX/Greens Goddess acquisition (Note 11)	6,225
Impairment of PHX/Greens Goddess goodwill	(1,091)
Impairment of continuing operations goodwill	(138,908)
Balance, December 31, 2019	$ 40,283
Disposal of PHX/Greens Goddess (Note 25)	(5,134)
Tax adjustment to goodwill from Cannex acquisition	1,406
Impairment	(13,400)
Balance, December 31, 2020	**$ 23,155**

For the year ended December 31, 2020, the Company recorded a decrease of $5,134, from the disposal of PHX Interactive LLC/Greens Goddess Inc. (Note 25)

Goodwill is tested for impairment annually, or more frequently when events or circumstances indicate that impairment may have occurred. The Company tests impairment of goodwill in line with the two steps summarized below and further described in “Footnote 2. Significant Accounting Policies (j) Goodwill”:

1. Indicators of impairment – a qualitative test to determine if indicators of impairment (or conversely indicators of non-impairment), collectively “trigger events”, are present by assessing macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, other relevant entity-specific events, events affecting a Reporting Unit, and a sustained decrease in share price (if applicable).
2. One-Step Quantitative Test – The quantitative test compares the reporting unit’s fair value to its carrying value. An impairment is recorded for any excess carrying value above the reporting unit’s fair value, not to exceed the amount of goodwill.

Year ended December 31, 2020

In 2020, management assessed indicators of impairment and concluded the below for the respective reporting units:

Retail, Production and Ancillary Cannabis Reporting Units'

Management has not identified any significant negative triggering events that would suggest it is more likely than not that impairment exists. Therefore, further analysis is not required for these Reporting Units.

Pure Ratios RU

Management has identified negative trigger events regarding its online CBD business. Management has concluded that the overall financial performance of the entity continues to be worse than expectation, including revenue growth, EBITDA/cash flows, and future growth projections. The Pure Ratio's business operates at a breakeven (i.e.. Zero) profit level and is not expected to improve in the near term. As such, management has determined that the Goodwill and remaining Intangible assets associated with the Pure Ratio's RU are impaired.

The business was purchased by 4Front in 2019 with $32,376 in goodwill allocated to the entity. An impairment charge of $18,876 was recorded against Goodwill allocated to the reporting unit in 2019 due to triggers existing that identified future financial performance would be worse than projected. As a result of the same triggers in 2020, the remaining goodwill of $13,400 and $3,348 in Trademarks were written off as of December 31, 2020

Year ended December 31, 2019

In 2019, management assessed indicators of impairment and concluded the below for the respective reporting units:

Retail Reporting Unit

The Retail unit represented retail stores with direct sales to end consumers in multiple states. As a result of the impairment test, management concluded that the carrying value was higher than the fair value and recorded impairment losses of $13,797 during the year ended December 31, 2019 ($nil for the year ended December 31, 2018). The Company allocated the impairment loss to cannabis licenses held by continuing operations, and the remainder was fully allocated to goodwill.

Greens Goddess represents a cannabis dispensary in Arizona that was acquired by the Company in 2019. Greens Goddess was sold in 2020 for $6,000, and presented as discontinued operations. The Company used the sale price, less disposal costs as the recoverable amount at December 31, 2019. As a result of the impairment test, management concluded that the carrying value was higher than the fair value and recorded impairment losses of $1,091 during the year ended December 31, 2019. The impairment loss was fully allocated to goodwill.

Ancillary Cannabis Reporting Unit

Management concluded that the fair value was higher than the carrying value at December 31, 2019, and no impairment was recognized for the Ancillary Cannabis RU.

Amounts expressed in thousands of U.S. dollars except for share and per share data

Production Reporting Unit

The production unit represents the Company's operations Cannex Holdings California Inc., Illinois Grown Medicine, LLC, the production division of Healthy Pharms Inc., and the production division of Mission Massachusetts Inc. As a result of the impairment test, management concluded that the carrying value was higher than the fair value and recorded impairment losses of $112,530 during the year ended December 31, 2019. The impairment loss was fully allocated to goodwill.

Pure Ratios RU

Pure Ratios represents the operations of a CBD-focused wellness company. As a result of the impairment test, management concluded that the carrying value was higher than the fair value and recorded impairment losses of $18,876 during the year ended December 31, 2019. The impairment loss was fully allocated to goodwill.

11. ACQUISITIONS AND BUSINESS COMBINATIONS

Cannex Capital Holdings Inc.

On July 31, 2019, 4Front Holdings LLC ("Holdings") and Cannex Capital Holdings, Inc. ("Cannex") completed their business combination and the creation of 4Front Ventures Corp. The acquisition combined Cannex's understanding of large-scale cultivation and manufacturing operations with 4Front's existing asset base and its retail and regulatory capabilities.

The business combination was completed by way of a plan of arrangement agreement under the Business Corporations Act (British Columbia) pursuant to the terms of the business combination agreement among Holdings, Cannex, 4Front and 1196260 B.C. Ltd. dated March 1, 2019, as amended (the "Arrangement Agreement"). Pursuant to the terms of the Arrangement Agreement, the former owners of Holdings exchanged, through a series of transactions, their respective interests in Holdings in exchange for a total of 340.4 million shares in 4Front when calculated as if all share classes were converted to Subordinate Voting Shares.

Holdings has been identified for accounting purposes as the acquirer, and accordingly 4Front is considered a continuation of Holdings and the net assets of Cannex on July 31, 2019, the date of the business combination, are deemed to have been acquired by Holdings.

The acquisition was accounted for in accordance with ASC 805, and related operating results are included in the accompanying consolidated statements of operations, changes in equity and statement of cash flows for periods subsequent to the date of acquisition.

The Company recorded the acquired balances at fair value as determined by third party valuation firms. The following table summarizes the purchase price allocation:

Consideration transferred:	
Equity issued [(1)]	$ 181,110
Fair value of GGP warrants [(2)]	5,779
Replacement warrants [(3)]	5,317
Replacement stock options [(4)]	6,825
Total	$ 199,031

Amounts expressed in thousands of U.S. dollars except for share and per share data

Fair value of net assets acquired:	
Cash	$ 9,119
Accounts receivable	1,869
Prepaid expenses	352
Inventory	527
Property and equipment	1,230
Notes receivable	2,233
Notes receivable – 4Front [(5)]	12,497
Deposits – equipment	2,182
Deposits – real estate	820
Right-of-use assets	15,160
Investments	759
Lease receivables	33,192
Intangible assets	13,600
Goodwill	166,557
Accounts payable and accrued liabilities	(3,042)
Notes payable	(201)
Contingent consideration payable – Pure Ratios	(1,500)
Convertible notes	(39,881)
Lease liability	(16,442)
	$ 199,031

(1) As part of the business combination, 190,482,146 shares were issued to Cannex investors with a value of $0.95 per share ($1.25 CAD).

(2) On July 31, 2019, 13,521,328 warrants that were held by Gotham Green Partners (the "GGP Warrants") were replaced with warrants with the same terms in 4Front Ventures Corp, with a fair value of $5,779.

In determining the fair value of the warrants issued to GGP, the Company used the Black-Scholes option pricing model with the following weighted average assumptions:

	July 31, 2019
Risk-Free Interest Rate	1.84%
Expected Life of Options (years)	2.31
Expected Annualized Volatility	89%
Expected Forfeiture Rate	nil
Expected Dividend Yield	nil
Black-Scholes Value of Each Option	$ 0.43

(3) On July 31, 2019, 25,251,757 warrants that were held by third parties, were replaced with warrants with the same terms in 4Front Ventures Corp, which had a total fair value of $5,317 determined using the Black-Scholes valuation model (Note 16). The value of these warrants is recorded as derivative liability, as the exercise price of these warrants are denominated in a foreign currency, Canadian Dollars.

(4) On July 31, 2019, 16,346,665 stock options held by Cannex shareholders were replaced with stock options of 4Front. These replacement options had the same terms as the original options. The fair value of the replacement options was $9,098, determined using the Black-Scholes model. The consideration for the business combination includes $6,825 for replacement options, relating to past service with the remaining $2,273 recognized over the vesting period.

(5) As of July 31, 2019, Cannex had advanced the Company $12,497. The note was eliminated upon consolidation.

Intangible assets comprise of trademarks with a fair value of $3,900 and know-how with a fair value of $9,700. The goodwill of $166,557 is attributable mainly to the skills and technical expertise of Cannex's work force and

Amounts expressed in thousands of U.S. dollars except for share and per share data

the synergies expected to be achieved from integrating Cannex into 4Front's existing Cannabis business. None of the goodwill recognized is expected to be deductible for tax purposes. For further details on intangible assets and goodwill, see Note 10.

In 2020, an adjustment to the purchase price accounting was made to record a deferred tax liability of $1,406 and to increase goodwill. See Note 24.

Acquisition costs of $2,324, were excluded from the consideration transferred, and were included in general and administrative expenses in the year ended December 31, 2019.

Om of Medicine LLC

On April 15, 2019, the Company acquired 100% of Om of Medicine LLC ("OM of Medicine"), a dispensary in Michigan. The purpose of the acquisition was to expand the Company's presence to Michigan.

The acquisition was accounted for in accordance with ASC 805, and related operating results are included in the accompanying consolidated statements of operations, changes in equity and statement of cash flows for periods subsequent to the date of acquisition. The assets acquired and the liabilities assumed have been recorded at fair value as determined by the Company.

Goodwill arose because the consideration paid for the business acquisition reflected the benefit of expected revenue growth and future market development. None of the goodwill is expected to be deductible for tax purposes. During the fourth quarter of 2019, management performed its annual impairment test and concluded that the carrying value was higher than the recoverable amount and recorded impairment losses to goodwill and intangibles assets of $2,651.

The following table summarizes the purchase price allocation:

Consideration transferred:		
Cash	$	227
Contingent consideration [(1)]		3,750
Payables issued [(2)]		1,058
Equity paid [(3)]		4,400
Total	$	9,435

Fair value of net assets acquired are:

Fair value of net assets acquired:		
Cash	$	51
Inventory		298
Property and equipment		192
Right-of-use assets		574
Goodwill		1,435
Intangible assets		7,700
Accounts payable and accrued liabilities		(161)
Notes payable		(80)
Lease liability		(574)
	$	9,435

Amounts expressed in thousands of U.S. dollars except for share and per share data

(1) Contingent consideration is payable depending on reaching certain future sales targets by Om of Medicine LLC. The Company determined the contingent payments to be $3,750. See Note 20.
(2) Consists of $1,058 held back by the Company to pay future taxes, other expenses or payments to the sellers.
(3) As part of the business combination, 9,040 Class F shares were issued which were valued at $4,400.

Acquisition costs of $29, were excluded from the consideration transferred, and were included in general and administrative expenses in the period in which they were incurred.

PHX Interactive, LLC

On February 22, 2019, the Company completed an acquisition of 100% of PHX Interactive, LLC ("PHX"), an entity that operated Greens Goddess Products, Inc., a cannabis license holder and dispensary operator in Phoenix, Arizona. The purpose of the acquisition was to expand the Company's operations to Arizona.

The acquisition was accounted for in accordance with ASC 805, and related operating results are included in the accompanying consolidated statements of operations and comprehensive loss, changes in equity and statement of cash flows for periods subsequent to the date of acquisition. Due to a management agreement between PHX and Greens Goddess, PHX controlled Greens Goddess and the Company consolidated both PHX and Greens Goddess from the date of acquisition. The assets acquired and the liabilities assumed have been recorded at fair value as determined by the Company.

Goodwill arose because the consideration paid for the business acquisition reflected the benefit of expected revenue growth and future market development. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. Goodwill is not expected to be deductible for tax purposes.

On March 30, 2020, the Company completed the sale of PHX and Green Goddess to a third party for $6,000 in cash.

The following table summarizes the purchase price allocation:

Consideration transferred:		
Cash	$	3,360
Payables issued (1)		304
Equity paid (2)		2,676
Total	$	6,340
Fair value of net assets acquired:		
Cash	$	102
Inventory		91
Property and equipment		72
Deposits		2
Goodwill		6,225
Accounts payable and accrued liabilities		(152)
		6,340

(1) Consists of $304 held back by the Company to pay certain vendor payables.
(2) As part of the business combination, 5,496 Class F shares were issued which were valued at $2,676.

Amounts expressed in thousands of U.S. dollars except for share and per share data

12. LEASES

In February 2016, the FASB issued Accounting Standards Update No. 2016-02 "Leases (Topic 842)" ("ASU 2016-02"), which requires lessees to put most leases on the balance sheet but recognize expense on the income statement in a manner similar to current accounting. On January 1, 2019, the Company adopted the standard and all related amendments, using the optional transition method (modified retrospective approach) applied to leases at the adoption date. Under the modified retrospective approach, comparative periods have not been restated and continue to be reported under the accounting standards in effect for those periods. Additionally, an adjustment was recorded to retrained earnings to account for the initial adoption of the standard.

The Company elected the optional package of practical expedients to not reassess prior conclusions related to contracts containing leases, lease classification and initial direct costs. The Company also elected the practical expedient to not separate lease components from non-lease components for real estate leases. As a result of the adoption of ASU 2016-02, the Company recorded right-of-use ("ROU") assets of $5,580 and corresponding lease liabilities of $5,897 with the difference of $317 recorded in opening retained earnings.

Upon adoption of ASU 2016-02, ROU assets were adjusted for deferred rent and prepaids as of January 1, 2019. Lease expense is recognized on a straight-line basis over the expected lease term. The Company's incremental borrowing rate is used in determining the present value of future payments at the commencement date of the lease, or for the adoption of ASU 2016-02, at January 1, 2019. Balances related to operating leases are included in ROU assets and noncurrent lease liabilities on the consolidated balance sheet.

All real estate leases are recorded on the balance sheet. Equipment and other non-real estate leases with an initial term of twelve months or less are not recorded on the balance sheet. Lease agreements for some locations provide for rent escalations and renewal options. Many leases include one or more options to renew the lease at the end of the initial term. The Company considered renewals in its ROU assets and operating lease liabilities. Certain real estate leases require payment for taxes, insurance and maintenance which are considered non-lease components. The Company accounts for real estate leases and the related fixed non-lease components together as a single component.

The Company determines if an arrangement is a lease at inception. The Company must consider whether the contract conveys the right to control the use of an identified asset. Certain arrangements require significant judgment to determine if an asset is specified in the contract and if the Company directs how and for what purpose the asset is used during the term of the contract.

For the year ended December 31, 2020 and 2019 the Company recorded $4,872 and $2,204 in operating lease expense respectively.

Other information related to operating leases as of and for the year ended December 31, 2020 were as follows:

	Year Ended December 31, 2020
Weighted average remaining lease term (in years)	$ 16.1
Weighted average discount rate	14.4%

Amounts expressed in thousands of U.S. dollars except for share and per share data

(a) The Company as a Lessee

The following table summarizes the Company's operating leases:

	Classification - Consolidated Balance Sheets	December 31, 2020	December 31, 2019
Assets			
Operating lease assets	Operating lease assets	$ 62,466	$ 20,757
Liabilities			
Current			
Operating	Current portion of operating lease liabilities	1,909	972
Noncurrent			
Operating	Operating lease liabilities	51,545	20,976
Total lease liabilities		$ 53,454	$ 21,948

Maturities of lease liabilities for third-party operating leases as of December 31, 2020 were as follows:

Year Ending December 31	Third-Party Maturities of Lease Liability
2021	$ 8,987
2022	9,220
2023	9,397
2024	9,445
2025	9,599
2026 and thereafter	128,067
Total lease payments	$ 174,715

Future minimum lease payments (principal and interest) on the leases are as follows:

The Company has right-of-use assets and lease liabilities for leased real estate for dispensaries, cultivation and production facilities and office space. The incremental borrowing rate used for leases for 2019 was 10.25% and was 15-18% for 2020.

Disclosures related to period prior to adoption of ASU 2016-02

Future minimum rental commitments under non-cancelable operating leases as of December 31, 2019 were expected to be as follows:

Year Ending December 31,	Total
2020	$ 3,734
2021	3,805
2022	3,845
2023	3,701
2024	3,507
2025 and Thereafter	15,778
Total Future Minimum Lease Payments	**$ 34,370**

Amounts expressed in thousands of U.S. dollars except for share and per share data

(b) The Company as a Lessor:

The Company is a landlord for a lease in Olympia, Washington. The Company is a landlord through a sublease in Tumwater, Washington. The Company acquired these leases in the Cannex business combination. The Company applied ASC 842 to these leases when acquired on July 31, 2019 and determined that both leases should be classified as direct finance leases. Lease receivables were recorded for these leases for the future lease payments by the tenants and for the residual value of the leased assets at the end of the leases. On December 17, 2020, the Company sold the Olympia building and other assets as part of a sales lease back transaction and the lease where the Company is the landlord was cancelled. The Company applied ASC 842 to the new sublease and classified the new sublease as an operating lease. The lease receivable was sold to the purchaser of the assets as part of the sales lease back transaction.

The following table summarizes changes in the Company's lease receivables:

	December 31, 2020	December 31, 2019
Balance, beginning of the year	**$ 33,500**	**$ —**
Acquisitions	—	33,192
Sale of assets in sale lease back	(22,508)	—
Interest	11,019	4,528
Lease payments received	(10,966)	(4,220)
Balance, end of the period	$ 11,045	$ 33,500
Less current portion	**(3,450)**	**(9,556)**
Long-term lease receivables	**$ 7,595**	**$ 23,944**

Future minimum lease payments receivable (principal and interest) on the leases are as follows:

	As of December 31, 2020
2021	$ 11,846
2022	12,725
2023	1,575
2024	—
2025	—
Thereafter	—
Total minimum lease payments	26,146
Less Olympia operating lease payments	(17,491)
Total minimum lease payments for Elma	8,655
Effect of discounting	(2,434)
Present value of minimum lease payments	6,221
Present value of residual value of leased property	4,824
Total lease receivable	**$ 11,045**
Current portion lease receivable	**(3,450)**
Long-term lease receivable	**$ 7,595**

Amounts expressed in thousands of U.S. dollars except for share and per share data

13. NOTES PAYABLE AND CONVERTIBLE NOTES

The Company's notes payable and convertible notes are as follows:

	Gotham Green Partners, LLC	LI Lending, LLC	Convertible Notes	Convertible Notes (Swap)	Other Loans	Total
Balance, December 31, 2018	$ —	$ —	$ —	$ —	**$ 9,198**	**$ 9,198**
Acquisitions (Note 11)	39,881	—	—	—	—	39,881
Equity component	(4,874)	—	—	—	—	(4,874)
Loans advanced, net	—	44,194	—	—	2,953	47,147
Loan payments	(953)	—	—	—	(4,058)	(5,011)
Accretion income	(337)	—	—	—	—	(337)
Accrued interest	1,890	95	—	—	—	1,985
Balance, December 31, 2019	**35,607**	**44,289**	**—**	**—**	**8,093**	**87,989**
Loans advanced, net	2,810	—	5,827	—	509	9,146
Equity exchanged	—	—	—	13,661	—	13,661
Equity component	(692)	—	(3,982)	—	(1,168)	(5,842)
Accretion income	(643)					(643)
Loan payments	(39,855)	(6,840)	—	—	(685)	(47,380)
Gain on extinguishment of debt	(1,218)					(1,218)
Converted to equity	—	—	(145)	(1,794)	—	(1,939)
Accrued interest	3,991	7,913	1,155	—	182	13,241
Balance, December 31, 2020	**—**	**45,362**	**2,855**	**11,867**	**6,931**	**67,015**
Less current portion	—	—	—	—	(5,024)	(5,024)
Long-term portion	$ —	$ 45,362	$ 2,855	$ 11,867	$ 1,907	$ 61,991

	Gotham Green Partners, LLC	LI Lending, LLC	Convertible Notes	Convertible Notes (Swap)	Other Payables	Total
Balance, December 31, 2019	$ 35,607	$ 44,289	$ —	$ —	$ 8,093	$ 87,989
Less current portion	—	—	—	—	(6,190)	(6,190)
Long-term portion	35,607	44,289	—	—	1,903	81,799
Balance, December 31, 2020	—	45,362	2,855	11,867	6,931	67,015
Less current portion	—	—	—	—	(5,024)	(5,024)
Long-term portion	$ —	$ 45,362	$ 2,855	$ 11,867	$ 1,907	$ 61,991

Convertible Notes

On May 14, 2020, the Company issued $5,827 in convertible notes to existing investors in the Company. The notes pay interest of 5% per annum and have a maturity date of February 28, 2022. The notes can be converted into Class A Subordinate Voting Shares of the Company for $0.25 per share at any time at the option of the holder. The Company can require mandatory conversion at any time after November 14, 2020 if that the Company's stock price remains above $0.50 for 45 consecutive days. In 2021, the Company enacted the mandatory conversion feature and converted all remaining debt to equity. One investor elected to convert their note in 2020.

As part of issuing the convertible notes, the investors were given the right to exchange stock in the Company into separate convertible notes (swap notes). In total 29,448,468 shares with a value of $13,661 were exchanged for $13,661 in convertible notes. These notes were effective May 28, 2020, have a maturity date of May 28, 2025, and can be converted into Class A Subordinate Voting Shares of the Company for $0.46 per share at any

time at the option of the holder. The notes pay no interest if the Company's annual revenue is greater than $15,000, and 3% annually otherwise. The Company can require mandatory conversion at any time that the Company's stock price remains above $0.92 for 45 consecutive days.

Gotham Green Partners LLC

Through the Cannex business combination (Note 11), the Company assumed senior secured convertible notes issued to Gotham Green Partners LLC ("GGP"). The convertible loan had a fair value on acquisition of $39,881 which was determined as the present value of the loan and the fair value of the conversion feature. The fair value of the conversion feature was determined to be $4,874 based on the acquisition date intrinsic value of the option. Upon acquisition, the Company reclassified the fair value of the conversion feature to equity. The Company used an independent valuation company to value the notes as of July 31, 2019 using a 10.25% discount rate which management determined was the rate for similar notes with no conversion feature or warrants. The notes were repaid in full in December 2020.

On January 29, 2020, the Company issued convertible secured promissory notes for a total of $3,000 to entities associated with GGP. These notes were due on July 29, 2020 and accrued interest at 15% per annum with no payments due until the maturity date. The notes were convertible at the option of the holder into the Company's stock for the equivalent of $0.65 per share. The notes were issued with detachable stock warrants that gave the holders of the notes the option to purchase 2,230,080 shares of the Company's stock for $0.67 per share. The notes were repaid in full in May 2020.

LI Lending LLC

On May 10, 2019, the Company entered into a loan agreement with LI Lending LLC, a related party, for $50,000. LI Lending LLC is related because an officer of the Company is a part-owner of LI Lending LLC. As of December 31, 2019, the Company had drawn $45,000 on the loan in two amounts, an initial $35,000 and a final $10,000, both bearing a 10.25% interest rate.

In April 2020, the loan was amended. In exchange for consent to allow the sale of the Pennsylvania and Maryland assets and the release of related collateral, the Company agreed to make prepayments of principal to LI Lending in the amount of $250 per month for an eight-month period beginning on May 1, 2020. The $2,000 prepayment was applied to the initial $35,000 amount decreasing the balance to $33,000. Additionally, the Company agreed to pay an increased interest rate of 12.25% on the final $10,000 of the loan until such time as this amount has been paid down with the initial $33,000 amount continuing to be subject to the original 10.25% interest rate.

In December 2020, the loan was amended to allow for the release of collateral for the sale lease back transactions with Innovative Industrial Properties, Inc. ("IIPR"). The amendment increased both interest rates by 2.5% on the loan amounts but allowed the payments resulting from the incremental interest to be deferred until January 1, 2022. The Company elected to defer payment, and the additional 2.5% interest is accrued each month and added to the balance of the loan. The Company is still required to make interest-only payments monthly of 10.25% on the initial $33,000 and 12.25% on the final $10,000 of the loan until January 1, 2022 when the interest rates of 12.75% for the initial $33,000 and 14.75% for the final $10,000 will take effect for the remaining term.

The loan matures on May 10, 2024. An exit fee of 20% of the principal balance will be due as principal is repaid. Monthly interest-only payments are required and the Company has paid all interest due as of December 31, 2020.

The Company is subject to certain restrictions under the loan agreement, which include the segregation of the proceeds, the use of the funds for permitted uses, and providing security interest on assets acquired with the proceeds. On December 31, 2019, $2,352 of the funds advanced were shown as Restricted Cash on the Consolidated Balance Sheets.

Amounts expressed in thousands of U.S. dollars except for share and per share data

Other

Outstanding as of December 31, 2020 were other payables totaling $ 6,931 which include notes issued as part of the acquisitions of Healthy Pharms and Arkansas entities as follows:

Subsidiary	Terms	December 31, 2020	December 31, 2019
Healthy Pharms Inc.	Secured promissory note due December 18, 2020, interest at 15% paid in-kind.	$ —	$ 5,429
Healthy Pharms Inc.	Unsecured convertible note at $0.50 per share, due November 18, 2021 at 12% per annum	1,652	—
Healthy Pharms Inc.	Unsecured promissory note, due June 18, 2021 at 12% per annum	2,823	—
Arkansas Entities	Unsecured promissory note, monthly interest payments at 12% per annum	—	561
Arkansas Entities	Unsecured promissory note, monthly interest payments at 14% per annum	1,907	1,738
Equipment Loans	Secured by equipment, monthly payments beginning in 2021 at 15% per annum	512	—
Other	Various	37	365
Total Notes Payable and Convertible Notes		**$ 6,931**	**$ 8,093**

Future minimum payments on the notes payable and convertible debt are as follows:

	December 31, 2020
2021	$ 6,156
2022	7,589
2023	—
2024	43,000
2025	11,867
Thereafter	—
Total minimum payments	68,612
Effect of discounting	(1,597)
Present value of minimum payments	67,015
Current portion	(5,024)
Long-term portion	**$ 61,991**

14. GENERAL AND ADMINISTRATIVE EXPENSES

For the year ended December 31, 2020 and 2019, general and administrative expenses were comprised of:

	As of December 31, 2020	2019
Salaries and benefits	$ 8,008	$ 10,184
Professional services	6,628	7,985
Other general and administrative	5,858	6,815
	$ 20,494	$ 24,984

Amounts expressed in thousands of U.S. dollars except for share and per share data

15. SHARE CAPITAL AND EQUITY

The Company has authorized an unlimited number of Class A Subordinate Voting Shares ("SVS") and Class C Multiple Voting Shares ("MVS"), all with no par value. In December 2020, the shareholders of the Company passed a resolution to permit the Company to convert all Class B Subordinate Voting Shares ("PVS") shares into Class A shares and cancel the Class B PVS equity class, which occurred in 2020

All share classes are included within share capital in the consolidated statements of shareholder's equity on an as converted basis. Each share class is entitled to notice of and to attend at any meeting of the shareholders, except a meeting of which only holders of another particular class of shares will have the right to vote. All share classes are entitled to receive dividends, as and when declared by the Company, on an as-converted basis, and no dividends will be declared by the Company on any individual class unless the Company simultaneously declares or pays dividends on all share classes. No subdivision or consolidation of any share class shall be made without simultaneously subdividing or consolidating all share classes in the same manner.

Class A Subordinate Voting Shares

Holders of Class A Subordinate Voting Shares are entitled to one vote in respect of each SVS.

Class C Multiple Voting Shares

Holders of Class C Multiple Voting Shares are entitled to 800 votes in respect of each MVS. One MVS can convert to one SVS but are not convertible until the later of the date that (i) the aggregate number of PVS and MVS held by the Initial Holders (being the MVS holders on their initial issuance) are reduced to a number which is less than 50% of the aggregate number of PVS and MVS held by the Initial Holders on the date of completion of the Business Combination with Cannex, and (ii) 3 years following the date of the business combination with Cannex.

Series	Shares outstanding as of December 31, 2020	As converted to SVS Shares
Class A – Subordinate Voting Shares	537,575,044	537,575,044
Class C – Multiple Voting Shares	1,276,208	1,276,208
	538,851,252	**538,851,252**

On November 23, 2020, the Company closed a brokered private placement and issued 24,644,500 Units at a price of C$ 0.70 per Unit. Each Unit is comprised of one subordinate voting share of the Company and one-half of a subordinate voting share purchase warrant. Each whole warrant entitles the holder to purchase one subordinate voting share for a period of two years from the date of issuance at an exercise price of C$ 0.90 per subordinate voting share. Net proceeds from this transaction were $11,557 net of share issuance costs of $690.

Because of the Canadian dollar denominated exercise price, these warrants do not qualify to be classified within equity and are therefore classified as derivative liabilities at fair value through profit or loss "FVTPL". On November 23, 2020, the warrants were valued using the Black Scholes option pricing model at $4,229 using the following assumptions: Share Price: C$0.94; Exercise Price: C$0.90; Expected Life: 2 years; Annualized Volatility: 87.73%; Dividend yield: 0%; Discount Rate: 0.16%; C$ Exchange Rate: 1.31.

On December 31, 2020, the warrants were revalued using the Black Scholes option pricing model, using the following assumptions: Share Price: C$1.15; Expected Life: 1.89 years; Annualized Volatility: 87.73%; Dividend yield: 0%; Discount Rate: 0.13%; C$ Exchange Rate: 1.27. The increase in the value of the derivative

Amounts expressed in thousands of U.S. dollars except for share and per share data

liability of $1,578 is reflected in the statement of comprehensive loss as a $1,578 loss on the change in fair value of the derivative liability.

16. WARRANTS

As of December 31, 2020, there were share purchase warrants outstanding to purchase up to 42,772,992 SVS shares:

Series	Number of warrants	Weighted-average exercise price
Balance, December 31, 2018	—	—
Issued - Acquisition of Cannex	42,186,503	1.14
Balance, December 31, 2019	42,186,503	1.14
Issued	29,291,614	0.72
Exercised	(2,686,463)	0.53
Expired	(26,018,662)	1.10
Balance, December 31, 2020	**42,772,992**	**$ 0.90**

As of December 31, 2020, the Company has the following warrants outstanding and exercisable.

Warrants Outstanding		Exercise Price	Expiry Date
7,000,000	$	1.00	November 21, 2021
4,511,278	$	1.33	November 21, 2021
2,010,050	$	1.99	November 21, 2021
12,322,250	$	C0.90	November 23, 2022
1,438,412	$	C0.70	November 23, 2022
12,135,922	$	0.82	December 17, 2022
2,230,080	$	0.67	January 29, 2023
625,000	* $	C0.80	October 6, 2024
500,000	* $	C0.80	October 6, 2025
42,772,992			

* Unvested as of December 31, 2020

17. NON-CONTROLLING INTERESTS

The non-controlling interests of the Company for each affiliate before intercompany elimination are summarized in the tables below:

	As of December 31, 2019		
Summarized statements of financial position	MMA Capital	4Front Management Associates	Total
Current assets	$ —	$ —	$ —
Current liabilities	—	—	—
Current net assets	—	—	—
Non-current assets	13,807	—	13,807
Non-current liabilities	—	—	—
Non-current net assets	$ 13,807	$ —	$ 13,807

Amounts expressed in thousands of U.S. dollars except for share and per share data

	Premium Medicine of Maryland	Silver Spring Consulting Group	Mission MA	Illinois Grown Medicine	Chesapeake Integrated Health Institute	Harborside Illinois Grown Medicine	Adroit Consulting Group	Mission Maryland	MMA Capital	Other	Total
Balance at December 31, 2018	$ (444)	$ (37)	$ (663)	$ (600)	$ (267)	$ (212)	$ 12	$ 60	$ 45	$ 438	$(1,668)
Purchase price of non-controlling interest	—	—	663	600	267	308	(12)	(53)	(52)	45	1,766
Net income attributable to NCI	94	182	—	—	—	(96)	—	(7)	195	(483)	(115)
Balance at December 31, 2019	(350)	145	—	—	—	—	—	—	188	—	(17)
Purchase price of non-controlling interest	390	(136)	—	—	—	—	—	—	(231)	—	23
Net income attributable to NCI	(40)	(9)	—	—	—	—	—	—	95	—	46
Balance at December 31, 2020	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 52	$ —	$ 52

18. SHARE-BASED COMPENSATION

The Company adopted two equity incentive plans where the Company may grant Class A stock options. Under the terms of the plans, the maximum number of stock options which may be granted are a total of ten percent of the number of shares outstanding assuming conversion of all shares to SVS. The exercise price for stock options issued under the plans will be set by the compensation committee of the board of directors but will not be less than 100% of the fair market value of the Company's shares on the grant date. Stock options have a maximum term of 10 years from the date of grant. Stock options vest at the discretion of the Board.

Amounts expressed in thousands of U.S. dollars except for share and per share data

As of December 31, 2020, the Company had the following options outstanding and exercisable on an as-converted basis:

Grant Date	Strike Price in CAD$	Options Outstanding	Exercisable Options	Life Remaining (years)
July 31, 2019	1.00	8,883,332	8,883,332	1.95
July 31, 2019	1.00	1,166,667	1,166,667	2.76
July 31, 2019	1.50	516,666	344,444	3.45
July 31, 2019	1.50	800,000	333,334	3.46
July 31, 2019	0.10	6,245,840	6,245,840	3.71
August 22, 2019	0.80	6,358,600	2,922,737	3.64
August 22, 2019	1.00	6,150,000	1,881,450	3.64
November 1, 2019	0.80	1,200,000	400,000	3.84
November 6, 2019	0.80	15,040	5,013	3.85
February 3, 2020	0.80	425,000	25,000	4.10
June 8, 2020	0.80	25,000	-	4.44
July 31, 2020	0.80	1,500,000	933,344	4.58
September 15, 2020	0.86	8,265,920	-	4.71
October 2, 2020	0.77	3,000,000	-	4.76
November 24, 2020	0.94	1,775,000	1,331,250	4.90
December 2, 2020	1.11	2,900,000	-	4.92
December 21, 2020	1.06	1,200,000	-	4.98
		50,427,065	24,472,411	3.75

Stock option activity is summarized as follows:

	Number of Options	Weighted Average Price CAD$	Weighted Average Years
Balance December 31, 2018	—	—	—
Granted	40,028,465	0.86	—
Exercised	—	—	—
Forfeited/Expired	—	—	—
Balance December 31, 2019	40,028,465	0.86	4.12
Granted	19,190,960	0.90	—
Exercised	—	—	—
Forfeited/Expired	(8,792,360)	1.04	—
Balance December 31, 2020	50,427,065	0.84	3.72

Through December 31, 2020, 8,792,360 stock options were expired, cancelled or forfeited. During the year ended December 31, 2020 and 2019, the Company recognized share-based compensation of $5,306 and $5,913 respectively.

In determining the amount of equity-based compensation during the year, the Company used the Black-Scholes option pricing model to establish fair value of options granted during the year with the following key assumption:

Risk-Free Interest Rate	0.38%
Expected Life (years)	5
Expected Annualized Volatility	87.73%
Expected Dividend Yield	nil

19. RELATED PARTIES

Certain subsidiaries which were acquired in the business combination with Cannex have contractual relationships with two licensed Washington cannabis producer/processors: Superior Gardens LLC (d/b/a Northwest Cannabis Solutions) ("NWCS") and 7Point Holdings LLC ("7Point"). The sole owner of NWCS was a related party of Cannex. However, upon the acquisition on July 31, 2019, management determined the sole owner did not have significant influence in the Company thus removing consideration of NWCS as a related party. The sole owner of 7Point was an executive of the Company during 2019. As a result of his departure, 7Point is no longer considered a related party.

NWCS and the Company are parties to a commercial gross lease expiring December 31, 2022 with two five-year renewal options. For the twelve months ended December 31, 2019 the Company recognized $3,338 from interest revenue on the lease receivable for this lease.

7Point and the Company are parties to a commercial sublease expiring May 31, 2023 with one five-year renewal option. For the twelve months ended December 31, 2020 the Company recognized $1,190 from interest revenue on lease receivable for this lease.

The Company has entered into a service agreement with NWCS to provide consulting and personnel services for growing and processing cannabis for $30 per month and to act as exclusive purchasing agent for equipment, machinery, and other supplies for $20 per month for a three-year term that expired on January 1, 2021 and automatically renewed for an additional three-year term. The Company recognized a total of $250 for the year ended December 31, 2019.

NWCS and the Company have entered into a packaging supply agreement under commercially reasonable pricing terms by which NWCS submits packaging and equipment orders for Company-designed packaging sold by NWCS under an exclusive license to use Company brands and recipes in the state of Washington. The packaging supply agreement had an initial term of three years and expired on January 1, 2021 and automatic renewal for additional three-year periods. The Company recognized total of $3,703 in revenue for the year ended December 31, 2019 under the packaging supply agreement.

As of December 31, 2019, the Company held three notes receivable from these related parties with a balance of $586.

As of December 31, 2020, $597 of the Company's trade receivables were due from NWCS and 7Point (collected in the following year).

An officer of the Company is a part-owner of a LI Lending LLC which extended the Company a real estate improvement/development loan of $45,000 of which $43,000 was outstanding as of December 31, 2020.

An officer of the Company holds an interest in an online marketing company serving the online CBD market which provides online marketing services for Pure Ratios. Pure Ratios paid $4,875 (2019 - $1,101) for the year ended December 31, 2020 to this vendor for management fees, pass through marketing costs and customer service.

The Company has issued notes receivable to related parties that hold or have applied for cannabis licenses or that have secured real estate that can be used for a cannabis facility. The Company had $nil and $696 in such notes at December 31, 2020 and 2019, respectively.

Amounts expressed in thousands of U.S. dollars except for share and per share data

20. CONTINGENCIES

(a) Cannabis Industry

Cannabis is still considered a Schedule 1 substance under the Controlled Substance Act. As such, there is an inherent risk related to the federal government's position on cannabis; additionally, the risk exists, due to the Company's business in cannabis, that third party service providers could suspend or withdraw services and as well as the risk that regulatory bodies could impose certain restrictions on the issuer's ability to operate in the U.S.; however, the Company has deemed it not reasonable to estimate a potential liability related to the possible enforcement of laws against the medical cannabis industry.

(b) Contingent consideration payable

As part of the acquisition of Om of Medicine, LLC and Cannex's prior acquisition of Pure Ratios, the Company is subject to contingent consideration payable to the sellers. The fair value of the contingent consideration, which is based on specific revenue levels achieved over a 2-3-year period, is as follows:

	Om of Medicine	Pure Ratios	Total
Balance, December 31, 2018	$ —	$ —	$ —
Acquisitions	3,750	1,500	5,250
Accretion	214	—	214
Balance, December 31, 2019	3,964	1,500	5,464
Accretion	758	—	758
Changes in fair value	774	—	774
Payments and settlements	—	(1,500)	(1,500)
Balance, December 31, 2020	5,496	—	5,496
Less: current portion	(2,393)	—	(2,393)
Long-term portion	$ 3,103	$ —	$ 3,103

The contingent consideration payable is measured at fair value based on unobservable inputs and is considered a Level 3 financial instrument. The determination of the fair value of these liabilities is primarily driven by the Company's expectations of the respective subsidiaries achieving certain milestones. The expected milestones were assigned probabilities and the expected related cash flows were discounted to derive the fair value of the contingent consideration.

OM of Medicine: The contingent consideration payable is determined as the amount in excess of gross sales of $3,400 (for fiscal 2020 and 2021) and $3,500 (2022) to a maximum payable of $6,000. At December 31, 2019, the probability of achieving all milestones to Om of Medicine's contingent consideration payable was estimated to be 57%. During 2020, the probability was increased to 100% and the contingent liability was increased by $774 and a loss on the fair value adjustment was recorded to Other in Other Income (Expense) on the Consolidated Statements of Operations and Comprehensive Loss.

Pure Ratios: Contingent consideration of $750 was earned during 2019 due to CBD sales reaching a milestone, and stock was issued to the seller with a value of $94 . Per an amendment to the agreement, $656 of the earned consideration was used to reduce the principal of the Accucanna note receivable. In 2020 an additional $750 was earned due to CBD sales and was used to pay down the Accucanna note.

Amounts expressed in thousands of U.S. dollars except for share and per share data

(c) Legal Matters

In June 2020, the Company sold a legal claim on a consulting client to a third party for $2,480 in cash. Under certain circumstances, the Company will receive additional consideration. The Company is unable to estimate the value of this contingent consideration. The Company recorded a gain of $2,480 that was recorded to Other in Other Income (Expense) on the Consolidated Statements of Operations and Comprehensive Loss.

From time to time, the Company may be involved in certain disputes arising in the ordinary course of business. Such disputes, taken in the aggregate, are not expected to have a material adverse effect on the Company. As of December 31, 2020, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations. There are also no proceedings in which any of the Company's directors, officers, or affiliates is an adverse party or has a material interest adverse to the Company's interest. In August 2019, the Company received a $2,500 payment that was related to certain contract disputes from consulting contracts that were executed prior to 2016, which was recorded as other income in profit or loss.

21. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash, accounts receivable, other receivables, notes receivable, restricted cash, investments, accounts payable and accrued expenses, contingent consideration payable, notes payable, and derivative liabilities. The carrying values of these financial instruments approximate their fair values as of December 31, 2020 and December 31, 2019.

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs to fair value measurements. The three levels of hierarchy are:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the Company's cash, accounts receivable, other receivables, accounts payable and accrued expenses approximates carrying value due to their short-term nature. The Company's restricted cash, and investments approximate fair value due to the nature of the instruments. The Company's notes receivable, convertible notes payable, and notes payable approximate fair value due to the instruments bearing market rate of interest.

There were no transfers between fair value levels during the three and years ended December 31, 2020 and the year ending December 31, 2019.

(a) Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instruments related risks. The Board mitigates these risks by assessing, monitoring and approving the Company's risk management processes.

(b) Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, lease receivables, other receivables, and notes receivable. The Company's maximum credit risk exposure is equivalent to the carrying value of these instruments.

Amounts expressed in thousands of U.S. dollars except for share and per share data

The risk exposure is limited to the carrying amounts at the statement of financial position date. The risk to cash deposits is mitigated by holding these instruments with regulated financial institutions. Lease receivables, notes receivables and other receivables credit risk arises from the possibility that principal and interest due may become uncollectible. The Company mitigates this risk by managing and monitoring the underlying business relationships.

The Company maintains cash with federally insured financial institutions. As of December 31, 2020 and 2019, the Company exceeded federally insured limits by approximately $5,000 in 2020 and $10,000 in 2019. The Company has historically not experienced any losses in such accounts. As of December 31, 2020, the Company held approximately $12,000 in cash in Canadian bank accounts. These funds were transferred to U.S. federally insured financial institutions subsequent to December 31, 2020.

As of December 31, 2020 and 2019, the maximum credit exposure related to the carrying amounts of accounts receivable, notes receivable and lease receivables was $13,178 and $37,422 respectively.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with financial liabilities. The Company manages liquidity risk through the management of its capital structure. The Company's approach to managing liquidity is to raise sufficient capital to settle obligations and liabilities when due.

The Company has the following gross contractual obligations as of December 31, 2020, which are expected to be payable in the following respective periods:

	Less than 1 year	1 to 3 years	3 to 5 years	Greater than 5 years	Total
Accounts payable and accrued liabilities	$ 11,149	$ 1,600	$ —	$ —	$ 12,749
Convertible notes, notes payable and accrued interest	5,024	16,629	45,362	—	67,015
Contingent consideration payable	2,393	3,103	—	—	5,496
Total	**$ 18,566**	**$ 21,332**	**$ 45,362**	**$ —**	**$ 85,260**

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's secured convertible notes with GGP (Note 11) had variable interest rates as of December 31, 2019. The GGP notes were paid in full in December 2020.

(e) Foreign Exchange Risk

The Company is exposed to exchange rate fluctuations between United States and Canadian dollars. The Company's share price is denominated in Canadian dollars. If the Canadian dollar declines against the United States dollar, the United States dollar amounts available to fund the Company through the exercise of stock options or warrants will be less. The Company also has bank accounts with balances in Canadian dollars. The value of these bank balances if converted to U.S. dollars will fluctuate. While the Company maintains a head office in Canada where it incurs expenses primarily denominated in Canadian dollars, such expenses are a small portion of overall expenses incurred by the Company. The Company does not have a practice of trading derivatives and does not engage in "natural hedging" for funds held in Canada.

(f) Other Price Risk

Price risk is the risk of variability in fair value due to movements in equity or market prices. The Company is subject to risk of prices to its products due to competitive or regulatory pressures.

Amounts expressed in thousands of U.S. dollars except for share and per share data

22. SEGMENT INFORMATION

Reportable Segments

The Company generates revenue from two reportable segments:

- THC Cannabis – Production and cultivation of THC cannabis, manufacturing and distribution of cannabis products to own dispensaries and third party retail customers, ancillary services supporting wholesale operations, and retail sales direct to end consumers
- CBD Wellness – Pure Ratios which encompasses the production and sale of CBD products to third-party customers

The results of each segment are regularly reviewed by the Company's Chief Executive Officer, who is the Company's chief operating decision maker, to assess the performance of the segment and make decisions regarding the allocation of resources. The Company's chief operating decision maker uses revenue and adjusted EBITDA as measure of segment performance. The accounting policies of each segment are the same as those set out under the summary of significant accounting policies in Note 2. There are no intersegment sales or transfers. All revenues are derived from customers domiciled in the United States and all assets are located in the United States.

The below table presents revenues by type for the years ended December 31, 2020 and 2019:

	2020	2019
Net Revenues		
THC Cannabis	$ 50,041	$ 17,825
CBD Wellness	7,594	1,207
Corporate	—	—
Total Net Revenues	**$ 57,635**	**$ 19,032**
Depreciation and Amortization		
THC Cannabis	$ 3,982	$ 1,314
CBD Wellness	79	31
Corporate	—	1,818
Total Depreciation and amortization	**$ 4,061**	**$ 3,163**
Assets		
THC Cannabis	$ 186,899	$ 155,653
CBD Wellness	2,198	18,020
Corporate	15,659	29,028
Total Assets	**$ 204,756**	**$ 202,701**

Goodwill assigned to the THC Cannabis segment as of December 31, 2020 and December 31, 2019 was $21,749 and $26,883, respectively. Intangible assets, net assigned to the THC Cannabis segment as of December 31, 2020 and December 31, 2019 was $28,790 and $31,422, respectively.

Goodwill assigned to the CBD Wellness segment as of December 31, 2020 and December 31, 2019 was $nil and $13,400, respectively. Intangible assets, net assigned to the CBD segment as of December 31, 2020 and December 31, 2019 was $nil and $3,725, respectively.

Amounts expressed in thousands of U.S. dollars except for share and per share data

23. SUPPLEMENTARY CASH FLOW INFORMATION

Changes in non-cash working capital:

	December 31, 2020	December 31, 2019
Changes in operating assets and liabilities		
Accounts receivable	$ (781)	$ 1,192
Other receivables	—	3,079
Inventory	(9,159)	(4,076)
Prepaid expenses	298	(1,628)
Deposits	1,506	—
Accounts payable and accrued liabilities	3,078	2,345
Taxes payable	10,589	660
	$ 5,531	$ 1,572

- Cash paid for interest in for the years ended December 31, 2020 and 2019 was $6,655 and $1,023 respectively.
- Cash paid for income taxes for the year ended December 31, 2020 and 2019 was $nil for 2020 and $648 for 2019.

24. INCOME TAXES

On July 31, 2019, the Company converted to a C corporation in the province of British Columbia for US tax purposes due to the reverse takeover of Cannex. Prior to July 31, 2019, the Company was classified as a Limited Liability Company ("LLC") for US tax purposes. As such, prior to July 31, 2019, losses generated from operations were passed through to individual members.

The Company's statutory U.S. federal income tax rate is 21% The Company's provision for income taxes differs from applying the U.S. federal income tax rate to income before taxes primarily due to the effect of IRC Section 280E, state income taxes, certain share-based compensation, interest accretion on debt, and miscellaneous permanent differences.

Internal Revenue Code ("IRC") Section 280E denies, at the U.S. federal level, deductions and credits attributable to a trade or business trafficking in controlled substances. Because the Company is subject to IRC Section 280E, the Company has computed its U.S. tax based on gross receipts less cost of goods sold. The tax provision for the years ended December 31, 2020 and 2019, have been prepared based on the assumption that cost of goods sold is a valid expense for income tax purposes.

Income tax expense is comprised of:

	December 31, 2020	December 31, 2019
Net current taxes:		
U.S. Federal	$ 7,587	$ 1,221
U.S. State	2,750	388
Deferred taxes:		
U.S. Federal	3,749	(171)
U.S. State	1,375	(61)
Total	$ 15,461	$ 1,377

Amounts expressed in thousands of U.S. dollars except for share and per share data

A reconciliation of income taxes at statutory rates is as follows:

	December 31, 2020	December 31, 2019
Loss before income taxes (continuing and discontinued operations)	$ (31,544)	$ (180,748)
Statutory tax rate	21.00%	21.00%
Expense based on statutory rates	(6,624)	(37,957)
Permanent non-deductible items	14,036	48,200
Non-controlling interests	315	342
State taxes	1,650	(12,023)
Change in state rate reconciliation	(14)	(20)
Change in valuation allowance	119	738
Canadian losses	(330)	(389)
Pre-acquisition partnership income	—	3,169
Net changes in deferred tax liabilities	305	(683)
Intangibles adjustment	6,004	—
Less taxes on discontinued operations	(412)	(411)
Income tax expense	$ 15,049	$ 966

The components of deferred tax assets and liabilities were as follows:

	December 31, 2020	December 31, 2019
Deferred tax assets		
Net loss	$ 1,403	$ 738
Net right-of-use assets and liabilities	9,660	4,588
Interest accretion on convertible debt	—	—
Other	177	363
Total deferred tax assets	—	475
Valuation allowance	(771)	(873)
Total net deferred tax assets	10,469	5,291
Deferred tax liabilities		
Property and equipment	(1,299)	(822)
Intangible assets	(5,859)	—
Total deferred tax liabilities	(9,841)	(4,469)
Total net deferred tax liabilities	(16,999)	(5,291)
Total adjusted deferred tax liabilities	$ (6,530)	$ —

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Movement in net deferred tax liabilities:

	December 31, 2020	December 31, 2019
Balance at the beginning of the year	$ —	$ 232
Recognized in profit/loss	(5,124)	(232)
Acquired in business combination	(1,406)	—
Balance at the end of the year	$ (6,530)	$ —

Amounts expressed in thousands of U.S. dollars except for share and per share data

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

Net operating losses - US Federal	$	3,009
Net operating losses - US States		742
Non-capital losses carried forward – Canada		2,664

The Company's US net operating losses expire as follows:

2040 – California	$	742

The Company's Canadian non-capital income tax losses totaling $2,664 expire in 2039.

25. DISPOSALS AND DISCONTINUED OPERATIONS

On January 21, 2020, the Company sold two management companies that controlled two Arkansas cannabis licenses to a third party for $2,000. A gain of $2,000 is included in gain on sale of subsidiaries in the consolidated statements of operations and comprehensive loss. The entities sold had no operations through the sale date.

On February 22, 2019, the Company acquired PHX Interactive LLC and control of Greens Goddess Inc., an Arizona cannabis dispensary. On March 20, 2020, the Company completed the divestiture of these entities through a sale to a third party for $6,000 in cash. On December 31, 2019, the Company tested the Greens Goddess goodwill for impairment and based on the sale price, recorded $1,092 in goodwill impairment. The Company paid a $348 fee to a lender in exchange for allowing the Company to sell the dispensary. This fee is recorded as a disposal cost and is netted with gains as part of gain on sale of subsidiaries in the Consolidated Statements of Operations and Comprehensive Loss. Revenue and expenses, gains or losses relating to the discontinuation of these operations have been eliminated from the profit or loss from the Company's continuing operations and are shown as part of a single line item for net loss from discontinued operations in the condensed consolidated statements of operations and comprehensive loss.

The following sales of the Company's dispensaries and management companies were recorded as gains on sale of subsidiaries in the condensed consolidated statements of operations and comprehensive loss. Revenue and expenses, and gains or losses relating to the discontinuation of these operations have been eliminated from profit or loss from the Company's continuing operations for all periods presented and are shown as part of a single line item in the condensed consolidated statements of operations and comprehensive loss.

On May 7, 2020, the Company completed the sale of the Mission Pennsylvania II LLC dispensary to a third party for $10,550 in cash.

On September 1, 2020, the Company completed the sale of the Company's 79.5% interest in Arkansas Natural Products Management LLC, that manages an Arkansas dispensary. The Company received $1,384 in cash and a note receivable for $1,065 that was fully paid in 2021 On September 23, 2020, the Company completed the sale of one Maryland dispensary and two management companies that manage two additional Maryland dispensaries to a third party for $5,500 in cash.

On September 30, 2020, the Company completed the sale of the Company's 80% interest in a Maryland management company that manages a Maryland dispensary. The buyer is the owner of the dispensary and paid $1,200 in cash.

Amounts expressed in thousands of U.S. dollars except for share and per share data

Below is a summary of the net income or loss from discontinued operations that is shown as a single line item for the years ended December 31, 2020 and 2019:

	Twelve months ended December 31, 2020	2019
REVENUE	$ 12,482	$ 12,094
Cost of goods sold	(8,057)	(7,758)
Gross profit	4,425	4,336
OPERATING EXPENSES		
Selling and marketing expenses	3,899	5,274
Depreciation and amortization	472	692
Total operating expenses	4,371	5,966
Income (loss) from operations	54	(1,630)
Interest expense	(109)	—
Goodwill impairment	—	(1,092)
Gain on sale of subsidiaries	13,454	—
Net income (loss) before income taxes	13,399	(2,722)
Income tax expense	(412)	(411)
Net income (loss) after income tax expense	**$ 12,987**	**$ (3,133)**

Cash flows generated by the discontinued operations are reported as single line items in each section of the condensed consolidated interim statements of cash flows and are summarized as follows:

	Year ended December 31, 2020	2019
Net cash provided by (used in) operating activities	$ (627)	$ 2,005
Net cash provided by (used in) investing activities	(1,679)	2,073
Net cash provided by financing activities	3,503	—
Cash flows from discontinued operations	$ 1,197	$ 4,078

26. SUBSEQUENT EVENTS

Brookline, MA Construction

Subsequent to December 31, 2020, the Company announced that it continues to expand into the Massachusetts market and has received approval from the Brookline, Massachusetts Planning Board to start construction of a new Mission branded dispensary. The location will initially serve adult-use customers and is scheduled to open in Q2 2021.

Land and Funding for Illinois Cultivation and Production Facility

On March 15, 2021, the Company announced that it had entered into definitive agreements with the landowner and an affiliate of Innovative Industrial Properties, Inc. (“IIPR”) to build a cultivation and production facility in Illinois. The agreements provide for IIPR to acquire the land for $6,500 and fund the approximately $45,000 buildout of phase one of the facility which will be leased back to the Company in the form of a 20-year lease with two five-year extensions at the Company’s option.

Exhibit 3.3

BC Registry Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

CERTIFIED COPY
Of a Document filed with the Province of
British Columbia Registrar of Companies

CAROL PREST

Notice of Articles

BUSINESS CORPORATIONS ACT

This Notice of Articles was issued by the Registrar on: December 31, 2020 10:20 AM Pacific Time

Incorporation Number: **BC1218230**

Recognition Date and Time: July 31, 2019 03:23 PM Pacific Time as a result of an Amalgamation

NOTICE OF ARTICLES

Name of Company:

4FRONT VENTURES CORP.

REGISTERED OFFICE INFORMATION

Mailing Address:
2900-550 BURRARD STREET
VANCOUVER BC V6C 0A3
CANADA

Delivery Address:
2900-550 BURRARD STREET
VANCOUVER BC V6C 0A3
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
2900-550 BURRARD STREET
VANCOUVER BC V6C 0A3
CANADA

Delivery Address:
2900-550 BURRARD STREET
VANCOUVER BC V6C 0A3
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
DAILY, DAVID

Mailing Address:
201 LAVACA STREET, #717
AUSTIN TX 78701
UNITED STATES

Delivery Address:
201 LAVACA STREET, #717
AUSTIN TX 78701
UNITED STATES

Last Name, First Name, Middle Name:
REY, ERIC

Mailing Address:
1004 1/2 CRAGMONT AVENUE
BERKELEY CA 94708
UNITED STATES

Delivery Address:
1004 1/2 CRAGMONT AVENUE
BERKELEY CA 94708
UNITED STATES

Last Name, First Name, Middle Name:
GONTMAKHER, LEONID

Mailing Address:
255 DORADO BEACH EAST
DORADO PR 00646
UNITED STATES

Delivery Address:
255 DORADO BEACH EAST
DORADO PR 00646
UNITED STATES

Last Name, First Name, Middle Name:
Lentzsch, Kathi

Mailing Address:
714 PIKE STREET
SEATTLE WA 98122
UNITED STATES

Delivery Address:
714 PIKE STREET
SEATTLE WA 98122
UNITED STATES

Last Name, First Name, Middle Name:
ROSEN, JOSHUA

Mailing Address:
7344 EAST CHOLLA LANE
SCOTTSDALE AZ 85250
UNITED STATES

Delivery Address:
7344 EAST CHOLLA LANE
SCOTTSDALE AZ 85250
UNITED STATES

Last Name, First Name, Middle Name:
Aldworth, Betty

Mailing Address:
506 EMERSON STREET
DENVER CO 80218
UNITED STATES

Delivery Address:
506 EMERSON STREET
DENVER CO 80218
UNITED STATES

RESOLUTION DATES:

Date(s) of Resolution(s) or Court Order(s) attaching or altering Special Rights and Restrictions attached to a class or a series of shares:

December 21, 2020

AUTHORIZED SHARE STRUCTURE

1.	No Maximum	CLASS A SUBORDINATE VOTING Shares	Without Par Value With Special Rights or Restrictions attached
2.	No Maximum	CLASS C MULTIPLE VOTING Shares	Without Par Value With Special Rights or Restrictions attached

Incorporation Number **BC1218230**

Translation of Name (if any) _____

Adopted at shareholders' annual general and special meeting held on December 21, 2020 and a Notice of Alteration filed with the BC Registries on December 31, 2020.

PROVINCE OF BRITISH COLUMBIA

BUSINESS CORPORATIONS ACT

AMENDED AND RESTATED ARTICLES

OF

4FRONT VENTURES CORP.

Fasken Martineau DuMoulin LLP
Barristers & Solicitors
Canada

TABLE OF CONTENTS

PROVINCE OF BRITISH COLUMBIA

BUSINESS CORPORATIONS ACT

AMENDED AND RESTATED ARTICLES

OF

4FRONT VENTURES CORP.

(the "Company")

Incorporation Number BC1218230

Translation of Name (if any)

PART 1
INTERPRETATION

1.1 Definitions

Without limiting Article 1.2, in these Articles, unless the context requires otherwise:

"**Articles**" means these amended and restated articles of the Company;

"**adjourned meeting**" means the meeting to which a meeting is adjourned under Articles 11.8 or 11.12;

"**board**", "**board of directors**" and "**directors**" mean the directors or sole director of the Company for the time being and include a committee or other delegate, direct or indirect, of the directors or director;

"***Business Corporations Act***" means the *Business Corporations Act*, S.B.C. 2002, c.57 as amended, restated or replaced from time to time, and includes its regulations;

"**Interpretation Act**" means the *Interpretation Act*, R.S.B.C. 1996, c. 238;

"**legal personal representative**" means the personal or other legal representative of the shareholder; and

"**seal**" means the seal of the Company, if any.

1.2 *Business Corporations Act* Definitions Apply

The definitions in the *Business Corporations Act* apply to these articles.

1.3 Interpretation Act Applies

The *Interpretation Act* applies to the interpretation of these articles as if these articles were an enactment.

1.4 Conflict in Definitions

If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the Interpretation Act relating to a term used in these articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these articles.

1.5 Conflict Between Articles and Legislation

If there is a conflict between these articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

PART 2
SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Right to Share Certificate or Acknowledgement

Each shareholder is entitled, without charge, to:

(a) one certificate representing the share or shares of each class or series of shares registered in the shareholder's name; or

(b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate,

provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgement and delivery of a share certificate or acknowledgment for a share to one of several joint shareholders or to one of the shareholder's duly authorized agents will be sufficient delivery to all. The Company may refuse to register more than three persons as joint holders of a share.

2.4 Sending of Share Certificate

Any share certificate or non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate to which a shareholder is entitled may be sent to the shareholder by mail at the shareholder's registered address, and neither the Company nor any agent is liable for any loss to the shareholder because the share certificate or acknowledgment sent is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate

If the board of directors, or any officer or agent designated by the directors, is satisfied that a share certificate is worn out or defaced, they must, on production to them of the certificate and on such other terms, if any, as they think fit:

(a) order the certificate to be cancelled; and

(b) issue a replacement share certificate.

2.6 Replacement of Lost, Stolen or Destroyed Certificate

If a share certificate is lost, stolen or destroyed, a replacement share certificate must be issued to the person entitled to that certificate if the board of directors, or any officer or agent designated by the directors, receives:

(a) proof satisfactory to them that the certificate is lost, stolen or destroyed; and

(b) any indemnity the board of directors, or any officer or agent designated by the directors, considers adequate.

2.7 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the certificate so surrendered, the Company must cancel the surrendered certificate and issue replacement share certificates in accordance with that request. The Company may refuse to issue a certificate with respect to a fraction of a share.

2.8 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

PART 3
ISSUE OF SHARES

3.1 Directors Authorized to Issue Shares

Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the directors may issue, allot, sell or otherwise dispose of the unissued shares, and previously issued shares that are subject to reissuance or held by the Company, whether with par value or without par value, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares may be issued) that the directors, in their absolute discretion, may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The directors may, at any time, authorize the Company to pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The directors may authorize the Company to pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

(a) consideration is provided to the Company for the issue of the share by one or more of the following:

(i) past services performed for the Company;

(ii) property; or

(iii) money; and

(b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Articles 3.1.

3.5 Warrants, Options and Rights

Subject to the *Business Corporations Act*, the Company may issue warrants, options and rights upon such terms and conditions as the directors determine, which warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

3.6 Fractional Shares

A person holding a fractional share does not have, in relation to the fractional share, the rights of a shareholder in proportion to the fraction of the share held.

PART 4
SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain in British Columbia a central securities register.

4.2 Branch Registers

In addition to the central securities register, the Company may maintain branch securities registers.

4.3 Appointment of Agents

The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register and any branch securities registers. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.4 Closing Register

The Company must not at any time close its central securities register.

PART 5
SHARE TRANSFERS

5.1 Recording or Registering Transfer

Except to the extent that the *Business Corporations Act* otherwise provides, a transfer of a share of the Company must not be recorded or registered unless:

(a) a duly signed instrument of transfer in respect of the share has been received by the Company;

(b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and

(c) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered to the Company.

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

5.3 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer, or, if no number is specified, all the shares represented by share certificates deposited with the instrument of transfer:

(a) in the name of the person named as transferee in that instrument of transfer; or

(b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the share certificate is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount determined by the directors.

PART 6
TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In the case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

PART 7
PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

Subject to the special rights and restrictions attached to any class or series of shares and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and on the terms specified in such resolution.

7.2 Purchase When Insolvent

The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(a) the Company is insolvent; or

(b) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(a) is not entitled to vote the share at a meeting of its shareholders;

(b) must not pay a dividend in respect of the share; and

(c) must not make any other distribution in respect of the share.

PART 8
BORROWING POWERS

8.1 Powers of Directors

The Company, if authorized by the directors, may from time to time:

(a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;

(b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person;

(c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(d) mortgage or charge, whether by way of specific or floating charge, or give other security on the whole or any part of the present and future undertaking of the Company.

8.2 Terms of Debt Instruments

Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, and with any special privileges on the redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at general meetings of the Company, appointment of directors or otherwise, and may by their terms be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder, all as the directors may determine.

8.3 Delegation by Directors

For greater certainty, the powers of the directors under this Part 8 may be exercised by a committee or other delegate, direct or indirect, of the board authorized to exercise such powers.

PART 9
ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may by directors' resolution:

(a) create one or more classes or series of shares or, if none of the shares of a class or series of shares is allotted or issued, eliminate that class or series of shares;

(b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

(d) if the Company is authorized to issue shares of a class of shares with par value:

(i) decrease the par value of those shares; or

(ii) if none of the shares of that class of shares is allotted or issued, increase the par value of those shares;

(e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(f) alter the identifying name of any of its shares; or

(g) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

9.2 Special Rights and Restrictions

Subject to the *Business Corporations Act*, the Company may by ordinary resolution:

(a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued.

9.3 Company Alterations

(a) If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify a type of resolution, the Company may by resolution of the directors authorize any act of the Company, including without limitation, an alteration of these Articles or its Notice of Articles.

(b) If the *Business Corporations Act* requires a shareholders' resolution but it does not specify the type of shareholders' resolution and these Articles do not specify a type of shareholders' resolution, the Company may by ordinary resolution authorize any act of the Company.

PART 10
MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold an annual general meeting, for the first time, not more than 18 months after the date on which it was recognized, and after its first annual reference date, at least once in each calendar year and not more than 15 months after the annual reference date for the preceding calendar year at such date, time and location as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all of the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Shareholder Meetings

The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Location of Shareholder Meetings

The directors may, by directors' resolution, approve a location outside of British Columbia for the holding of a meeting of shareholders.

10.5 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(a) if and for so long as the Company is a public company, 21 days; and

(b) otherwise, 10 days.

10.6 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business*

Corporations Act, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

(a) if and for so long as the Company is a public company, 21 days; and

(b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.8 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to receive notice does not invalidate any proceedings at that meeting. Any person entitled to receive notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

10.9 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

(a) state the general nature of the special business; and

(b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by the shareholders:

(i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

PART 11
PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

(a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

(b) at an annual general meeting, all business is special business except for the following:

(i) business relating to the conduct of, or voting at, the meeting;

(ii) consideration of any financial statements of the Company presented to the meeting;

(iii) consideration of any reports of the directors or auditor;

(iv) the setting or changing of the number of directors;

(v) the election or appointment of directors;

(vi) the appointment of an auditor;

(vii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and

(viii) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

(a) the quorum is one person who is, or who represents by proxy, that shareholder; and

(b) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Meetings by Telephone or Other Communications Medium

A shareholder or proxy holder who is entitled to participate in, including vote at, a meeting of shareholders may participate in person or by telephone or other communications medium if all shareholders and proxy holders participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A shareholder who participates in a meeting in a manner contemplated by this Article 11.5 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner. Nothing in this Article 11.5 obligates the Company to take any action or provide any facility to permit or facilitate the use of any communications medium at a meeting of shareholders.

11.6 Other Persons May Attend

The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum, and is not entitled to vote at the meeting, unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.7 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting.

11.8 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(a) in the case of a general meeting convened by requisition of shareholders, the meeting is dissolved; and

(b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place, or at such other date, time or location as the chair specifies on the adjournment.

11.9 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the first meeting referred to in Article 11.8(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.10 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

(a) the chair of the board, if any; and

(b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.11 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.12 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.13 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.14 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.15 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.14, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.16 Motion Need Not Be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.17 Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.18 Manner of Taking a Poll

Subject to Article 11.19, if a poll is duly demanded at a meeting of shareholders:

(a) the poll must be taken:

(i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

(ii) in the manner, at the time and at the place that the chair of the meeting directs;

(b) the result of the poll is deemed to be a resolution of and passed at the meeting at which the poll is demanded; and

(c) the demand for the poll may be withdrawn by the person who demanded it.

11.19 Demand for a Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.20 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.21 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.22 Demand for Poll

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.23 Demand for a Poll Not to Prevent Continuation of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.24 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during statutory business hours by any shareholder or proxy holder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

PART 12
VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint registered holders of shares under Article 12.3:

(a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote at the meeting has one vote, and

(b) on a poll, every shareholder entitled to vote at the meeting has one vote in respect of each share held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is the legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Shareholders

If there are joint shareholders registered in respect of any share:

(a) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

12.5 Representative of a Corporate Shareholder

If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

(a) for that purpose, the instrument appointing a representative must:

(i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies or, if no number is specified, two days before the day set for the holding of the meeting; or

(ii) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting; and

(b) if a representative is appointed under this Article 12.5:

(i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

(ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 Proxy Provisions Do Not Apply to All Companies

If and for so long as the Company is a public company, Articles 12.7 to 12.15 apply to the Company only insofar as they are not inconsistent with any securities legislation of any province or territory of Canada applicable to the Company.

12.7 Appointment of Proxy Holder

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.9 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

(a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;

(b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;

(c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting; or

(d) the Company is a public company.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

(a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or

(b) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(b) by the chair of the meeting, before the vote is taken.

12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[Name of Company]

(the "**Company**")

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder): _____

Signed this_____day of_____,_____.

_____

Signature of shareholder

_____

Name of shareholder—printed

12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:

(a) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(b) provided, at the meeting, to the chair of the meeting.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

(a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy; or

(b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

PART 13
DIRECTORS

13.1 Number of Directors

The number of directors, excluding additional directors appointed under Article 14.8, is set at:

(a) if the Company is a public company, the greater of three and the most recently set of:

(i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(ii) the number of directors set under Article 14.4;

(b) if the Company is not a public company, the most recently set of:

(i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(ii) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(a)(i) or 13.1(b)(i):

(a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;

(b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in his or her capacity as director in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors may authorize the Company to pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

PART 14
ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

(a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and

(b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

(a) that individual consents to be a director in the manner provided for in the *Business Corporations Act*; or

(b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director.

14.3 Failure to Elect or Appoint Directors.

If:

(a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or

(b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

(c) the date on which his or her successor is elected or appointed; and

(d) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

(a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

(b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(a), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

(a) the term of office of the director expires;

(b) the director dies;

(c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or

(d) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

PART 15
POWERS AND DUTIES OF DIRECTORS

15.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

15.2 Appointment of Attorney of Company

The directors exclusively may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these

Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

PART 16
DISCLOSURE OF INTEREST OF DIRECTORS

16.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

16.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

16.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

16.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

16.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

16.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

16.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and

the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

16.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

PART 17
PROCEEDINGS OF DIRECTORS

17.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the board held at regular intervals may be held at the place, at the time and on the notice, if any, that the board may by resolution from time to time determine.

17.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

17.3 Chair of Meetings

Meetings of directors are to be chaired by:

(a) the chair of the board, if any;

(b) in the absence of the chair of the board, the president, if any, if the president is a director; or

(c) any other director chosen by the directors if:

(i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

(ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

(iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

17.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone or other communications medium if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 17.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

17.5 Calling of Meetings

A director may, and the secretary or an assistant secretary, if any, on the request of a director must, call a meeting of the directors at any time.

17.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Article 23.1 or orally or by telephone.

17.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director if:

(a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed or is the meeting of the directors at which that director is appointed; or

(b) the director has waived notice of the meeting.

17.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to any director, or the non-receipt of any notice by any director, does not invalidate any proceedings at that meeting.

17.9 Waiver of Notice of Meetings

Any director may file with the Company a document signed by the director waiving notice of any past, present or future meeting of the directors and may at any time withdraw that waiver with respect to meetings of the directors held after that withdrawal. After sending a waiver with respect to all future meetings of the directors, and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director.

17.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at a majority of the directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

17.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

17.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or, if no date is stated in the resolution, on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

PART 18
EXECUTIVE AND OTHER COMMITTEES

18.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

(a) the power to fill vacancies in the board of directors;

(b) the power to remove a director;

(c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

18.2 Appointment and Powers of Other Committees

The directors may, by resolution,

(a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

(b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:

(i) the power to fill vacancies in the board of directors;

(ii) the power to remove a director;

(iii) the power to change the membership of, or fill vacancies in, any committee of the board, and

(iv) the power to appoint or remove officers appointed by the board; and

(c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution.

18.3 Obligations of Committee

Any committee appointed under Articles 18.1 or 18.2, in the exercise of the powers delegated to it, must

(a) conform to any rules that may from time to time be imposed on it by the directors; and

(b) report every act or thing done in exercise of those powers as the directors may require.

18.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 18.1 or 18.2:

(a) revoke or alter the authority given to a committee, or override a decision made by a committee, except as to acts done before such revocation, alteration or overriding;

(b) terminate the appointment of, or change the membership of, a committee; and

(c) fill vacancies on a committee.

18.5 Committee Meetings

Subject to Article 18.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 18.1 or 18.2:

(a) the committee may meet and adjourn as it thinks proper;

(b) the committee may elect a chair of its meetings but, if no chair of the meeting is elected, or if at any meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

(c) a majority of the members of a directors' committee constitutes a quorum of the committee; and

(d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting has no second or casting vote.

PART 19
OFFICERS

19.1 Appointment of Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine, and the directors may, at any time, terminate any such appointment.

19.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

(a) determine the functions and duties of the officer;

(b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

19.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any officer need not be a director.

19.4 Remuneration

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

PART 20
INDEMNIFICATION

20.1 Definitions

In this Part 20:

(a) "**eligible penalty**" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(b) "**eligible proceeding**" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director of the Company or an affiliate of the Company (an "eligible party") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director of the Company or an affiliate of the Company:

(i) is or may be joined as a party; or

(ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(c) "**expenses**" has the meaning set out in the *Business Corporations Act*.

20.2 Mandatory Indemnification of Directors and Former Directors

Subject to the *Business Corporations Act*, the Company must indemnify and advance expenses of a director or former director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 20.2.

20.3 Indemnification of Other Persons

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

20.4 Non-Compliance with *Business Corporations Act*

The failure of a director or former director of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

20.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

(a) is or was a director, officer, employee or agent of the Company;

(b) is or was a director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;

(c) at the request of the Company, is or was a director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;

(d) at the request of the Company, holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, officer, employee or agent or person who holds or held such equivalent position.

PART 21
DIVIDENDS

21.1 Payment of Dividends Subject to Special Rights

The provisions of this Part 21 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

21.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

21.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 21.2.

21.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

21.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of paid up shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

21.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 21.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

(a) set the value for distribution of specific assets;

(b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(c) vest any such specific assets in trustees for the persons entitled to the dividend.

21.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

21.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

21.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

21.10 Dividend Bears No Interest

No dividend bears interest against the Company.

21.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

21.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

21.13 Capitalization of Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

PART 22
DOCUMENTS, RECORDS AND REPORTS

22.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the provisions of the *Business Corporations Act*.

22.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

22.3 Remuneration of Auditors

The remuneration of the auditors, if any, shall be set by the directors regardless of whether the auditor is appointed by the shareholders, by the directors or otherwise. For greater certainty, the directors may delegate to the audit committee or other committee the power to set the remuneration of the auditors.

PART 23
NOTICES

23.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

(a) mail addressed to the person at the applicable address for that person as follows:

(i) for a record mailed to a shareholder, the shareholder's registered address;

(ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the mailing address of the intended recipient;

(b) delivery at the applicable address for that person as follows, addressed to the person:

(i) for a record delivered to a shareholder, the shareholder's registered address;

(ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the delivery address of the intended recipient;

(c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(d) sending the record, or a reference providing the intended recipient with immediate access to the record, by electronic communication to an address provided by the intended recipient for the sending of that record or records of that class;

(e) sending the record by any method of transmitting legibly recorded messages, including without limitation by digital medium, magnetic medium, optical medium, mechanical reproduction or graphic imaging, to an address provided by the intended recipient for the sending of that record or records of that class; or

(f) physical delivery to the intended recipient.

23.2 Deemed Receipt

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during statutory business hours on the day which statutory business hours next occur if not given during such hours on any day.

23.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as

required by Article 23.1, prepaid and mailed or otherwise sent as permitted by Article 23.1 is conclusive evidence of that fact.

23.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

23.5 Notice to Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(a) mailing the record, addressed to them:

(i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(b) if an address referred to in paragraph (a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

PART 24
SEAL

24.1 Who May Attest Seal

Except as provided in Articles 24.2 and 24.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signature or signatures of:

(a) any two directors;

(b) any officer, together with any director;

(c) if the Company only has one director, that director; or

(d) any one or more directors or officers or persons as may be determined by resolution of the directors.

24.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer.

24.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such

definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

PART 25
PROHIBITIONS

25.1 Definitions

In this Part 25:

(a) "designated security" means:

(i) (i) a voting security of the Company;

(ii) (ii) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or

(iii) (iii) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);

(b) "security" has the meaning assigned in the Securities Act (British Columbia);

(c) "voting security" means a security of the Company that:

(i) is not a debt security, and

(ii) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

25.2 Application

Article 25.3 does not apply to the Company if and for so long as it is a public company.

25.3 Consent Required for Transfer of Shares or Designated Securities

No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

PART 26
SPECIAL RIGHTS AND RESTRICTIONS ATTACHED TO SUBORDINATE VOTING SHARES

26.1 Voting

The holders of Class A subordinate voting shares ("**Subordinate Voting Shares**") shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Company except a meeting at which only the holders of another class or series of shares is entitled to vote. Each Subordinate Voting Share shall entitle the holder thereof to one vote at each such meeting.

26.2 Alteration to Rights of Subordinate Voting Shares

So long as any Subordinate Voting Shares remain outstanding, the Company will not, without the consent of the holders of Subordinate Voting Shares expressed by separate special resolution, alter or amend these Articles if the result of such alteration or amendment would:

(a) prejudice or interfere with any right or special right attached to the Subordinate Voting Shares; or

(b) affect the rights or special rights of the holders of Subordinate Voting Shares or Multiple Voting Shares on a per share basis as provided for herein.

26.3 Dividends

The holders of Subordinate Voting Shares shall be entitled to receive such dividends payable in cash or property of the Company as may be declared thereon by the directors from time to time. The directors may declare no dividend payable in cash or property on the Subordinate Voting Shares unless the directors simultaneously declare a dividend payable in cash or property on the Multiple Voting Shares, in an amount per Multiple Voting Share equal to the amount of the dividend declared per Subordinate Voting Share.

The directors may declare a stock dividend payable in Subordinate Voting Shares on the Subordinate Voting Shares, but only if the directors simultaneously declare a stock dividend payable in:

(a) Multiple Voting Shares on the Multiple Voting Shares, in a number of shares per Multiple Voting Share equal to the amount of the dividend declared per Subordinate Voting Share; or

(b) Subordinate Voting Shares on the Multiple Voting Shares, in a number of shares per Multiple Voting Share equal to the amount of the dividend declared per Subordinate Voting Share.

Holders of fractional Subordinate Voting Shares shall be entitled to receive any dividend declared on the Subordinate Voting Shares in an amount equal to the dividend per Subordinate Voting Share multiplied by the fraction thereof held by such holder.

26.4 Liquidation Rights

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company to its shareholders for the purposes of winding up its affairs, the holders of the Subordinate Voting Shares shall be entitled to participate pari passu with the holders of Multiple Voting Shares, with the amount of such distribution per Subordinate Voting Share equal to the amount of such distribution per Multiple Voting Share; and each fraction of a Subordinate Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount payable per whole Subordinate Voting Share.

26.5 Subdivision or Consolidation

The Subordinate Voting Shares shall not be consolidated or subdivided unless the Multiple Voting Shares are simultaneously consolidated or subdivided utilizing the same divisor or multiplier.

PART 27
SPECIAL RIGHTS AND RESTRICTIONS ATTACHED TO MULTIPLE VOTING SHARES

27.1 Voting

The holders of Class C multiple voting shares ("**Multiple Voting Shares**") shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Company except a meeting at which only the holders of another class or series of shares is entitled to vote. Subject to Secitons 27.2 and 27.3, each Multiple Voting Share shall entitle the holder to 800 votes and each fraction of a Multiple Voting Share shall entitle

the holder to the number of votes calculated by multiplying the fraction by 800 and rounding the product down to the nearest whole number, at each such meeting.

27.2 Alteration to Rights of Multiple Voting Shares

So long as any Multiple Voting Shares remain outstanding, the Company will not, without the consent of the holders of Multiple Voting Shares expressed by separate special resolution alter or amend these Articles if the result of such alteration or amendment would:

(a) prejudice or interfere with any right or special right attached to the Multiple Voting Shares; or

(b) affect the rights or special rights of the holders of Subordinate Voting Shares or Multiple Voting Shares on a per share basis as provided for herein.

At any meeting of holders of Multiple Voting Shares called to consider such a separate special resolution, each Multiple Voting Share shall entitle the holder to one (1) vote and each fraction of a Multiple Voting Share will entitle the holder to the corresponding fraction of one (1) vote.

27.3 Shares Superior to Multiple Voting Shares

(a) The Company may take no action which would authorize or create shares of any class or series having preferences superior to or on a parity with the Multiple Voting Shares without the consent of the holders of a majority of the Multiple Voting Shares expressed by separate ordinary resolution.

(b) At any meeting of holders of Multiple Voting Shares called to consider such a separate ordinary resolution, each Multiple Voting Share will entitle the holder to one (1) vote and each fraction of a Multiple Voting Share shall entitle the holder to the number of votes calculated by multiplying the fraction by 800 and rounding the product down to the nearest whole number, at each such meeting.

27.4 Dividends

(a) The holders of Multiple Voting Shares shall be entitled to receive such dividends payable in cash or property of the Company as may be declared by the directors from time to time. The directors may declare no dividend payable in cash or property on the Multiple Voting Shares unless the directors simultaneously declare a dividend payable in cash or property on the Subordinate Voting Shares, in an amount equal to the amount of the dividend declared per Multiple Voting Share.

(b) The directors may declare a stock dividend payable in Subordinate Voting Shares on the Multiple Voting Shares, but only if the directors simultaneously declare a stock dividend payable in Subordinate Voting Shares on the Subordinate Voting Shares, in a number of shares per Subordinate Voting Share equal to the amount of the dividend declared per Multiple Voting Share.

(c) Holders of fractional Multiple Voting Shares shall be entitled to receive any dividend declared on the Multiple Voting Shares, in an amount equal to the dividend per Multiple Voting Share multiplied by the fraction thereof held by such holder.

27.5 Liquidation Rights

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company to its shareholders for the purpose of winding up its affairs, the holders of the Multiple Voting Shares shall be entitled to participate pari passu with the holders of Subordinate Voting Shares, with the amount of such distribution per Multiple Voting Share equal to the amount of such distribution per Subordinate Voting Share; and each fraction of a Multiple Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount payable per whole Multiple Voting Share.

27.6 Subdivision or Consolidation

The Multiple Voting Shares shall not be consolidated or subdivided unless the Subordinate Voting Shares are simultaneously consolidated or subdivided utilizing the same divisor or multiplier.

27.7 Transfer of Multiple Voting Shares

Except as otherwise provided in Articles 27.9 or 27.10, no Multiple Voting Share may be sold, transferred, assigned, pledged or otherwise disposed of ("Transfer", "Transferring" or "Transferred"), whether voluntarily or involuntarily, by operation of law or otherwise, without the written consent of the directors, and the directors are not required to give any reason for refusing to consent to any such Transfer.

27.8 Mandatory Conversion of Multiple Voting Shares

(a) Definitions. In this Article 27.8 and 27.9:

(i) "**4Front**" means 4Front Holdings LLC;

(ii) "**BC HoldCo**" means 1196260 B.C. Ltd.;

(iii) "**Business Combination**" means the completion of the combination of the businesses of 4Front, Nevada HoldCo, BC HoldCo and Cannex Capital Holdings Inc. pursuant to the Definitive Agreement;

(iv) "**Definitive Agreement**" means the business combination agreement between, inter alia, 4Front, Nevada HoldCo, BC HoldCo and Cannex Capital Holdings Inc. dated March 1, 2019, as amended;

(v) "**Disability**" means such holder (i) has been declared legally incompetent by a final court decree (the date of such decree being deemed to be the date on which the disability occurred), or (ii) has been found to be mentally disabled pursuant to a Disability Determination. A "Disability Determination" means a finding that the holder, because of a mental disability, is unable to perform substantially all of such holder's regular duties to the Company and that such mental disability is determined or reasonably expected to continue for at least 12 months. Any Disability Determination shall be initiated by the Company and shall be based on the written opinion of the physician regularly attending the holder whose ability is in question (which expense shall be borne by the Company). If the Initial Holders holding a majority of the Multiple Voting Shares not held by the individual holder in question disagree with the opinion of this physician (the "First Physician"), they may, at their own expense, engage another physician (the "Second Physician") to examine the holder. If the First Physician and the Second Physician agree in writing that the holder is or is not disabled, their written opinion shall, except as otherwise set forth in this subsection, be conclusive on the issue of ability. If the First Physician and the Second Physician disagree on the disability of the Shareholder, they shall choose a third consulting physician (whose expense shall be borne by the Company), and the written opinion of a majority of these three physicians, shall, except as otherwise provided below, be conclusive as to the holder's ability. The date of any written opinion conclusively finding the holder to be Disabled is the date on which the disability shall be deemed to have occurred. If there is a conclusive finding that the holder is not Disabled, the holders holding a majority of the Multiple Voting Shares not held by the individual holder in question shall have the right to request additional Disability Determinations, provided they agree to pay all expenses of the Disability Determinations and do not request an additional Disability Determination more frequently than once every 12 months. In conjunction with a Disability Determination, each Initial Holder consents to, and agrees to cooperate with, any required medical examination, and agrees to furnish any medical information requested by any examining physician and to waive any applicable physician-patient privilege that may arise

because of such examination. All physicians except the First Physician must be board-certified in the specialty most closely related to the nature of the disability alleged to exist.

(vi) "**Initial Holders**" means the holders of Multiple Voting Shares as of the date of initial issuance of Multiple Voting Shares.

(vii) "**Involuntary Transfer Event**" occurs in the event that an Initial Holder (a) files a voluntary petition under any bankruptcy or insolvency law or a petition for the appointment of a receiver or makes an assignment for the benefit of creditors, (b) is subjected involuntarily to such a petition or assignment or to an attachment or other legal or equitable interest with respect to such holder's Multiple Voting Shares and such involuntary petition, assignment or attachment is not discharged within 30 days after its effective date, or (c) is subjected to any other possible involuntary Transfer of such Initial Holder's Multiple Voting Shares by legal process including, without limitation, an assignment or Transfer pursuant to a marital dissolution or divorce decree.

(viii) "**Nevada HoldCo**" means 4Front Ventures Corp., a corporation incorporated under the laws of the State of Nevada.

(b) Mandatory Conversion. Multiple Voting Shares are not convertible until the later of the date (the "Initial Conversion Date") that (i) the aggregate number of Multiple Voting Shares held by the Initial Holders are reduced to a number which is less than fifty per cent (50%) of the aggregate number of Class B Proportionate Voting Shares and Multiple Voting Shares held by the Initial Holders on the date of completion of the Business Combination, and (ii) is three (3) years following the date of completion of the Business Combination Closing Date. Following the Initial Conversion Date, Multiple Voting Shares will automatically, without any action on the part of the holder, be converted into Subordinate Voting Shares on the basis of one (1) Subordinate Voting Share for one (1) Multiple Voting Share upon: (i) the death or Disability of such Initial Holder with respect to all Multiple Voting Shares held by an Initial Holder, (ii) an Involuntary Transfer Event with respect to the Multiple Voting Shares being Transferred pursuant to the Involuntary Transfer Event, or (iii) any other Transfer of Multiple Voting Shares to anyone other than another Initial Holder with respect to such Multiple Voting Shares being Transferred (each, a "Mandatory Conversion Event"). The Initial Holder shall promptly provide notice to the Company of the occurrence of a Mandatory Conversion Event. On the date of such Mandatory Conversion Event, each certificate representing Multiple Voting Shares shall thenceforth be null and void. Within twenty (20) days of the Mandatory Conversion Event, the Company will send, or cause its transfer agent to send, notice thereof to such former holder of Multiple Voting Shares (a "Mandatory Conversion Notice") specifying:

(i) the date of the Mandatory Conversion Event;

(ii) the number of Subordinate Voting Shares into which the Multiple Voting Shares held by such holder have been converted.

As soon as practicable after the sending of the Mandatory Conversion Notice, the Company shall issue or shall cause its transfer agent to issue certificates representing the number of Subordinate Voting Shares into which the Multiple Voting Shares have been converted.

27.9 Transfers Prior to Initial Conversion Date

(a) Limitation on Transfers. Subject to Article 27.7, an Initial Holder is permitted to Transfer Multiple Voting Shares prior to the Initial Conversion Date to another Initial Holder without compliance with this Article 27.9.

(b) Purchase Obligation Upon Certain Events. Prior to the Initial Conversion Date, upon: (i) the death or Disability of an Initial Holder the other Initial Holders shall have the obligation to purchase all of such Initial Holder's Multiple Voting Shares as set forth in this Article 27.9; and (ii) an

Involuntary Transfer Event, the other Initial Holders shall have the obligation to purchase all of such Initial Holder's Multiple Voting Shares which would otherwise be Transferred pursuant to the Involuntary Transfer Event as set forth in Article 27.9 (each a "**Purchase Obligation**"). References to the Initial Holder transferring the Subject Multiple Voting Shares pursuant to the Purchase Obligation (the "**Transferring Initial Holder**") shall include any executor, personal representative or administrator upon the death or Disability of such Transferring Initial Holder or a trustee or receiver in the event of an Involuntary Transfer Event.

(c) Notice of Purchase Obligation. Promptly following an event triggering a Purchase Obligation, the Transferring Initial Holder shall send a written notice to the Company and other Initial Holders setting forth the event triggering the Purchase Obligation as well as the number of Multiple Voting Shares subject to the Purchase Obligation ("**Subject Multiple Voting Shares**"). The other Initial Holders are obligated to purchase the Subject Multiple Voting Shares in proportion to their respective holdings of the remaining Multiple Voting Shares.

(d) Purchase Obligation Terms.

(i) The closing shall be on or before the thirtieth day following the transmittal of the notice of the Purchase Obligation (the "Closing"). At the Closing: (i) the purchasing Initial Holder shall deliver to the Transferring Initial Holder the purchase price for the Subject Multiple Voting Shares as determined below, (ii) the Transferring Initial Holder shall deliver to the purchasing Initial Holder share certificates for all the Multiple Voting Shares that are to be purchased or otherwise transferred pursuant to the Purchase Obligation, either duly endorsed in blank for transfer or with duly executed stock powers attached, and a certificate, dated as of the Closing, containing a representation and warranty that on such date the Transferring Initial Holder has transferred, or caused to be transferred, to the purchasing Initial Holder good and marketable title to all the Shares in question, free and clear of all claims, equities, liens, charges and encumbrances, and (iii) any other documents reasonably required by the Company.

(ii) The per share price of the Subject Multiple Voting Shares to be purchased pursuant to this Article 27.9 shall be the Fair Market Value of the Subordinate Voting Shares as of the date prior to the date of the event triggering the Purchase Obligation (the "**Valuation Date**"). "Fair Market Value" means, with respect to the Subject Multiple Voting Shares, the closing price of the Subordinate Voting Shares on the principal trading market for such shares on the trading day immediately preceding the Valuation Date.

(iii) The purchase price of any Subject Multiple Voting Shares purchased pursuant to this Article 27.9 shall be paid in any combination of cash, by wire transfer, by certified or cashier's check, or by a promissory note containing the terms set forth in Article 27.9(e) (the "**Note**").

(e) Note Terms.

(i) Any Note shall be paid in no more than 12 equal quarterly installments of principal and interest, and the first installment of which shall be due 90 days after the Closing.

(ii) Any Note shall bear interest on such principal amount at the minimum rate established pursuant to IRS Code Sections 483 and 1274 necessary to avoid any imputed interest or original issue discount being attributed to the Note holder. The Note shall provide that the maker shall pay a late penalty equal to 5% of any payment which is not paid within five days of its due date. The Note shall further provide that the maker shall have the right at any time to prepay without penalty all or any part of the balance due on the Note with interest to the date of prepayment. Partial prepayments shall be applied to the last maturing installments in inverse order.

(iii) Any Note shall be secured by a pledge of such number of the purchasing Initial Holder's Subordinate Voting Shares or such other assets (excluding the Multiple Voting Shares being acquired) such that the Pledged Value equals the principal amount of the Note. "Pledged Value" per Subordinate Voting Share means the closing price of the Subordinate Voting Shares on the principal trading market for such shares on the trading day immediately preceding the Valuation Date. Pledged Value of any other assets shall be valued at fair market value of such assets. The pledge agreement shall name the Company to act as pledgeholder and shall contain such other terms as shall be reasonable and customary in stock pledge agreements.

(iv) As long as the Note is not in default, the purchasing Initial Holder shall be entitled to receive all dividends on such Multiple Voting Shares and to exercise all voting rights with respect to such Multiple Voting Shares.

(v) Failure to make any payment required by a Note within 10 days after its due date shall constitute a default and shall cause the remaining unpaid balance to become immediately due and payable, at the holder's option, and the Transferring Initial Holder shall have all the rights and remedies to enforce payment of the unpaid balance authorized by law; provided, however, that before taking any remedial action to enforce payment, the Transferring Initial Holder shall deliver notice of the default to the purchasing Initial Holder and if the payment in default is paid in full within 10 days after the date the default notice is delivered, the default shall be deemed not to have occurred.

27.10 Extension of Offer to Multiple Voting Shares

In the event that an offer is made to purchase Subordinate Voting Shares, and such offer is:

(a) required pursuant to applicable securities legislation or the rules of any stock exchange on which the Subordinate Voting Shares may then be listed, to be made to all or substantially all of the holders of Subordinate Voting Shares in a province or territory of Canada to which the requirement applies (such offer to purchase under this Article 27.10(a), a "**MVS Offer**"); then

(b) such MVS Offer shall be extended by the offeror to the holders of Multiple Voting Shares (which shall not be required to convert in order to participate in the MVS Offer) for consideration per Multiple Voting Share equal to the consideration offered per Subordinate Voting Share.

Dated December 31, 2020.

FULL NAME AND SIGNATURE OF DIRECTOR

4FRONT VENTURES CORP.

Per: (signed)_____

Authorized Signatory

Exhibit 10.13

4FRONT VENTURES CORP.

SEVERANCE
GENERAL WAIVER AND RELEASE AGREEMENT

Brad Kotansky

I elect to receive the special benefits described in this 4Front Ventures Corp. Severance and General Waiver and Release Agreement and in connection therewith provide the following General Waiver and Release ("Release"):

1. Termination and Description of Special Benefits.

I understand that my employment with 4Front Ventures Corp. (including all of its subsidiaries and affiliates, collectively, "4Front") was terminated effective as of the close of business on March 27, 2020 (the "Termination Date"). I also understand that regardless of whether I sign this Release, I will be paid my normal salary and for my 78.46 hours of unused vacation/paid time off accrued through the Termination Date, and will continue to receive health care benefits through the Termination Date so long as I continue to timely pay my portion of the premiums for such health care programs, consistent with the terms of the applicable health plan documents. I also understand that the special benefits I will receive by timely signing and not revoking this Release are as follows:

(a) severance payments equal to six (6) months of my base salary (at the current rate of $225,000 per annum), which payments shall be equal to $112,500 in the aggregate, it being understood that all such payments will be made in accordance with 4Front's standard payroll practices, subject to withholding for applicable taxes, with the first such payment due during the first payroll period following the date on which this Release becomes effective (with the first payment to include the payments that that would otherwise have been made prior to the initial payment date);

(b) an additional lump sum cash payment, subject to withholding for applicable taxes, in an amount equal to (i) the monthly premium amount that is charged to COBRA qualified beneficiaries for the same medical coverage option elected by me immediately prior to the Termination Date multiplied by (ii) six (6), with such payment due during the first payroll period following the date on which this Release becomes effective; and

(c) the accelerated vesting of options to purchase 6,250 of 4Front's Class B Proportionate Voting Shares (which are convertible into 500,000 of 4Front's Class A Subordinate Voting Shares) that were previously granted to me on August 22, 2019 pursuant to 4Front's Class B Proportionate Shares Option Plan, such that after such accelerated vesting, I will have fully vested options to purchase 500,000 of 4Front's Class A Subordinate Voting Shares on an as-converted basis (I expressly acknowledge that all such options shall remain fully vested and exercisable until their originally scheduled expiration date). An Amended and Restated Option Certificate incorporating such modifications is attached hereto as Exhibit A.

I further understand that after the Termination Date, I will be offered health benefits coverage through the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"). Coverage will be provided for the duration prescribed under the applicable COBRA regulations and only if I sign applicable COBRA enrollment forms and remit the required premium payments to 4Front's COBRA administrator in a timely fashion.

2. General Release of Claims.

I hereby release the Company (as defined in paragraph 5 below) from, and covenant not to sue the Company with respect to, any and all claims I have against the Company.

3. Claims to Which Release Applies.

This Release applies both to claims which are now known or are later discovered. However, this Release does not apply to any claims that may arise after the date I execute the Release, nor does this Release apply to any claims which may not be released under applicable law.

4. Claims Released Include Age Discrimination and Employment Claims.

The claims released hereunder include, but are not limited to:

(a) claims based on breach of contract, covenant of good faith and fair dealing, state or federal whistleblower statute or regulation, tort (including defamation, invasion of privacy, or intentional infliction of emotional distress), misrepresentation, wrongful discharge, terms and conditions of employment, discrimination, harassment, and retaliation;

(b) claims arising under the Age Discrimination in Employment Act as amended (29 U.S.C. Section 621 et seq.);

(c) claims arising out of or relating in any way to my employment with the Company or the conclusion of that employment or any actions or inactions of the Company relating to me in any way; and

(d) claims arising under any federal, state or local law, regulation, ordinance or order that regulates the employment relationship and/or employee benefits (including wage claims of all types, whether for non-payment, late payment, overtime, bonuses, commissions, deductions and/or penalties).

5. Release Covers Claims Against Related Parties.

For purposes of this Release the terms "4Front" and the "Company" include 4Front and all of its past, present and future parents, subsidiaries and affiliates, and other current or former related entities thereof, and all of the past, present, and future officers, directors, employees, agents, members, insurers, legal counsel, and successors and assigns of said entities. Therefore, the claims released include claims I have against any such persons or entities.

6. The Terms "Claims" and "Release" are Construed Broadly.

As used in this Release, the term "claims" shall be construed broadly and shall be read to include, for example, the terms "rights," "causes of action (whether arising in law or equity)," "damages," "demands," "obligations," "grievances" and "liabilities" of any kind or character. Similarly, the term "release" shall be construed broadly and shall be read to include, for example, the terms "discharge" and "waive." Nothing in this Release is a waiver of my right to file any charge or complaint with administrative agencies such as the United States Equal Employment Opportunity Commission which, as a matter of law, I cannot be prohibited from or punished for filing (hereafter, "Excepted Charge"), although 4Front's acknowledgment of this exception does not limit the scope of the waiver and release in paragraphs 2-7 herein, and I waive any right to recover damages or obtain individual relief that might otherwise result from the filing of any Excepted Charge, with regard to any claim released herein.

7. Release Binding on Employee and Related Parties.

This Release shall be binding upon me and my spouse, agents, attorneys, personal representatives, executors, administrators, heirs, beneficiaries, successors, and assigns.

8. Additional Consideration.

I have executed this Release in consideration for the payments and benefits described in paragraph 1 above. I acknowledge that these payments and benefits represent consideration in addition to anything of value that I am otherwise entitled to receive from the Company. These payments and benefits are sufficient to support this Release.

9. Opportunity to Consider this Release; Consultation with Attorney.

I have read this Release and fully understand its terms. I am hereby being offered twenty-one (21) calendar days following the date on which this Release was presented to me to consider this Release. I am hereby advised in writing to consult with an attorney before signing this Release and I have done so or had the opportunity to do so.

10. All Representations in Documents.

In entering into this Release I acknowledge that I have not relied on any verbal or written representations by any Company representative other than those explicitly set forth in this Release. This Release sets forth the entire agreement between the Company and me and completely supersedes any prior agreements, oral statements or understandings concerning the termination of my employment and any benefits I might receive following that termination. This Release does not supersede my obligations and the Company's rights under any agreement I have previously signed or executed with the Company pertaining to matters of confidentiality, intellectual property or restrictive employment covenants. I agree that I am not entitled to any other severance or benefits, vacation, bonus, commission or other payments of any kind, except those described in this Release.

11. Voluntary Agreement.

I have read this Release and fully understand its terms. I have entered into this Release knowingly and voluntarily and understand that its terms are binding on me.

12. Partial Invalidity of Release.

If any part of this Release is held to be unenforceable, invalid or void, then the balance of this Release shall nonetheless remain in full force and effect to the extent permitted by law.

13. Headings.

The headings and subheadings in this Release are inserted for convenience and reference only and are not to be used in construing the Release.

14. Applicable Law and Venue.

Arizona law will apply in connection with any dispute or proceeding concerning this Release. Insofar as federal law does not control, venue as to any dispute regarding this Release, or interpretation thereof, shall be exclusively in Phoenix, Arizona.

15. Relationship of Severance Benefits to My Rights Under Other Benefit Plans.

I understand that the payments payable to me under paragraph 1 above shall not be taken into account for purposes of determining my benefits under any other qualified or nonqualified plans of the Company, including accrued rights I may have, if any, to retirement benefits under 4Front's pension or other retirement plans.

16. No Sexual Harassment.

I represent and warrant that I have not suffered any sexual harassment or sexual abuse in connection with my employment by the Company, or by any officer, manager, employee, agent, customer, or supplier of the Company; that I am not currently aware of any facts or circumstances that would give rise to a sexual harassment or sexual abuse claim against the Company; and that this Release and the Severance is not a settlement or payment related to a sexual harassment or sexual abuse claim.

17. Confidentiality.

I agree that I will not disclose, disseminate, or publicize, or cause or permit to be disclosed, disseminated, or publicized, any of the terms of this Release or the fact that I have entered into this Release, to any person, corporation, association, government agency, or other entity, other than my spouse, legal counsel, and tax advisor, except (1) to the extent necessary to report income to appropriate taxing authorities, or (2) in response to an order or subpoena of a court or government agency of competent jurisdiction. However, notice of receipt of such order or subpoena shall be immediately communicated to 4Front telephonically and in writing, so that 4Front shall have an opportunity to intervene and assert what rights it has to nondisclosure prior to my response to such order or subpoena. I agree that my spouse, legal counsel, and tax advisor shall be bound by this confidentiality provision. Any violation of this section is considered a material breach of this Release, subjecting me to a claim for damages resulting from such breach. If I violate this confidentiality provision before 4Front makes the payment specified in paragraph 1 above, then 4Front's obligation to make such payment shall be extinguished; however, all other terms of this Release shall remain in effect.

18. Confidential/Proprietary Information and Intellectual Property.

Notwithstanding any concurrent obligations that I owe to 4Front relating to its confidential or proprietary information or Intellectual Property, that may or may not-arise from separate employment-related agreements I have previously executed with 4Front, the applicability of which shall continue and be effective after my execution of this Release, I agree to keep confidential and not to use or disclose to others any secret or confidential information, proprietary information, or trade secrets of 4Front or its members, customers, or insureds that I acquired during my employment with 4Front. I also agree to disclose to any future employers the existence and extent of any obligations that I owe to 4Front relating to its confidential or proprietary information or Intellectual Property, including the existence of any employment-related agreements I have previously executed with 4Front. "Confidential information" includes information, including electronically stored information, that is proprietary to 4Front and not publicly known, that an employee conceives, originates, discovers or develops, in whole or in part, or that was obtained or accessed as a result of employment with 4Front. I further agree that all materials, reports, data, plans, designs, concepts, models, documentation, software, products and modifications ("Inventions") I developed during my employment with 4Front are the property of 4Front and deemed "works made for hire." I hereby assign and transfer to 4Front any right, title, or interest in such inventions, including, but not limited to, patent, trademark, service mark, copyright, industry property protection, trade secret, or any other intellectual property rights ("Intellectual Property"). I agree to cooperate fully with 4Front by executing any necessary documents and taking any other steps as may be reasonably requested by 4Front to perfect 4Front's sole and exclusive ownership of Inventions and to pursue Intellectual Property in the United States and any foreign countries. I understand that nothing in this Release prohibits me from reporting to any governmental authority information concerning possible violations of law or regulation and that I may disclose trade secret information to a government official or to an attorney and use it in certain court proceedings without fear of prosecution, liability, or retaliation, provided I do so in compliance with 18 U.S.C. § 1833.

19. Non-Disparagement; Social Media.

I agree not to at any time make, publish, or communicate to any person or entity or in any public forum (including, but not limited to, social media) any defamatory or disparaging remarks, comments or statements concerning the Company or any of its businesses, operations, assets, products, services, practices (including, but not limited to, human resources and other company practices), shareholders, lenders, actual or prospective investors, directors, officers, employees, consultants or independent contractors. In addition, I agree to update my profile on social media websites (such as LinkedIn) to reflect that I

am no longer an employee of the Company. If I violate this non-disparagement provision before 4Front makes the payment specified in paragraph 1 above, then 4Front's obligation to make such payment shall be extinguished; however, all other terms of this Release shall remain in effect.

Nothing herein shall be construed to restrict or impede me from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order. I agree to promptly notify the Company in writing of any such order.

20. Non-Competition and Non-Solicitation.

For a period of six (6) months after the Termination Date (the "Restricted Period"), I agree not to, directly or indirectly:

(a) engage, own, manage, operate, control, aid or assist another in the operation, organization or promotion of, be employed by, participate in, advise, or engage in any manner with the ownership, management, operation or control of any business, which has a place of business or regularly conducts business in the Restricted Territory (as defined below) and is a Competing Business (as defined below); or

(b) solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment of any person then-employed or then-engaged by 4Front, or otherwise encourage any such person to perform services for any other individual or entity, including me.

For purposes of this Release, the term "Restricted Territory" means the United States, specifically including the states of Arizona, California, Illinois, Maryland, Massachusetts, Michigan, Pennsylvania and Washington, and the term "Competing Business" means the business currently conducted and proposed to be conducted by 4Front, including (without limitation) (1) growing, producing, manufacturing, marketing, distributing and selling cannabis and products derived from cannabis, and (2) providing services to other businesses engaged in the cannabis industry.

21. Remedies.

In the event of a breach or threatened breach by me of paragraphs 17, 18, 19 or 20 of this Release, I hereby consent and agree that 4Front shall be entitled to obtain, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, and that money damages would not afford an adequate remedy, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available forms of relief.

22. Return of 4Front Property.

4Front confirms that, to its actual knowledge, I am not currently in possession of any 4Front documents or other 4Front property. If, following the execution of this Release, 4Front or I become aware of any such 4Front documents or other property that are or may be in my possession, care, custody, or control, 4Front will promptly notify me (or vice versa) and I will cooperate with 4Front to either return, or confirm the destruction of, such 4Front documents or other property, as appropriate.

23. Availability and Cooperation.

I agree to cooperate, at the request of 4Front, in the defense and/or prosecution of any charges, claims, and/or lawsuits relating to matters occurring during the period of my employment and about which I may have relevant information. In addition, during the Restricted Period, I agree to make myself available to 4Front and its representatives, upon request, to assist with transitioning my duties and related matters. To the extent that my cooperation with 4Front pursuant to this paragraph 23 requires me to travel outside of the Phoenix, Arizona metropolitan area, or to actually incur other out-of-pocket costs or expenses, 4Front will reimburse me for my reasonable travel or other out-of-pocket costs and expenses, provided that I notify 4Front and receive approval prior to incurring any such costs or expenses in excess of $500.

24. Seven Day Revocation Period.

I understand that I have a period of seven (7) calendar days following the date I deliver a signed copy of this Release to revoke this Release by giving written notice to Kaitlin Sweeney, 4Front's Director of People and Culture, at kaitlin.sweeney@4frontventures.com, with a copy to Leo Gontmakher, 4Front's Chief Executive Officer, at leo@mahaconsulting.com. This Release and my entitlement to payments and benefits under paragraph 1 above will be binding and effective upon the expiration of this seven day period if I do not revoke the Release, but not before that time.

25. Section 409A of the Code.

This Release shall comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), or an exception thereto and each provision of the Release shall be interpreted, to the extent possible, to comply with Section 409A

or an exception thereto. Nevertheless, 4Front does not and cannot guarantee any particular tax effect or treatment of the amounts due under this Release. Except for 4Front's responsibility to withhold applicable income and employment taxes from compensation paid or provided to you, 4Front will not be responsible for the payment of any applicable taxes on compensation paid or provided pursuant to this Release. Notwithstanding any other provision of this Release to the contrary, neither the time nor schedule of any payment under this Release may be accelerated or subject to further deferral except as permitted by Section 409A of the Code and the applicable regulations. You do not have any right to make any election regarding the time or form of any payment due under this Release. Notwithstanding anything in this Release to the contrary, if 4Front concludes, in the exercise of its discretion, that the severance benefits described in this Release are subject to Section 409A of the Code no severance payment will be paid prior to your "separation from service" as defined in Treasury Regulation Section 1.409A-1(h) (applying the default rules of Treasury Regulation Section 1.409A-1(h)). Installment payments shall be treated as separate payments for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii).

If the severance benefits described in this Release are subject to Section 409A of the Code, and if you are a "specified employee" as defined in Treasury Regulation Section 1.409A-l(i)(l) on the date of your termination of employment, such payments shall not begin until the first day of the seventh month following your "separation from service" as defined in Treasury Regulation Section 1.409A-l(h) (applying the default rules of Treasury Regulation Section 1.409A-l(h)).

Brad kotansky SS# 117 88 8499
Employee Name (Please Print)

/s/ Brad kotansky Date 4/15/20
Employee Signature

Received and acknowledged by:

4FRONT VENTURES CORP.

By: /s/ Leo Gontmakher Date 4/21/2020
Name: Leo Gontmakher
Title: Chief Executive Officer

EXHIBIT A

Amended and Restated Option Certificate

(See attached)

Exhibit 10.14

4FRONT VENTURES CORP.

SEVERANCE
GENERAL WAIVER AND RELEASE AGREEMENT

Jerry Derevyanny

I elect to receive the special benefits described in this 4Front Ventures Corp. Severance and General Waiver and Release Agreement and in connection therewith provide the following General Waiver and Release ("Release"):

1. Termination and Description of Special Benefits.

I understand that my employment with 4Front Ventures Corp. (including all of its subsidiaries and affiliates, collectively, "4Front") was terminated effective as of the close of business on June 30, 2020 (the "Termination Date"). I understand that, regardless of whether I sign this Release, I have already been paid my normal salary and for my 242 hours of unused vacation/paid time off, and all of my other health and welfare benefits, accrued through the Termination Date. I also understand that the special benefits I will receive by timely signing and not revoking this Release are as follows:

(a) a lump sum severance payment equal to $191,615.38 (which I acknowledge is equal to twelve (12) months of my base salary at the current rate per annum, minus $20,382.62 already paid to me for services that I have been providing to 4Front since the Termination Date), which payment shall be made, subject to withholding for applicable taxes, in connection with the first payroll period following the date on which this Release becomes effective (anticipated to occur on or about June 25, 2020, though I acknowledge and agree that I will assist 4Front with completing its Annual Information Form / Form 20-F filing due on or about June 30, 2020 for no additional compensation);

(b) a new grant of options to purchase 1,400,000 of 4Front's Class A Subordinate Voting Shares ("SVS") at a purchase price of Cdn$0.80 per SVS, which options shall vest as follows: (i) two-thirds (2/3) of such options shall immediately vest upon the parties' execution of this Release, and (ii) the remaining one-third (1/3) of such options shall vest on the first (1st) anniversary of the parties' execution of this Release. Such new grant of options will be evidenced by an option certificate, to be executed and delivered by 4Front in the form attached hereto as Exhibit A.

In addition, I acknowledge and agree that, notwithstanding anything to the contrary set forth in my Employment Agreement or in any other written agreement executed between 4Front and me, my options to purchase 10,000 PVS and 11,250 PVS, respectively, evidenced by option certificates dated as of July 31, 2019, will automatically expire and no longer be exercisable on and as of the date that is thirty (30) days after the parties' execution of this Release, to the extent the such options are not exercised on or before such date. I acknowledge and agree that such option certificates may be amended accordingly, and I will execute any acknowledgements, agreements or documents that may be necessary, in 4Front's reasonable discretion, to give full force and effect to the modification of my previous option grants described in this paragraph.

I further acknowledge that I have been offered health benefits coverage through the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"). Coverage will be provided for the duration prescribed under the applicable COBRA regulations and only if I sign applicable COBRA enrollment forms and remit the required premium payments to 4Front's COBRA administrator in a timely fashion.

2. General Release of Claims.

I hereby release the Company (as defined in paragraph 5 below) from, and covenant not to sue the Company with respect to, any and all claims I have against the Company. The Company hereby releases me from, and covenants not to sue me with respect to, any and all claims the Company may have against me, excluding any claims based upon my intentional or negligent acts or omissions that either fall outside the course and scope of my employment or exceed my authorization during employment, or that arise after the effective date of this Release. The Company further acknowledges and agrees that my right to be indemnified by the Company in respect of actions or proceedings arising out of or relating to my employment with

the Company (subject to the exclusions set forth in the preceding sentence) shall survive following the effective date of this Release.

3. Claims to Which Release Applies.

This Release applies both to claims which are now known or are later discovered. However, this Release does not apply to any claims that may arise after the date I execute the Release, nor does this Release apply to any claims which may not be released under applicable law.

4. Claims Released Include Age Discrimination and Employment Claims.

The claims released by me hereunder include, but are not limited to:

(a) claims based on breach of contract, covenant of good faith and fair dealing, state or federal whistleblower statute or regulation, tort (including defamation, invasion of privacy, or intentional infliction of emotional distress), misrepresentation, wrongful discharge, terms and conditions of employment, discrimination, harassment, and retaliation;

(b) claims arising out of or relating in any way to my employment with the Company or the conclusion of that employment or any actions or inactions of the Company relating to me in any way; and

(c) claims arising under any federal, state or local law, regulation, ordinance or order that regulates the employment relationship and/or employee benefits (including wage claims of all types, whether for non-payment, late payment, overtime, bonuses, commissions, deductions and/or penalties).

5. Release Covers Claims Against Related Parties.

For purposes of this Release the terms "4Front" and the "Company" include 4Front and all of its past, present and future parents, subsidiaries and affiliates, and other current or former related entities thereof, and all of the past, present, and future officers, directors, employees, agents, members, insurers, legal counsel, and successors and assigns of said entities. Therefore, the claims released include claims I have against any such persons or entities.

6. The Terms "Claims" and "Release" are Construed Broadly.

As used in this Release, the term "claims" shall be construed broadly and shall be read to include, for example, the terms "rights," "causes of action (whether arising in law or equity)," "damages," "demands," "obligations," "grievances" and "liabilities" of any kind or character. Similarly, the term "release" shall be construed broadly and shall be read to include, for example, the terms "discharge" and "waive." Nothing in this Release is a waiver of my right to file any charge or complaint with administrative agencies such as the United States Equal Employment Opportunity Commission which, as a matter of law, I cannot be prohibited from or punished for filing (hereafter, "Excepted Charge"), although 4Front's acknowledgment of this exception does not limit the scope of the waiver and release in paragraphs 2-7 herein, and I waive any right to recover damages or obtain individual relief that might otherwise result from the filing of any Excepted Charge, with regard to any claim released herein.

7. Release Binding on Employee and Related Parties.

This Release shall be binding upon me and my spouse, agents, attorneys, personal representatives, executors, administrators, heirs, beneficiaries, successors, and assigns.

8. Additional Consideration.

I have executed this Release in consideration for the payments and benefits described in paragraph 1 above. I acknowledge that these payments and benefits represent consideration in addition to anything of value that I am otherwise entitled to receive from the Company. These payments and benefits are sufficient to support this Release.

9. Opportunity to Consider this Release; Consultation with Attorney.

I have read this Release and fully understand its terms. I am hereby being offered seven (7) calendar days following the date on which this Release was presented to me to consider this Release. I am hereby advised in writing to consult with an attorney before signing this Release and I have done so or had the opportunity to do so.

10. All Representations in Documents.

In entering into this Release I acknowledge that I have not relied on any verbal or written representations by any Company representative other than those explicitly set forth in this Release. This Release sets forth the entire agreement between the Company and me and completely supersedes any prior agreements, oral statements or understandings concerning the termination of my employment and any benefits I might receive following that termination. This Release does not supersede my obligations and the Company's rights under any agreement I have previously signed or executed with the Company pertaining to matters of confidentiality, intellectual property or restrictive employment covenants. I agree that I am not entitled to any other severance or benefits, vacation, bonus, commission or other payments of any kind, except those described in this Release.

11. Voluntary Agreement.

I have read this Release and fully understand its terms. I have entered into this Release knowingly and voluntarily and understand that its terms are binding on me.

12. Partial Invalidity of Release.

If any part of this Release is held to be unenforceable, invalid or void, then the balance of this Release shall nonetheless remain in full force and effect to the extent permitted by law.

13. Headings.

The headings and subheadings in this Release are inserted for convenience and reference only and are not to be used in construing the Release.

14. Applicable Law and Venue.

Washington law will apply in connection with any dispute or proceeding concerning this Release. Insofar as federal law does not control, venue as to any dispute regarding this Release, or interpretation thereof, shall be exclusively in Phoenix, Arizona.

15. Relationship of Severance Benefits to My Rights Under Other Benefit Plans.

I understand that the payments payable to me under paragraph 1 above shall not be taken into account for purposes of determining my benefits under any other qualified or nonqualified plans of the Company, including accrued rights I may have, if any, to retirement benefits under 4Front's pension or other retirement plans.

16. No Sexual Harassment.

I represent and warrant that I have not suffered any sexual harassment or sexual abuse in connection with my employment by the Company, or by any officer, manager, employee, agent, customer, or supplier of the Company; that I am not currently aware of any facts or circumstances that would give rise to a sexual harassment or sexual abuse claim against the Company; and that this Release and the Severance is not a settlement or payment related to a sexual harassment or sexual abuse claim.

17. Confidentiality.

I agree that I will not disclose, disseminate, or publicize, or cause or permit to be disclosed, disseminated, or publicized, any of the terms of this Release or the fact that I have entered into this Release, to any person, corporation, association, government agency, or other entity, other than my spouse, legal counsel, and tax advisor, except (1) to the extent

necessary to report income to appropriate taxing authorities, (2) in response to an order or subpoena of a court or government agency of competent jurisdiction, or (3) to make truthful statements about the facts and circumstances regarding the termination of my employment (i.e., that such termination was voluntary on my part). However, notice of receipt of such order or subpoena shall be immediately communicated to 4Front telephonically and in writing, so that 4Front shall have an opportunity to intervene and assert what rights it has to nondisclosure prior to my response to such order or subpoena. I agree that my spouse, legal counsel, and tax advisor shall be bound by this confidentiality provision. Any violation of this section is considered a material breach of this Release, subjecting me to a claim for damages resulting from such breach. If I violate this confidentiality provision before 4Front makes the payment specified in paragraph 1 above, then 4Front's obligation to make such payment shall be extinguished; however, all other terms of this Release shall remain in effect.

18. Confidential/Proprietary Information and Intellectual Property.

Notwithstanding any concurrent obligations that I owe to 4Front relating to its confidential or proprietary information or Intellectual Property, that may or may not arise from separate employment-related agreements I have previously executed with 4Front, the applicability of which shall continue and be effective after my execution of this Release, I agree to keep confidential and not to use or disclose to others any secret or confidential information, proprietary information, or trade secrets of 4Front or its members, customers, or insureds that I acquired during my employment with 4Front. I also agree to disclose to any future employers the existence and extent of any obligations that I owe to 4Front relating to its confidential or proprietary information or Intellectual Property, including the existence of any employment-related agreements I have previously executed with 4Front. "Confidential information" includes information, including electronically stored information, that is proprietary to 4Front and not publicly known, that an employee conceives, originates, discovers or develops, in whole or in part, or that was obtained or accessed as a result of employment with 4Front. I further agree that all materials, reports, data, plans, designs, concepts, models, documentation, software, products and modifications ("Inventions") I developed during my employment with 4Front are the property of 4Front and deemed "works made for hire." I hereby assign and transfer to 4Front any right, title, or interest in such inventions, including, but not limited to, patent, trademark, service mark, copyright, industry property protection, trade secret, or any other intellectual property rights ("Intellectual Property"). I agree to cooperate fully with 4Front by executing any necessary documents and taking any other steps as may be reasonably requested by 4Front to perfect 4Front's sole and exclusive ownership of Inventions and to pursue Intellectual Property in the United States and any foreign countries. I understand that nothing in this Release prohibits me from reporting to any governmental authority information concerning possible violations of law or regulation and that I may disclose trade secret information to a government official or to an attorney and use it in certain court proceedings without fear of prosecution, liability, or retaliation, provided I do so in compliance with 18 U.S.C. § 1833.

19. Non-Disparagement; Social Media.

I agree not to at any time make, publish, or communicate to any person or entity or in any public forum (including, but not limited to, social media) any defamatory or disparaging remarks, comments or statements concerning the Company or any of its businesses, operations, assets, products, services, practices (including, but not limited to, human resources and other company practices), shareholders, lenders, actual or prospective investors, directors, officers, employees, consultants or independent contractors. In addition, I agree to update my profile on social media websites (such as LinkedIn) to reflect that I am no longer an employee of the Company. If I violate this non-disparagement provision before 4Front makes the payment specified in paragraph 1 above, then 4Front's obligation to make such payment shall be extinguished; however, all other terms of this Release shall remain in effect.

Nothing herein shall be construed to restrict or impede me from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order. I agree to promptly notify the Company in writing of any such order.

20. Non-Competition and Non-Solicitation.

For a period of twelve (12) months after the Termination Date (the "Restricted Period"), I agree not to, directly or indirectly:

(a) engage, own, manage, operate, control, aid or assist another in the operation, organization or promotion of, be employed by, participate in, advise, or engage in any manner with the ownership, management, operation or control of any business, which has a place of business or regularly conducts business in the Restricted Territory (as defined below) and is a Competing Business (as defined below); or

(b) solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment of any person then-employed or then-engaged by 4Front, or otherwise encourage any such person to perform services for any other individual or entity, including me.

For purposes of this Release, the term "Restricted Territory" means King County, Washington, and the term "Competing Business" means services or products that are similar to or competitive with those which the Company, or its predecessors, provided as of February 14, 2019, in the Restricted Territory. Nothing in this section is intended to, or shall be interpreted to, restrict my ability to practice law in the state of Washington.

21. Remedies.

In the event of a breach or threatened breach by me of paragraphs 17, 18, 19 or 20 of this Release, I hereby consent and agree that 4Front shall be entitled to obtain, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, and that money damages would not afford an adequate remedy, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available forms of relief.

22. Return of 4Front Property.

I agree to return all 4Front documents and other 4Front property currently in my possession, care, custody, or control within the time frame specified by 4Front during my out-processing. Severance benefits will be contingent on my timely return of 4Front property in reasonable condition.

23. Availability and Cooperation.

I agree to cooperate, at the request of 4Front, in the defense and/or prosecution of any charges, claims, and/or lawsuits relating to matters occurring during the period of my employment and about which I may have relevant information. In addition, I agree to make myself available to 4Front and its representatives, upon request, to assist with transitioning my duties and related matters.

24. Section 409A of the Code.

This Release shall comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), or an exception thereto and each provision of the Release shall be interpreted, to the extent possible, to comply with Section 409A or an exception thereto. Nevertheless, 4Front does not and cannot guarantee any particular tax effect or treatment of the amounts due under this Release. Except for 4Front's responsibility to withhold applicable income and employment taxes from compensation paid or provided to you, 4Front will not be responsible for the payment of any applicable taxes on compensation paid or provided pursuant to this Release. Notwithstanding any other provision of this Release to the contrary, neither the time nor schedule of any payment under this Release may be accelerated or subject to further deferral except as permitted by Section 409A of the Code and the applicable regulations. You do not have any right to make any election regarding the time or form of any payment due under this Release. Notwithstanding anything in this Release to the contrary, if 4Front concludes, in the exercise of its discretion, that the severance benefits described in this Release are subject to Section 409A of the Code no severance payment will be paid prior to your "separation from service" as defined in Treasury Regulation Section 1.409A-1(h) (applying the default rules of Treasury Regulation Section 1.409A-1(h)). Installment payments shall be treated as separate payments for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii).

If the severance benefits described in this Release are subject to Section 409A of the Code, and if you are a "specified employee" as defined in Treasury Regulation Section 1.409A-1(i)(1) on the date of your termination of employment, such payments shall not begin until the first day of the seventh month following your "separation from service" as defined in Treasury Regulation Section 1.409A-1(h) (applying the default rules of Treasury Regulation Section 1.409A-1(h)).

[Signature Page Follows]

Jerry Derevyanny

SS# 539-13-6609

Employee Name (Please Print)

/s/ Jerry Derevyanny Date 6/26/2020

Employee Signature

Received and acknowledged by:

4FRONT VENTURES CORP.

By: /s/ Leo Gontmakher

Name:Leo Gontmakher Date 6/30/2020

Title: CEO

EXHIBIT A

Option Certificate (New Grant)

(See attached)

Exhibit 10.15

AMENDED AND RESTATED CONSULTING AGREEMENT

This Amended and Restated Consulting Agreement, dated as of November 12, 2020 (this "Agreement"), is made and entered into by and among Ag-Grow Imports, LLC, a Washington limited liability company (the "Company"), 4Front Ventures Corp., a corporation amalgamated under the laws of the Province of British Columbia, Canada ("4Front"), and Maha Consulting LLC, a Puerto Rican limited liability company ("Consultant").

ARTICLE 1
SCOPE OF WORK/COMPENSATION

1.1 Services. The Company has engaged Consultant to provide services in connection with the Company's recreational cannabis growing operations, and 4Front has engaged Consultant to provide leadership services. Consultant, by and through its employees and/or principals, will provide services to the Company and 4Front, respectively, as specified in the attached Scope of Work (collectively, the "consulting services" or the "services"). The parties agree to mutually review the Scope of Work periodically (and no less than annually) during the term of this Agreement, and to update the Scope of Work attached hereto to incorporate any changes that are mutually agreed upon.

1.2 Compensation. The Company shall pay to Consultant USD $33,333.33 per month for services rendered to the Company and 4Front under this Agreement (it being acknowledged that no separate consideration will be paid by 4Front hereunder). The monthly compensation shall be paid on the first of the month following the month the services were provided. For the avoidance of doubt, the monthly compensation shall be paid regardless of the number of consulting hours actually provided by Consultant in a particular month. The Company and/or 4Front may, in its sole discretion, pay cash bonuses and/or issue equity incentive awards to Consultant from time to time based on Consultant's performance hereunder.

1.3 Confidentiality. In order for Consultant to perform the consulting services, it may be necessary for the Company and/or 4Front to provide Consultant with Confidential Information (as defined below) regarding the Company's and/or 4Front's business and products. The Company and 4Front will rely heavily upon Consultant's integrity and prudent judgment to use this information only in the best interests of the Company and/or 4Front, respectively.

1.4 Standard of Conduct/Remote Work. In rendering consulting services under this Agreement, Consultant shall conform to high professional standards of work and business ethics, and shall comply with all applicable federal, state, and local laws and regulations. Consultant shall not use time, materials, or equipment of the Company or 4Front without the prior written consent of the Company or 4Front, as applicable. In no event shall Consultant take any action or accept any assistance or engage in any activity that would result in any university, governmental body, research institute, or other person, entity, or organization acquiring any rights of any nature in the results of work performed by or for the Company or 4Front.

Each of the Company and 4Front acknowledges that, from the outset of this Agreement, Consultant's services will be provided remotely, and that physical presence upon the Company's or 4Front's premises will not be required in order to satisfactorily perform the consulting services. Without limitation, each of the Company and 4Front agrees that any consulting services may be performed from Puerto Rico.

1.5 Outside Services. Other than employees and/or principals of Consultant, Consultant shall not use the service of any other person, entity, or organization in the performance of Consultant's duties without the prior written consent of an authorized officer of the Company or the Board of Directors of 4Front (or its designee), as applicable. Should the Company or 4Front consent to the use by Consultant of the services of any other person, entity, or organization, no information regarding the services to be performed under this Agreement shall be disclosed to that person, entity, or organization until such person, entity, or organization has executed an agreement to protect the confidentiality of the Company's or 4Front's Confidential Information (as defined in **Article 4**) and the Company's or 4Front's absolute and complete ownership of all right, title, and interest in the work performed under this Agreement.

1.6 Reports. Consultant shall periodically provide the Company and 4Front with written reports of its observations and conclusions regarding the consulting services. Upon the termination of this Agreement, Consultant shall, upon the request of Company or 4Front, prepare a final report of Consultant's activities.

1.7 Insurance. During the term of this Agreement, Consultant shall maintain in force adequate workers' compensation, commercial general liability, errors and omissions, and other forms of insurance, in each case with insurers reasonably acceptable to the Company and 4Front, with policy limits sufficient to protect and indemnify the Company, 4Front, and their affiliates, and each of their respective subsidiaries, shareholders, controlling persons, directors, officers, employees, agents, and successors and assigns, from any losses resulting from your acts or omissions or the acts or omissions of Consultant's

agents, contractors, servants, or employees. The Company and 4Front shall be listed as additional insured under each such policy, and Consultant shall forward a certificate of insurance verifying such insurance upon the Company's or 4Front's written request.

ARTICLE 2
INDEPENDENT CONTRACTOR

2.1 Independent Contractor. Consultant is an independent contractor and is not an employee, partner, or co-venturer of, or in any other service relationship with, the Company and/or 4Front. The manner in which Consultant's services are rendered shall be within Consultant's sole control and discretion. Consultant is not authorized to speak for, represent, or obligate the Company or 4Front in any manner without the prior express written authorization from an authorized officer of the Company or the Board of Directors of 4Front (or its designee). In addition, neither Consultant nor any of Consultant's principals or employees will be entitled to participate in any employee benefit plans or programs sponsored or maintained by the Company and/or 4Front from time to time.

2.2 Taxes. Consultant shall be responsible for any and all taxes arising from compensation and other amounts paid under this Agreement. It is contemplated that no federal, state, or local income tax, or payroll tax of any kind, shall be withheld or paid by the Company or 4Front on behalf of Consultant or its employees. Consultant acknowledges that, in the event any services are provided by Consultant from the United States (which are not contemplated hereunder), the Company or 4Front is authorized to withhold payments for tax as may be required under the laws of the United States. Consultant further agrees to provide a Form W-8BEN-E to the Company.

ARTICLE 3
TERM AND TERMINATION

3.1 Term. This Agreement shall be effective as of November 12, 2020 and shall continue in full force and effect for a period of 12 months. This Agreement shall automatically renew for additional 12-month periods unless (1) the parties agree otherwise or (2) any party delivers written notice of non-renewal to the other party(ies) hereto at least 30 days prior to the expiration of the then-current term.

3.2 Termination. The Company or 4Front may terminate this Agreement for "Cause," after giving Consultant written notice of the reason. Cause means: (1) Consultant has breached the provisions of **Articles 1**, **4** or **6** of this Agreement in any respect, or materially breached any other provision of this Agreement and the breach continues for 30 days following receipt of a notice from the Company or 4Front; (2) Consultant has committed fraud, misappropriation, or embezzlement in connection with the Company' s and/or 4Front's business; (3) Consultant has been convicted of a felony; or (4) Consultant's use of narcotics, liquor, or illicit drugs has a detrimental effect on the performance of its responsibilities, or otherwise could threaten licenses or authorizations necessary to the Company or 4Front, as determined by the Company or 4Front. For the avoidance of doubt, all references to "Consultant" in this **Section 3.2** shall be interpreted to also refer to each of Consultant's principals, employees, agents or other representatives, and to the extent that Consultant (or any of Consultant's principals, employees, agents or other representatives) serve as an officer of 4Front, nothing herein shall be interpreted to limit 4Front's ability to remove or replace such officer in accordance with applicable law and the Bylaws of 4Front.

3.3 Responsibility upon Termination. Any equipment provided by the Company or 4Front to Consultant in connection with or furtherance of Consultant's services under this Agreement, including, but not limited to, computers, laptops, and personal management tools, shall, immediately upon the termination of this Agreement, be returned to the Company or 4Front, as applicable.

3.4 Survival. The provisions of **Articles 4** , **5**, **6**, and **7** of this Agreement shall survive the termination of this Agreement and remain in full force and effect thereafter.

ARTICLE 4
CONFIDENTIAL INFORMATION

4.1 Obligation of Confidentiality. In performing consulting services under this Agreement, Consultant may be exposed to and will be required to use certain "Confidential Information" (as hereinafter defined) of the Company and/or 4Front. Consultant agrees that Consultant will not and Consultant's employees, agents, or representatives will not use, directly or indirectly, such Confidential Information for the benefit of any person, entity, or organization other than the Company and/or 4Front, as applicable, or disclose such Confidential Information without the written authorization of any authorized

representative of the Company or 4Front, as applicable, either during or after the term of this Agreement, for as long as such information retains the characteristics of Confidential Information.

4.2 Definition. "Confidential Information" means information not generally known and proprietary to the Company or 4Front (or to a third party for whom the Company or 4Front is performing work), as applicable, including, without limitation, information concerning any patents or trade secrets, confidential or secret designs, processes, formulae, source codes, plans, devices or material, research and development, proprietary software, analysis, techniques, materials, or designs (whether or not patented or patentable), directly or indirectly useful in any aspect of the business of the Company or 4Front, any vendor names, customer and supplier lists, databases, management systems and sales and marketing plans of the Company or 4Front, any confidential secret development or research work of the Company or 4Front, or any other confidential information or proprietary aspects of the business of the Company or 4Front. All information which Consultant acquires or becomes acquainted with during the period of this Agreement, whether developed by Consultant or by others, which Consultant has a reasonable basis to believe to be Confidential Information, or which is treated by the Company or 4Front as being Confidential Information, shall be presumed to be Confidential Information.

4.3 Property of the Company and 4Front. Consultant agrees that all plans, manuals, and specific materials, including but not limited to any patents; trade secrets; confidential designs, processes, formulae, source codes, devices or material; proprietary software, analysis, techniques, materials, or designs (whether or not patented or patentable) directly or indirectly useful in any aspect of the business of the Company; vendor, customer, or supplier lists, databases, and management systems; and confidential research or development of the Company or 4Front, developed by the Consultant on behalf of the Company or 4Front in connection with services rendered under this Agreement, are and shall remain the exclusive property of the Company or 4Front, as applicable. Promptly upon the expiration or termination of this Agreement, or upon the request of the Company or 4Front, as applicable, Consultant shall return to the Company or 4Front all documents and tangible items, including samples, provided to Consultant or created by Consultant for use in connection with services to be rendered hereunder, including, without limitation, all Confidential Information, together with all copies and abstracts thereof.

ARTICLE 5
RIGHTS AND DATA

All drawings, models, designs, formulas, methods, documents, and tangible items prepared for and submitted to the Company or 4Front by Consultant in connection with the services rendered under this Agreement shall belong exclusively to the Company or 4Front, as applicable, and shall be deemed to be works made for hire (the "Deliverable Items"). To the extent that any of the Deliverable Items may not, by operation of law, be works made for hire, Consultant hereby assigns to the Company or 4Front, as applicable, the ownership of trademark, copyright, mask work, or any other assignable intellectual property rights in the Deliverable Items, and the Company or 4Front shall have the right to obtain and hold in its own name any trademark, copyright, or mask work registration, and any other registrations and similar protection which may be available in the Deliverable Items. Consultant agrees to give the Company or 4Front (or its designees) all assistance reasonably required to perfect such rights.

ARTICLE 6
CONFLICT OF INTEREST AND NON-SOLICITATION

6.1 Conflict of Interest. Consultant covenants and agrees not to consult or provide any services in any manner or capacity to a direct competitor of the Company or 4Front during the duration of this Agreement unless express written authorization to do so is given by an authorized representative of the Company or 4Front, as applicable. A direct competitor of the Company for purposes of this Agreement is defined as any individual, partnership, corporation, and/or other business entity that engages in the business of recreational cannabis production or processing in the state of Washington. A direct competitor of 4Front for purposes of this Agreement is defined as any individual, partnership, corporation, and/or other business entity that engages in the business of owning, managing or operating licensed recreational and/or medical cannabis cultivation, production, processing and/or dispensary facilities in the United States.

6.2 Non-Solicitation. Consultant covenants and agrees that during the term of this Agreement, and for a 12-month period after the termination of this Agreement, Consultant will not, directly or indirectly, through an existing corporation, unincorporated business, affiliated party, or otherwise, solicit, hire for employment or work with, on a part-time, consulting, advising, or any other basis, other than on behalf of the Company or 4Front any employee or independent contractor employed by the Company or 4Front while Consultant is performing services for the Company and 4Front.

ARTICLE 7
RIGHT TO INJUNCTIVE RELIEF

Consultant acknowledges that the terms of **Articles 4**, **5**, and **6** of this Agreement are reasonably necessary to protect the legitimate interests of the Company and 4Front, are reasonable in scope and duration, and are not unduly restrictive. Consultant further acknowledges that a breach of any of the terms of **Articles 4**, **5**, or **6** of this Agreement will render irreparable harm to the Company or 4Front, as applicable, for which a remedy at law for breach of the Agreement is inadequate, and that the Company and/or 4Front shall therefore be entitled to seek any and all equitable relief, including, but not limited to, injunctive relief, and to any other remedy that may be available under any applicable law or agreement between the parties. Consultant acknowledges that an award of damages to the Company or 4Front, as applicable, does not preclude a court from ordering injunctive relief. Both damages and injunctive relief shall be proper modes of relief and are not to be considered as alternative remedies.

ARTICLE 8
GENERAL PROVISIONS

8.1 Indemnification. Consultant shall defend, indemnify, and hold harmless each of the Company and 4Front, their affiliates, and each of their respective shareholders, directors, officers, employees, agents, successors, and assigns from and against any and all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs, or expenses of whatever kind (including reasonable attorneys' fees) arising out of or resulting from: (1) bodily injury, death of any person, or damage to real or tangible personal property resulting from Consultant's (or its agents') acts or omissions, (2) Consultant's breach of any representation, warranty, covenant, or other obligation set forth in this Agreement, or (3) taxes of any kind payable in respect of the compensation payable to Consultant hereunder. This **Section 8.1** shall survive the termination of this Agreement and remain in full force and effect thereafter.

8.2 Construction of Terms. If any provision of this Agreement is held unenforceable by a court of competent jurisdiction, that provision shall be severed and shall not affect the validity or enforceability of the remaining provisions.

8.3 Governing Law and Submission to Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws (and not the laws of conflicts) of the State of Washington. The Parties agree and submit to the sole jurisdiction of the courts of the State of Washington for any disputes arising out of this Agreement.

8.4 Complete Agreement. This Agreement constitutes the complete agreement and sets forth the entire understanding and agreement of the parties as to the subject matter of this Agreement and supersedes all prior discussions and understandings in respect to the subject of this Agreement, whether written or oral. Without limitation, this Agreement supersedes and replaces in its entirety that certain Consulting Agreement, dated effective January 1, 2017, that was previously executed by and between Superior Gardens LLC (d/b/a Northwest Cannabis Solutions) and Consultant.

8.5 Dispute Resolution. If there is any dispute or controversy between the parties arising out of or relating to this Agreement, the parties agree that such dispute or controversy will be arbitrated in accordance with proceedings under American Arbitration Association rules, and such arbitration will be the exclusive dispute resolution method under this Agreement. The decision and award determined by such arbitration will be final and binding upon both parties. All costs and expenses, including reasonable attorneys' fees and experts' fees, of all parties incurred in any dispute that is determined and/or settled by arbitration pursuant to this Agreement will be borne by the party determined to be liable in respect of such dispute; provided, however, that if complete liability is not assessed against only one party, the parties will share the total costs in proportion to their respective amounts of liability so determined. Except where clearly prevented by the area in dispute, both parties agree to continue performing their respective obligations under this Agreement until the dispute is resolved.

8.6 Modification. No modification, termination, or attempted waiver of this Agreement, or any provision thereof, shall be valid unless in writing signed by the party against whom the same is sought to be enforced.

8.7 Waiver of Breach. The waiver by a party of a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other or subsequent breach by the party in breach.

8.8 Successors and Assigns. This Agreement may not be assigned by any party without the prior written consent of the other parties hereto; provided, however, that the Agreement shall be assignable by the Company or 4Front without Consultant's consent in the event the Company or 4Front, as applicable, is acquired by or merged into another corporation or business entity. The benefits and obligations of this Agreement shall be binding upon and inure to the parties hereto, their successors and assigns.

8.9 No Conflict. Consultant represents and warrants to each of the Company and 4Front that Consultant has not previously assumed any obligations inconsistent with those undertaken by Consultant under this Agreement.

8.10 Execution of Agreement. This Agreement may be executed in multiple counterparts and by electronic or facsimile signature, each of which shall be deemed an original and all of which together shall constitute one instrument.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF the parties have hereunto set their respective hands and seals as at the date written above.

CONSULTANT: Maha Consulting LLC

Per:
/s/ Leonid Gontmakher

Name: Leonid Gontmakher

Title: CEO

COMPANY: Ag-Grow Imports, LLC

By: Brightleaf Development, LLC – its Sole Member
By: 4Front Nevada Corp, its Sole Member

By: 4Front Ventures Corp, it sole stockholder

/s/ Joshua N. Rosen

Name: Joshua N. Rosen
Title: Executive Chairman

4FRONT: 4Front Ventures Corp.
Per:

/s/ Joshua N. Rosen

Name: Joshua N. Rosen
Title: Executive Chairman

SCOPE OF WORK

Ag-Grow Imports, LLC:

Supporting the Company's IP, packaging and services agreement with Superior Gardens (dba Northwest Cannabis Solutions) and 7Point, including the:

1. assessment of new strain potential, and planning revision and refinement of current strains;
2. management and scheduling of all growing operations; and
3. assistance, counseling, and advice similar to that of a "master grower," advising on plant health and best practices.

4Front Ventures Corp.:

Support 4Front's key infrastructure projects, most notably:

1. completing construction and commencing operations at Commerce, CA manufacturing facility;
2. completing infrastructure upgrades at 4Front's Georgetown, MA and Elk Grove Village production facilities;
3. supporting budgeting and capital raising process to expand 4Front's presence in Massachusetts and Illinois; and
4. supporting additional production facility project in Illinois assuming properly capitalized.

Provide leadership services, including:

1. collaborating with 4Front's leadership team and Board of Directors to drive and sustain profitability, while capitalizing on the growth opportunities in 4Front's key markets; and
2. collaborating with 4Front's leadership team and Board of Directors to set and update strategic direction and identify the proper resources to support execution.

Exhibit 10.16

Execution Version

SEPARATION AGREEMENT AND RELEASE

This Separation Agreement and Release (this "Agreement") is made as a compromise and release between 4Front Ventures Corp., a corporation amalgamated under the laws of the Province of British Columbia, Canada (the "Company"), and Joshua N. Rosen, an individual residing in the State of Arizona ("Employee"), in the complete, final, and binding settlement of all claims and potential claims, if any, with respect to their employment relationship.

RECITALS

A. Employee was employed by the Company as the Company's Executive Chairman pursuant to an Executive Employment Agreement, dated April 15, 2020 (the "Employment Agreement").

B. Based on the mutual agreement of Employee and the Company, Employee will cease serving as Executive Chairman of the Company and cease employment with the Company, effective January 2, 2021 (the "Separation Date") with the prior Employment Agreement no longer in effect. Immediately following the Separation Date, Employee will transition into a new role as a non-executive, non-employee Chairman of the Company's Board of Directors for an indefinite period.

C. Employee acknowledges the receipt of all wages, salary, bonuses, benefits, expense reimbursement or any other monies owed by the Company to Employee aside from any wages that Employee shall earn through the Separation Date. Aside from the separation benefits described below and wages earned through the Separation Date, Employee acknowledges that Employee is not entitled to any additional future compensation from the Company.

D. Pursuant to Sections 7(c) and 8(b) of the Employment Agreement, the Company has offered, and Employee has accepted, the Separation Package as described below in exchange for a waiver and release of all claims, a waiver and release of any of the Company's obligations under the Employment Agreement, and other provisions in this Agreement. This Agreement is therefore entered into by the Company and Employee to document the parties' agreement regarding the terms of Employee's separation from the Executive Chairman role within the Company.

NOW, THEREFORE, IN RELIANCE OF THE ABOVE RECITALS AND IN CONSIDERATION of the promises, covenants and agreements herein contained, the parties agree as follows:

1. Separation Date. Employee's employment and role as Executive Chairman with the Company is hereby terminated as of the Separation Date. Immediately after the Separation Date, Employee will assume the role of non-executive, non-employee Chairman of the Company's Board of Directors (subject to approval by the Board of Directors), which shall not be subject to any terms of the prior Employment Agreement. For the avoidance of doubt, the prior Employment Agreement is hereby terminated and will no longer be of any force or effect.

2. Consideration. In consideration for the releases and covenants by Employee in this Agreement, provided Employee signs and complies with this Agreement and does not exercise the right to revocation under Section 5 of this Agreement, Employee shall receive the following separation benefit(s) ("Separation Package"):

(a) Payment of a severance benefit equal to Employee's previous base annual salary of $350,000 over twelve (12) months. These severance payments will be paid on the Company's regular payroll schedule, subject to standard deductions and withholdings, over the twelve (12)-month period following the Separation Date.

(b) Reimbursement of Employee's COBRA premiums over the twelve (12)-month period following the Separation Date, provided that Employee timely elects continuing coverage of health insurance benefits under COBRA.

(c) Beginning on the Separation Date, the opportunity to transition into a role of non-executive, non-employee Chairman of the Company's Board of Directors (subject to approval by the Board of Directors). Employee shall initially be compensated in the amount of $12,500 per month for his services as non-executive, non-employee Chairman, subject to future adjustment by the Company's Board of Directors from time to time.

Employee understands that the Separation Package is an additional benefit for which Employee is not eligible unless Employee elects to sign, not revoke, and reaffirm this Agreement.

3. Receipt of All Wages. Employee shall, on or as promptly as practicable following the Separation Date, also be paid all earned and unpaid base wages, performance bonus, and any accrued but unused vacation/PTO if any, through the Separation Date ("Accrued Benefits"). Employee understands that Employee is entitled to Employee's Accrued Benefits regardless of whether Employee signs this Agreement. Except for the discretionary 2020 performance bonus of up to $200,000 to be paid to Employee based on the Company's and Employee's achievement of performance milestones for 2020, with the final amount and timing of such 2020 performance bonus payment to be determined by the Company's Board of Directors (the "2020 Performance Bonus Payment"), Employee affirms and warrants that Employee has reported all hours worked and appropriately received all compensation, wages, overtime pay (if applicable), expense reimbursements, bonuses, commissions, incentive compensation, vacation pay/PTO, sick pay, meal and rest breaks, benefits and other payments to which Employee was entitled (hereinafter "Monies"), including, but not limited to, those under the Fair Labor Standards Act and any other federal, state, or local wage and hour law, regulation or ordinance. Except for the Separation Package, Accrued Benefits and 2020 Performance Bonus Payment set forth herein in Sections 2 and 3, Employee expressly acknowledges and agrees that the Company does not now owe and will not in the future owe Employee any additional Monies of any kind whatsoever. Employee further affirms and warrants that Employee has appropriately received any leave (paid and unpaid) to which Employee was entitled, including, but not limited to, leave under the Family and Medical Leave Act and any other federal, state, or local leave or disability accommodation law, regulation or ordinance. Employee further acknowledges and agrees that Employee shall not be entitled to and shall not seek any other benefits or Monies from the Company following the Separation Date.

4. Release of Rights. In consideration of the Company's payment to Employee of the Separation Package as described in Section 2, the sufficiency for which is hereby acknowledged, Employee on Employee's own behalf and on behalf of Employee's spouse, dependents, heirs, successors and assigns, hereby covenants not to sue and releases the Company, its subsidiaries, parents or affiliated entities, and their respective directors, officers, members, managers, shareholders, partners, trustees, supervisors, employees, attorneys, consultants, receivers, insurers, and agents, and all persons acting by, through, under or in concert with any of them, and each of their respective heirs, predecessors, successors, and assigns (hereinafter collectively "Releasees") from and for all rights, claims, liabilities, actions and suits of all kinds and descriptions that Employee may have against any or all Releasees arising on or prior to the Separation Date and which arise out of Employee's employment with the Company or the termination thereof ("Claim" or "Claims"), including, but not limited to, any claim for wages, bonus, incentive compensation, commissions, accrued vacation pay/PTO, sick leave, holiday pay, meal/rest periods, severance pay, overtime, penalties, any wage and/or hour violation, breach of contract (including claims arising under the Employment Agreement), breach of quasi contract, breach of implied contract, entitlement under any leave laws, health or medical insurance, pension or retirement benefits, or any other employment benefits, any claim for employment discrimination, whether on the basis of race, age, sex, national origin, religion, sexual orientation, marital status, veterans status, disability, or any other protected basis, retaliation or harassment of any kind, wrongful termination, slander, defamation, invasion of privacy, or emotional distress. Without limiting the generality of the foregoing, Employee acknowledges and agrees that among the claims released are those arising under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Fair Labor Standards Act, the Equal Pay Act, the Americans with Disabilities Act, the Employee Retirement and Income Security Act, the Worker Adjustment and Retraining Notification Act, the Family and Medical Leave Act, the Genetic Information Non-Discrimination Act, the Lilly Ledbetter Fair Pay Act of 2009, the Fair Credit Reporting Act, the False Claims Act, the Sarbanes-Oxley Act, the Uniformed Services Employment and Reemployment Rights Act, the Occupational and Safety Health Act, Labor Management Relations Act, the National Labor Relations Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Health Insurance Portability and Accountability Act, and any other claim based upon any federal, state, or local law or any alleged wrongful conduct or injury arising out of or in any way connected with any acts or omissions occurring on or prior to the Separation Date.

This general release and waiver of claims however excludes, and Employee does not waive, release, or discharge: (a) any right to file an administrative charge or complaint with the Equal Employment Opportunity Commission, the Department of Fair Employment and Housing, the Occupational Safety and Health Administration, and the Securities and Exchange Commission ("SEC") or other similar federal or state administrative agencies, although Employee waives any right to monetary relief related to such a charge or administrative complaint; provided, however, that nothing herein shall be construed to waive or limit Employee's ability to receive any bounty or award for information provided to the SEC concerning suspected violations of law; (b) claims which cannot be waived by law; or (c) any rights to vested benefits, such as pension or retirement benefits, the rights to which are governed by the terms of the applicable plan documents and award agreements.

5. ADEA Release. The general release contained herein specifically includes a waiver and release of all claims which Employee has or may have under the Age Discrimination in Employment Act, as amended, 29 U.S.C. Sections 621, et seq. ("ADEA"), based on Employee's employment, the separation from that employment, or any event, transaction, occurrence, act or omission occurring on or before Employee signs the reaffirmation of this Agreement. Employee acknowledges that

Employee has been advised to consult with an attorney, if desired, concerning this Agreement and has received all advice Employee deems necessary concerning this Agreement. Employee has twenty-one (21) days after Employee receives this Agreement to decide whether or not to sign this Agreement, and should Employee execute this Agreement in fewer than twenty-one (21) days, Employee does so with the express understanding that Employee has been given and declined the opportunity to consider the Agreement for a full twenty-one (21) days. Employee has seven (7) days after delivering to the Company an original of this Agreement signed by Employee to revoke this Agreement. Revocation may be made by delivering a written notice of revocation to the Company, c/o Leigh Ann Clifford, at leighann.clifford@4frontventures.com. For the revocation to be effective, written notice must be actually received by the Company, as evidenced by confirmation of delivery, no later than the close of business on the seventh calendar day after Employee signs and delivers this Agreement, or, if mailed, postmarked by such date. This Agreement shall not become effective or enforceable until the revocation period has expired, which date of expiration shall be the "Effective Date" of this Agreement. The release contained herein does not waive any rights or claims that Employee may have under the ADEA which may arise after the date Employee signs the reaffirmation of this Agreement. Employee hereby acknowledges and agrees that Employee has read this Agreement in its entirety and understands all of its terms and that Employee is knowingly and voluntarily waiving and releasing Employee's rights and claims only in exchange for consideration (something of value) in addition to anything of value to which Employee is already entitled. The Company and Employee agree that any changes made to the Agreement, whether material or immaterial, do not restart the running of the twenty-one (21)-day period described above.

6. Complete Release. It is understood and agreed that this is a full, complete and final general release of any and all claims described as aforesaid, and that Employee agrees that it shall apply to all unknown, unanticipated, unsuspected and undisclosed claims, demands, liabilities, actions or causes of action, in law, equity or otherwise, as well as those which are now known, anticipated, suspected or disclosed. Employee hereby expressly waives and relinquishes all rights and benefits under any law or legal principle of similar effect in any jurisdiction with respect to the release granted in this Agreement.

7. Confidential Information. Employee acknowledges that Employee has acquired information, in the course of Employee's employment with the Company, regarding the Releasees, which constitutes Confidential Information (as defined below), and which is and remains the exclusive property of the Releasees. Employee acknowledges that this Confidential Information could be used to the detriment of the Releasees, including when used outside or in excess of Employee's discharge of his duties on behalf of the Company. Therefore, Employee agrees that, subject to the exceptions stated in Section 13, and except as required by law, Employee shall not divulge to any other person, firm, corporation or legal entity, any Confidential Information or trade secret of any Releasee. The term "Confidential Information" as used herein, means all information or material not generally known by non-Company personnel which (a) gives the Company some competitive business advantage or the opportunity of obtaining such advantage or the disclosure of which could be detrimental to the interests of the Company; (b) is owned by the Company or in which the Company has an interest (including information conceived, originated, discovered or developed in whole or in part by Employee); and (c) is either (i) marked "Confidential Information," (ii) known by Employee to be considered confidential by the Company, or (iii) from all the relevant circumstances should reasonably be assumed by Employee to be confidential to the Company. Confidential Information includes, but is not limited to, the following types of information and other information of a similar nature (whether or not reduced to writing): trade secrets, products in development, names of products or services in development, processes, formulas, models, flow charts, diagrams, artistic designs or works of authorship however used, specifications, software in various stages of development, source code, object code, research and development procedures, test results, marketing techniques and materials, product packaging, marketing and development plans, price lists, pricing policies, pricing incentives, business plans, information relating to customers, clients and/or suppliers' identities, characteristics and agreements, financial information and projections, and employee files. Confidential Information also includes any confidential, non-public information described above which any Releasee obtains from another party and treats as proprietary or designates as Confidential Information, whether or not owned or developed by such Releasee. Confidential Information does not include information which is or becomes generally available to the public through no fault of Employee.

8. Confidentiality. The terms of the Agreement shall be confidential, subject to the exceptions stated in Section 13. Accordingly, Employee agrees to not make any public statement about, not disclose to any third party, the fact of, or contents or terms of this Agreement, unless necessary to implement or enforce its terms, or to seek tax or legal advice regarding this Agreement. Employee will not disclose information about this Agreement to Employee's spouse or Employee's financial, tax and legal advisors, until they have first been advised of this confidentiality provision. Specifically, Employee will not disclose any information about this Agreement, or the Separation Package made pursuant to this Agreement, to any former employee of the Company or to any current employee of the Company that is not already in possession of such information. In the event that Employee's attorney, financial or tax advisor, or spouse engages in conduct that would breach this paragraph, such conduct shall constitute a breach of this paragraph just as if Employee had engaged in such conduct. Employee understands and agrees that any disclosures in violation of this section shall constitute and be treated as a material breach of this Agreement.

9. No Disparagement. To the fullest extent permitted by law, and subject to the exceptions stated in Section 13, Employee agrees that Employee will not disparage or publish or disseminate information, whether oral or written (which includes, but is not limited to, statements made directly, indirectly or through any third person on or through any online, social media, electronic, digital or other media), that is derogatory in any manner to any Releasee or its business or his/her personal reputation, whether such information was acquired during or after Employee's employment with the Company. To the fullest extent permitted by law, the Company agrees that the Company's officers, directors, management and those authorized to speak publicly on the Company's behalf will not disparage or publish or disseminate information, whether oral or written (which includes, but is not limited to, statements made directly, indirectly or through any third person on or through any online, social media, electronic, digital or other media), that is derogatory in any manner to Employee or his personal reputation, whether such information was acquired during or after Employee's employment with the Company.

10. Confirmation. Subject to the exceptions stated in Section 13, Employee represents and warrants that Employee is not aware, to the best of Employee's knowledge, of any conduct on Employee's part or on the part of another Company employee that violated the law or otherwise exposed the Company to any liability, whether criminal or civil, whether to any government, individual or other entity, and that Employee is not aware of any material violations by the Company and/or its employees, officers, directors and agents of any statute, regulation or other rules that have not been addressed by the Company through appropriate compliance and/or corrective action. Further, Employee represents and warrants that Employee has not suffered any harassment or sexual abuse in connection with Employee's employment by the Company, or by any officer, manager, employee, agent, customer or supplier of the Company; that Employee is not currently aware of any facts or circumstances that would give rise to a harassment (including sexual harassment) or sexual abuse claim against the Company and/or any of the Releasees; and that this Agreement and the Separation Package is not a settlement or payment related to a harassment or sexual abuse claim.

11. Cooperation of Employee. In the event that the Company or any of its affiliates becomes involved in any civil or criminal litigation, administrative proceeding or governmental investigation, Employee shall, upon request, provide reasonable cooperation and assistance to the Company, including without limitation, furnishing relevant information, attending meetings and providing statements and testimony. The Company will reimburse Employee for all reasonable and necessary expenses Employee incurs in complying with this Section 11 and will provide reasonable compensation for time Employee provides at a rate to be negotiated at such a time. If necessary for any employer of Employee, the Company will provide Employee with a proper subpoena in order to obtain Employee's reasonable cooperation with and assistance to the Company.

12. Non-admission/Inadmissibility. This Agreement does not constitute an admission by any party hereto that any action such party took with respect to the other party hereto was wrongful, unlawful or in violation of any local, state, or federal act, statute, or constitution, or susceptible of inflicting any damages or injury on such party, and each party specifically denies any such wrongdoing or violation. This Agreement is entered into solely to resolve fully all matters related to or arising out of Employee's employment with and termination from the Company, and its execution, and implementation may not be used as evidence, and shall not be admissible in a subsequent proceeding of any kind, except one alleging a breach of this Agreement.

13. No Prohibition. Employee is hereby advised, and by Employee's signature below, Employee acknowledges that, nothing in this Agreement or in any agreement between Employee and the Company prohibits or limits Employee (or Employee's attorney) from initiating communications directly with, responding to any inquiry from, volunteering information to, or providing testimony before, the Securities and Exchange Commission, the Department of Justice, the Financial Industry Regulatory Authority Inc., or any other self-regulatory organization, governmental, law enforcement, or regulatory authority, regarding this Agreement and its underlying facts and circumstances, or any reporting of, investigation into, or proceeding regarding suspected violations of law, and that Employee is not required to advise or seek permission from the Company before engaging in any such activity. Employee further recognizes that, in connection with any such activity, Employee must inform such authority of the confidential nature of any confidential information that Employee provides, provided, further, that Employee is not permitted to reveal any information that is protected by the attorney-client privilege or attorney-work product protection or any other privilege belonging to the Company. Furthermore, nothing contained in this Agreement is intended to prohibit or restrict Employee in any way from making any disclosure of information required by law. Additionally, Employee understands and acknowledges that Employee is hereby notified that, under the Defend Trade Secrets Act (specifically, 18 USC §1833), Employee cannot be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law. Employee also understands that Employee may not be held so liable for disclosures made in a complaint or other document filed in a lawsuit or other proceeding, if that filing is made under seal.

14. No Assignment. Employee represents and agrees that Employee has not heretofore assigned or transferred, or purported to have assigned or transferred, to any person whomsoever, any Claim or portion thereof or interest therein, and

Employee agrees to indemnify, defend and hold harmless each and all of the Releasees against any and all Claims based on, arising out of, or in connection with any such transfer or assignment, or purported transfer or assignment, of any Claims or any portion thereof or interest therein.

15. Binding. This Agreement shall be binding upon Employee and Employee's heirs, representatives, executors, administrators, successors and assigns, and shall inure to the benefit of each and all of the Releasees, and to their heirs, representatives, executors, administrators, successors and assigns.

16. Severability. Should any part, term or provision of this Agreement, with the exception of the releases embodied in Sections 4 and 5, be declared or determined by any Court or other tribunal of appropriate jurisdiction to be invalid or unenforceable, any such invalid or unenforceable part, term or provision shall be deemed stricken and severed from this Agreement and any and all of the other terms of the Agreement shall remain in full force and effect to the fullest extent permitted by law. The releases embodied in Sections 4 and 5 are the essence of this Agreement and should these Sections 4 or 5 be deemed invalid or unenforceable in a final unappealable judgment (an "Invalidity Determination"), this Agreement may be declared null and void by the Company; provided, however, that in no event shall Employee be required to return any consideration received under this Agreement as a result of an Invalidity Determination unless such Invalidity Determination was sought in a legal action initiated by Employee.

17. Governing Law. This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of Arizona, without regard to its conflicts of law provisions.

18. Entire Agreement. This Agreement constitutes and contains the entire agreement and understanding between the parties and supersedes all prior negotiations and all agreements proposed or otherwise, whether written or oral, concerning the subject matter hereof. The Company has made no promises to Employee other than those contained in this Agreement. This Agreement may not be modified, or any provision waived, except by a signed written agreement of the affected parties. Notwithstanding the foregoing, any confidential information and/or non-disclosure agreement which Employee entered into with the Company, shall remain in full force and effect whether or not Employee executes this Agreement.

19. Captions. Captions and heading of the sections and paragraphs of this Agreement are intended solely for convenience, and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph.

20. No Presumption against Drafter. Employee agrees that this Agreement has been negotiated and that no provision contained herein shall be interpreted against any party because that party drafted the provision.

21. Acknowledgement. Employee acknowledges and affirms that Employee has no known workplace injuries or occupational diseases for which Employee has not already filed a claim.

22. Capacity. Employee represents and warrants that in negotiating and executing this Agreement, Employee is not, and has not been, under the influence of any drugs, medications or other substances which might in any way impair Employee's judgment or ability to understand the terms of this Agreement.

23. No Reliance. Employee represents and acknowledges that in executing this Agreement Employee does not rely upon, and has not relied upon, any representation or statement not set forth herein made by any Releasee or by their agents, representatives, or attorneys with regard to the subject matter, basis or effect of this Agreement or otherwise.

24. Costs. Each of the Parties to this Agreement will pay his, her, or its own costs and expenses, if any, relative to the negotiation and preparation of this Agreement.

25. 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (Section 409A), or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service, as a short-term deferral, or as a settlement payment pursuant to a bona fide legal dispute, shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, any installment payments provided under this Agreement shall each be treated as a separate payment. To the extent required under Section 409A, any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by Employee on account of non-compliance with Section 409A. All payments due pursuant to this Agreement will be made on or before the end of the second calendar year following the Separation Date.

26. Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute one original Agreement, and it may be executed by a signature transmitted via facsimile or email transmission.

27. Certification. Employee certifies that Employee has received any advice of counsel that Employee deems necessary regarding this Agreement and has read and understands all of this Agreement and freely, voluntarily and knowingly entered into this Agreement, having full knowledge and understanding of its contents, its effect, and the rights Employee may be waiving.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the date written below.

PLEASE READ CAREFULLY. THIS AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

EMPLOYEE FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTERS INTO THIS AGREEMENT INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS EMPLOYEE HAS OR MIGHT HAVE AGAINST RELEASEES.

By signing this Agreement before the twenty-one (21) day period described above in Section 5 expires, Employee waives Employee's right under the ADEA to twenty-one (21) days to consider the terms of this Agreement. In any case, however, Employee retains the right to revoke this Agreement within seven (7) days, as described above in Section 5.

The Parties knowingly and voluntarily sign this Agreement as of the date(s) set forth below:

JOSHUA N. ROSEN	4FRONT VENTURES CORP.
By: /s/ Joshua N. Rosen	By: /s/ Eric J. Rey
Name: Joshua N. Rosen	Name: Eric J. Rey
	Its: Lead Independent Director
DATE:1/14/2021	DATE:1/14/2021

Exhibit 10.17

SEPARATION AGREEMENT AND RELEASE

This Separation Agreement and Release (this "Agreement") is made as a compromise and release between 4Front Ventures Corp., a corporation amalgamated under the laws of the Province of British Columbia, Canada (the "Company"), and Nicolle Dorsey, an individual residing in the State of Arizona ("Employee"), in the complete, final, and binding settlement of all claims and potential claims, if any, with respect to their employment relationship.

RECITALS

A. Employee was employed at will by the Company as the Company's Chief Financial Officer ("CFO").

B. Based on the mutual agreement of Employee and the Company, Employee will cease serving as the CFO, effective February 1, 2021 (the "Transition Date"), and immediately thereafter transition into a temporary support role, compensated at the same annual salary and continuing with the same health insurance benefits, primarily for the purpose of assisting the Company with completion of its 2020 financial audit and also to facilitate a smooth transition of other functions of the CFO position. Such temporary support role will be employment at will, terminable at any time, and shall conclude on the earlier of (1) the at-will termination of either party or (2) March 31, 2021 (as applicable, the "Separation Date").

C. Employee acknowledges the receipt of all wages, salary, bonuses, benefits, expense reimbursement or any other monies owed by Company to Employee through the Transition Date, aside from any wages that Employee shall earn through the Separation Date.

D. Employee has accepted the Separation Package as described below in exchange for a waiver and release of all claims, and other provisions in this Agreement, by executing such waiver and release both after the Transition Date and again after the Separation Date. This Agreement is therefore entered into by the Company and Employee to document the parties' agreement regarding the terms of Employee's separation from the CFO role within the Company, and eventually, the temporary support role.

NOW, THEREFORE, IN RELIANCE OF THE ABOVE RECITALS AND IN CONSIDERATION of the promises, covenants and agreements herein contained, the parties agree as follows:

1. **Transition Date and Separation Date**. Employee's role as CFO with the Company will terminate effective on the Transition Date. Immediately after the Transition Date, Employee will assume a temporary support role in accounting, compensated at the same annual salary and continuing with the same health insurance benefits, primarily for the purpose of assisting the Company with completion of its 2020 financial audit and also to facilitate a smooth transition of other functions of the CFO position. Employee shall devote all of her reasonable business time and attention, on a full-time basis, to the performance of her duties in connection with such temporary support role, which shall include such duties as may be assigned by the Company or its interim CFO in furtherance of the foregoing objectives. Employee shall not engage in any other business, profession or occupation for compensation or otherwise prior to the

Separation Date. Such temporary support role shall be a position of at-will employment, terminable by the Company or Employee at any time, with or without notice, and not subject to any terms of any prior employment agreement or arrangement, which shall cease being effective upon Employee's execution of this Agreement.

2. **Consideration**. In consideration for the releases and covenants by Employee in this Agreement (including Employee's covenant to devote all of her reasonable business time and attention to the temporary support role described in Section 1 above), provided Employee signs and complies with this Agreement after the Transition Date, re-executes and reaffirms the covenants and releases in this Agreement on or after Employee's eventual Separation Date (which Separation Date does not result from Employee's resignation from her temporary support role or breach of this Agreement prior to March 31, 2021), and does not exercise the right to revocation under Section 5 of this Agreement, Employee shall receive the following separation benefit(s) ("Separation Package"):

(a) Payment of a severance benefit equal to Employee's base annual salary of $220,000 over six (6) months. These severance payments will be paid on the Company's regular payroll schedule, subject to standard deductions and withholdings, over the six (6)-month period following the Separation Date;

(b) Payment of one-hundred percent (100%) of Employee's COBRA premiums for the same health plan which Employee was enrolled during her employment over the six (6)-month period following the Separation Date, provided that Employee timely elects continuing coverage of health insurance benefits under COBRA; and

(c) Accelerated vesting of Employee's options to purchase (i) 6,250 Class B Proportionate Voting Shares of the Company's capital stock, granted pursuant to an Option Certificate dated as of August 22, 2019, and (ii) 250,000 Class A Subordinate Voting Shares of the Company's capital stock, granted pursuant to an Option Certificate dated as of September 15, 2020 (collectively, the "Option Awards"), it being understood that all such options shall be fully vested from and after the Separation Date, and remain exercisable until 4:00 p.m. local time in Vancouver, British Columbia, Canada on August 22, 2024, at which time any and all unexercised options represented by the Option Awards shall immediately and automatically expire and be of no further force or effect.

Employee understands that the Separation Package is an additional benefit for which Employee is not eligible unless Employee elects to sign, not revoke, and reaffirm this Agreement. For the avoidance of any doubt, Employee will only be entitled to the Separation Package if (1) the Separation Date does not result from Employee's resignation from her temporary support role prior to March 31, 2021 and (2) Employee complies with her covenants under Section 1 above. If Employee resigns from her temporary support role prior to March 31, 2021 and/or fails to materially comply with her covenants under Section 1 above, the Company may terminate her employment at any time, with or without notice, and Employee shall not be entitled to receive the Separation Package, any portion thereof, or any other severance benefit(s). If the Company terminates Employee's at-will temporary support role prior to March 31, 2021 and Employee has materially complied with her covenants under Section 1 above, Employee shall be entitled to receive the Separation Package.

3. **Receipt of All Wages**. Employee shall also be paid all earned and unpaid base wages, performance bonus, and any accrued but unused vacation/PTO (defined below), through the Transition Date and eventually, the Separation Date ("Accrued Benefits"). All unused vacation/PTO will be paid to Employee at a rate of the number of hours of unused vacation/PTO accrued by Employee, up to and including the Separation Date, multiplied by Employee's annual compensation of $220,000 per year; provided, however, that the total accrued but unused vacation/PTO, for purposes of determining Accrued Benefits to be paid to Employee, shall not exceed one hundred twenty (120) hours in the aggregate. The parties agree that, if Employee were to remain employed through March 31, 2021, Employee's total unused vacation/PTO would exceed one hundred twenty (120) hours, but for purposes of determining compensation for Accrued Benefits, however, Employee would be deemed to have accrued one hundred and twenty (120) hours, in accordance with the cap set forth in the preceding sentence. Employee understands that Employee is entitled to Employee's Accrued Benefits regardless of whether Employee signs this Agreement. Employee affirms and warrants that Employee has reported all hours worked and appropriately received all compensation, wages, overtime pay (if applicable), expense reimbursements, bonuses, commissions, incentive compensation, vacation pay/PTO, sick pay, meal and rest breaks, benefits and other payments to which Employee was entitled (hereinafter "Monies"), including, but not limited to, those under the Fair Labor Standards Act and any other federal, state, or local wage and hour law, regulation or ordinance. Except for the Separation Package and Accrued Benefits set forth herein in Sections 2 and 3, Employee expressly acknowledges and agrees that the Company does not now owe and will not in the future owe Employee any additional Monies of any kind whatsoever. Employee further affirms and warrants that Employee has appropriately received any leave (paid and unpaid) to which Employee was entitled, including, but not limited to, leave under the Family and Medical Leave Act and any other federal, state, or local leave or disability accommodation law, regulation or ordinance. Employee further acknowledges and agrees that Employee shall not be entitled to and shall not seek any other benefits or Monies from the Company following the Separation Date.

4. **Release of Rights**. In consideration of the Company's payment to Employee of the Separation Package as described in Section 2, the sufficiency for which is hereby acknowledged, Employee on Employee's own behalf and on behalf of Employee's spouse, dependents, heirs, successors and assigns, hereby covenants not to sue and releases the Company, its subsidiaries, parents or affiliated entities, and their respective directors, officers, members, managers, shareholders, partners, trustees, supervisors, employees, attorneys, consultants, receivers, insurers, and agents, and all persons acting by, through, under or in concert with any of them, and each of their respective heirs, predecessors, successors, and assigns (hereinafter collectively "Releasees") from and for all rights, claims, liabilities, actions and suits of all kinds and descriptions that Employee may have against any or all Releasees arising on or prior to the Transition Date, and eventually, the Separation Date and which arise out of Employee's employment with the Company or the termination thereof ("Claim" or "Claims"), including, but not limited to, any claim for wages, bonus, incentive compensation, commissions, accrued vacation pay/PTO, sick leave, holiday pay, meal/rest periods, severance pay, overtime, penalties, any wage and/or hour violation, breach of contract, breach of quasi contract, breach of implied contract, entitlement under any leave laws, health or medical insurance, pension or retirement benefits, or any other employment benefits, any claim for employment discrimination, whether on the basis of race, age, sex, national origin, religion, sexual orientation, marital status, veterans

status, disability, or any other protected basis, retaliation or harassment of any kind, wrongful termination, slander, defamation, invasion of privacy, or emotional distress. Without limiting the generality of the foregoing, Employee acknowledges and agrees that among the claims released are those arising under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Fair Labor Standards Act, the Equal Pay Act, the Americans with Disabilities Act, the Employee Retirement and Income Security Act, the Worker Adjustment and Retraining Notification Act, the Family and Medical Leave Act, the Genetic Information Non-Discrimination Act, the Lilly Ledbetter Fair Pay Act of 2009, the Fair Credit Reporting Act, the False Claims Act, the Sarbanes-Oxley Act, the Uniformed Services Employment and Reemployment Rights Act, the Occupational and Safety Health Act, Labor Management Relations Act, the National Labor Relations Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Health Insurance Portability and Accountability Act, and any other claim based upon any federal, state, or local law or any alleged wrongful conduct or injury arising out of or in any way connected with any acts or omissions occurring on or prior to the Transition Date and eventually, the Separation Date.

(a) Claims Not Released.

This general release and waiver of claims however excludes, and Employee does not waive, release, or discharge any claims that relate to (i) the Separation Package or the right to enforce this Agreement; (ii) Employee's right, if any, to claim unemployment benefits or workers' compensation benefits, if applicable and Employee qualifies; (iii) claims which cannot be waived by law; (iv) any rights to vested benefits, such as pension or retirement benefits, the rights to which are governed by the terms of the applicable plan documents and award agreements, and (v) any rights or claims that Employee may have which arise after this date Employee executes this Agreement.

(b) Protected Rights.

Employee understands and acknowledges that nothing contained in this Release, or in any other provision of this Agreement, limits her ability to file any administrative claim or complaint with the Equal Employment Opportunity Commission, the state attorney general's office or civil rights division, the Occupational Safety and Health Administration, and the Securities and Exchange Commission ("SEC") or other similar federal or state administrative agencies ("Government Agencies"). Employee further understands and acknowledges that this Agreement does not limit her ability to communicate with any Government Agencies or otherwise participate in any proceeding that may be conducted by any Government Agencies in connection with any change or complaint, whether filed by Employee, or on Employee's behalf, or by any individual. However, Employee understands that she waives any right to monetary relief related to such a charge or administrative complaint; provided, however, that nothing herein shall be construed to waive or limit Employee's ability to receive any bounty or award for information provided to the SEC concerning suspected violations of law. The parties acknowledge and agree that if Employee makes a disclosure of Confidential Information or other confidential information (as defined in Section 7 and 8 below) to a government official or an attorney for the purpose of reporting or investigating a suspected violation of law, or in any court filing or compelled testimony under seal, Employee will not be held liable under this Agreement or under any federal or state trade secret law for such disclosure.

5. **ADEA Release**. The general release contained herein specifically includes a waiver and release of all claims which Employee has or may have under the Age Discrimination in Employment Act, as amended, 29 U.S.C. Sections 621, et seq. ("ADEA"), based on Employee's employment, the separation from that employment, or any event, transaction, occurrence, act or omission occurring on or before Employee signs the reaffirmation of this Agreement. Employee acknowledges that Employee has been advised to consult with an attorney, if desired, concerning this Agreement and has received all advice Employee deems necessary concerning this Agreement. Employee has twenty-one (21) days after Employee receives this Agreement to decide whether or not to sign this Agreement, and should Employee execute this Agreement in fewer than twenty-one (21) days, Employee does so with the express understanding that Employee has been given and declined the opportunity to consider the Agreement for a full twenty-one (21) days. Employee has seven (7) days after delivering to the Company an original of this Agreement signed by Employee to revoke this Agreement. Revocation may be made by delivering a written notice of revocation to the Company, c/o Leigh Ann Clifford, at leighann.clifford@4frontventures.com. For the revocation to be effective, written notice must be actually received by the Company, as evidenced by confirmation of delivery, no later than the close of business on the seventh calendar day after Employee signs and delivers this Agreement, or, if mailed, postmarked by such date. This Agreement shall not become effective or enforceable until the revocation period has expired, which date of expiration shall be the "Effective Date" of this Agreement. The release contained herein does not waive any rights or claims that Employee may have under the ADEA which may arise after the date Employee signs the reaffirmation of this Agreement. Employee hereby acknowledges and agrees that Employee has read this Agreement in its entirety and understands all of its terms and that Employee is knowingly and voluntarily waiving and releasing Employee's rights and claims only in exchange for consideration (something of value) in addition to anything of value to which Employee is already entitled. The Company and Employee agree that any changes made to the Agreement, whether material or immaterial, do not restart the running of the twenty-one (21) day period described above.

6. **Complete Release**. It is understood and agreed that this is a full, complete and final general release of any and all claims described as aforesaid, and that Employee agrees that it shall apply to all unknown, unanticipated, unsuspected and undisclosed claims, demands, liabilities, actions or causes of action, in law, equity or otherwise, as well as those which are now known, anticipated, suspected or disclosed. Employee hereby expressly waives and relinquishes all rights and benefits under any law or legal principle of similar effect in any jurisdiction with respect to the release granted in this Agreement.

7. **Confidential Information**. Employee acknowledges that Employee has acquired information, in the course of Employee's employment with the Company, regarding the Releasees, which constitutes Confidential Information (as defined below), and which is and remains the exclusive property of the Releasees. Employee acknowledges that this Confidential Information could be used to the detriment of the Releasees. Therefore, Employee agrees that, subject to the exceptions stated in Sections 4(b) and 15, and except as required by law, Employee shall not divulge to any other person, firm, corporation or legal entity, any Confidential Information or trade secret of any Releasee. The term "Confidential Information" as used herein, means all information or material not generally known by non-Company personnel which (a) gives the Company some competitive business advantage, the disclosure of which could be detrimental to the interests of the Company; (b) is owned by the Company or in which the Company has an interest (including

information conceived, originated, discovered or developed in whole or in part by Employee); and (c) is either (i) marked "Confidential Information," (ii) known by Employee to be considered confidential by the Company, or (iii) from all the relevant circumstances should reasonably be assumed by Employee to be confidential to the Company. Confidential Information includes, but is not limited to, the following types of information and other information of a similar nature (whether or not reduced to writing): trade secrets, products in development, names of products or services in development, processes, formulas, models, flow charts, diagrams, artistic designs or works of authorship however used, specifications, software in various stages of development, source code, object code, research and development procedures, test results, marketing techniques and materials, product packaging, marketing and development plans, price lists, pricing policies, pricing incentives, business plans, information relating to customers, clients and/or suppliers' identities, characteristics and agreements, financial information and projections, and employee files. Confidential Information also includes any confidential, non-public information described above which any Releasee obtains from another party and treats as proprietary or designates as Confidential Information, whether or not owned or developed by such Releasee. Confidential Information does not include information which is or becomes generally available to the public through no fault of Employee.

8. **Confidentiality**. The terms of the Agreement shall be confidential, subject to the exceptions stated in Sections 4(b) and 15. Accordingly, Employee agrees to not make any public statement about, not disclose to any third party, the fact of, or contents or terms of this Agreement, unless necessary to implement or enforce its terms, or to seek tax or legal advice regarding this Agreement. Employee will not disclose information about this Agreement to Employee's spouse or Employee's financial, tax and legal advisors, until they have first been advised of this confidentiality provision. Specifically, Employee will not disclose any information about this Agreement, or the Separation Package made pursuant to this Agreement, to any current or former employee of the Company. In the event that Employee's attorney, financial or tax advisor, or spouse engages in conduct that would breach this paragraph, such conduct shall constitute a breach of this paragraph just as if Employee had engaged in such conduct. Employee understands and agrees that any disclosures in violation of this section shall constitute and be treated as a material breach of this Agreement.

9. **No Disparagement**. To the fullest extent permitted by law, and subject to the exceptions stated in Section 15, Employee agrees that Employee will not disparage or publish or disseminate information, whether oral or written (which includes, but is not limited to, statements made directly, indirectly or through any third person on or through any online, social media, electronic, digital or other media), that is derogatory in any manner to any Releasee or its business or his/her personal reputation, whether such information was acquired during or after Employee's employment with the Company. To the fullest extent permitted by law, Company agrees that the Company's officers, directors, management and those authorized to speak publicly on the Company's behalf will not disparage or publish or disseminate information, whether oral or written (which includes, but is not limited to, statements made directly, indirectly or through any third person on or through any online, social media, electronic, digital or other media), that is derogatory in any manner to Employee or his personal reputation, whether such information was acquired during or after Employee's employment with the Company. The parties agree that it is in their best interests to maintain an amicable relationship.

10. **Non-Solicitation**. From and after the Transition Date, and for a period of twelve (12) months after the Separation Date, Employee shall not, directly or indirectly, solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment or service of any person then-employed or then-engaged by the Company or any of its subsidiaries, or otherwise encourage any such person to perform services for any other individual or entity, including Employee.

11. **Remedies**. In the event of a breach or threatened breach by Employee of Sections 7, 8, 9 or 10 of this Agreement, Employee hereby consents and agrees that the Company shall be entitled to obtain, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, and that money damages would not afford an adequate remedy, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available forms of relief.

12. **Confirmation**. Subject to the exceptions stated in Section 15, Employee represents and warrants that Employee is not aware, to the best of Employee's knowledge, of any conduct on Employee's part or on the part of another Company employee that violated the law or otherwise exposed the Company to any liability, whether criminal or civil, whether to any government, individual or other entity, and that Employee is not aware of any material violations by the Company and/or its employees, officers, directors and agents of any statute, regulation or other rules that have not been addressed by the Company through appropriate compliance and/or corrective action. Further, Employee represents and warrants that Employee has not suffered any harassment or sexual abuse in connection with Employee's employment by the Company, or by any officer, manager, employee, agent, customer or supplier of the Company; that Employee is not currently aware of any facts or circumstances that would give rise to a harassment (including sexual harassment) or sexual abuse claim against the Company and/or any of the Releasees; and that this Agreement and the Separation Package is not a settlement or payment related to a harassment or sexual abuse claim.

13. **Cooperation of Employee**. In the event that the Company or any of its affiliates becomes involved in any civil or criminal litigation, administrative proceeding or governmental investigation, Employee shall, upon request, provide reasonable cooperation and assistance to the Company, including without limitation, furnishing relevant information, attending meetings and providing statements and testimony. The Company will reimburse Employee for all reasonable and necessary expenses Employee incurs in complying with this Section 12 and will provide reasonable compensation for time Employee provides at a rate to be negotiated at such a time. If necessary for any employer of Employee, the Company will provide Employee with a proper subpoena in order to obtain Employee's reasonable cooperation with and assistance to the Company.

14. **Non-admission/Inadmissibility**. This Agreement does not constitute an admission by any party hereto that any action such party took with respect to the other party hereto was wrongful, unlawful or in violation of any local, state, or federal act, statute, or constitution, or susceptible of inflicting any damages or injury on such party, and each party specifically denies any such wrongdoing or violation. This Agreement is entered into solely to resolve fully all matters related to or arising out of Employee's employment with and termination from the

Company, and its execution, and implementation may not be used as evidence, and shall not be admissible in a subsequent proceeding of any kind, except one alleging a breach of this Agreement.

15. **No Prohibition**. Employee is hereby advised, and by Employee's signature below, Employee acknowledges that, nothing in this Agreement or in any agreement between Employee and the Company prohibits or limits Employee (or Employee's attorney) from initiating communications directly with, responding to any inquiry from, volunteering information to, or providing testimony before, the Securities and Exchange Commission, the Department of Justice, the Financial Industry Regulatory Authority Inc., or any other self-regulatory organization, governmental, law enforcement, or regulatory authority, regarding this Agreement and its underlying facts and circumstances, or any reporting of, investigation into, or proceeding regarding suspected violations of law, and that Employee is not required to advise or seek permission from the Company before engaging in any such activity. Employee further recognizes that, in connection with any such activity, Employee must inform such authority of the confidential nature of any confidential information that Employee provides, provided, further, that Employee is not permitted to reveal any information that is protected by the attorney-client privilege or attorney-work product protection or any other privilege belonging to the Company. Furthermore, nothing contained in this Agreement is intended to prohibit or restrict Employee in any way from making any disclosure of information required by law. Additionally, Employee understands and acknowledges that Employee is hereby notified that, under the Defend Trade Secrets Act (specifically, 18 USC §1833), Employee cannot be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law. Employee also understands that Employee may not be held so liable for disclosures made in a complaint or other document filed in a lawsuit or other proceeding, if that filing is made under seal.

16. **No Assignment**. Employee represents and agrees that Employee has not heretofore assigned or transferred, or purported to have assigned or transferred, to any person whomsoever, any Claim or portion thereof or interest therein, and Employee agrees to indemnify, defend and hold harmless each and all of the Releasees against any and all Claims based on, arising out of, or in connection with any such transfer or assignment, or purported transfer or assignment, of any Claims or any portion thereof or interest therein.

17. **Binding**. This Agreement shall be binding upon Employee and Employee's heirs, representatives, executors, administrators, successors and assigns, and shall inure to the benefit of each and all of the Releasees, and to their heirs, representatives, executors, administrators, successors and assigns.

18. **Severability**. Should any part, term or provision of this Agreement, with the exception of the releases embodied in Sections 4 and 5, be declared or determined by any Court or other tribunal of appropriate jurisdiction to be invalid or unenforceable, any such invalid or unenforceable part, term or provision shall be deemed stricken and severed from this Agreement and any and all of the other terms of the Agreement shall remain in full force and effect to the fullest extent permitted by law. The releases embodied in Sections 4 and 5 are the essence of this Agreement and should these Sections 4 or 5 be deemed invalid or unenforceable in a final unappealable judgment (an "Invalidity Determination"), this Agreement may be declared null and

void by the Company; provided, however, that in no event shall Employee be required to return any consideration received under this Agreement as a result of an Invalidity Determination unless such Invalidity Determination was sought in a legal action initiated by Employee.

19. **Governing Law**. This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of Arizona, without regard to its conflicts of law provisions.

20. **Entire Agreement**. This Agreement constitutes and contains the entire agreement and understanding between the parties and supersedes all prior negotiations and all agreements proposed or otherwise, whether written or oral, concerning the subject matter hereof. The Company has made no promises to Employee other than those contained in this Agreement. This Agreement may not be modified, or any provision waived, except by a signed written agreement of the affected parties. Notwithstanding the foregoing, any confidential information and/or non-disclosure agreement which Employee entered into with the Company, shall remain in full force and effect whether or not Employee executes this Agreement.

21. **Captions**. Captions and heading of the sections and paragraphs of this Agreement are intended solely for convenience, and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph.

22. **No Presumption against Drafter**. Employee agrees that this Agreement has been negotiated and that no provision contained herein shall be interpreted against any party because that party drafted the provision.

23. **Acknowledgement**. Employee acknowledges and affirms that Employee has no known workplace injuries or occupational diseases for which Employee has not already filed a claim.

24. **Capacity**. Employee represents and warrants that in negotiating and executing this Agreement, Employee is not, and has not been, under the influence of any drugs, medications or other substances which might in any way impair Employee's judgment or ability to understand the terms of this Agreement.

25. **No Reliance**. Employee represents and acknowledges that in executing this Agreement Employee does not rely upon, and has not relied upon, any representation or statement not set forth herein made by any Releasee or by their agents, representatives, or attorneys with regard to the subject matter, basis or effect of this Agreement or otherwise.

26. **Costs**. Each of the parties to this Agreement will pay his, her, or its own costs and expenses, if any, relative to the negotiation and preparation of this Agreement.

27. **409A**. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (Section 409A), or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an

involuntary separation from service, as a short-term deferral, or as a settlement payment pursuant to a bona fide legal dispute, shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, any installment payments provided under this Agreement shall each be treated as a separate payment. To the extent required under Section 409A, any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by Employee on account of non-compliance with Section 409A. All payments due pursuant to this Agreement will be made on or before the end of the second calendar year following the Separation Date.

28. **Counterparts**. This Agreement may be executed in any number of counterparts, all of which together shall constitute one original Agreement, and it may be executed by a signature transmitted via facsimile or email transmission.

29. **Certification**. Employee certifies that Employee has received any advice of counsel that Employee deems necessary regarding this Agreement and has read and understands all of this Agreement and freely, voluntarily and knowingly entered into this Agreement, having full knowledge and understanding of its contents, its effect, and the rights Employee may be waiving.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the date written below.

PLEASE READ CAREFULLY. THIS AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

EMPLOYEE FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTERS INTO THIS AGREEMENT INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS EMPLOYEE HAS OR MIGHT HAVE AGAINST RELEASEES.

By signing this Agreement before the twenty-one (21) day period described above in Section 5 expires, Employee waives Employee's right under the ADEA to twenty-one (21) days to consider the terms of this Agreement. In any case, however, Employee retains the right to revoke this Agreement within seven (7) days, as described above in Section 5.

The parties knowingly and voluntarily sign this Agreement as of the date(s) set forth below:

NICOLLE DORSEY	4FRONT VENTURES CORP.
By:/s/ Nicolle Dorsey	By:/s/ Leonid Gontmakher
Name: Nicolle Dorsey	Name: Leonid Gontmakher
	Its: Chief Executive Officer
DATE: 2/3/2021	DATE: 2/3/2021

Reaffirmation of Separation Agreement and General Release

(NOT TO BE EXECUTED UNTIL ON OR AFTER THE SEPARATION DATE AND WITHIN 21 DAYS OF ULTIMATE TERMINATION DATE FROM ALL EMPLOYMENT WITH COMPANY)

For the consideration set forth above, Employee and Company hereby reaffirm their respective covenants, obligations, representations and releases contained in this Agreement. Further, Employee acknowledges the receipt of all wages, salary, bonuses, benefits, expense reimbursement or any other monies owed by Company to Employee. Aside from the separation benefits described in the Agreement, Employee acknowledges that Employee is not entitled to any additional future compensation from the Company.

THIS SEPARATION AGREEMENT AND GENERAL RELEASE PROVIDES A COMPLETE AND BINDING RELEASE AND WAIVER OF ALL EXISTING CLAIMS AND RIGHTS, KNOWN AND UNKNOWN, EMPLOYEE MAY HAVE AGAINST THE COMPANY AND THE RELEASEES AS OF THE DATE THE PARTIES SIGN THIS AGREEMENT.

NICOLLE DORSEY	4FRONT VENTURES CORP.
By:_____	By:_____
Name: Nicolle Dorsey	Name: Its:
DATE:_____	DATE: _____

Exhibit 10.18

MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT (this "**Agreement**") is effective as of January 22, 2020 (the "**Effective Date**"), by and among, 4Front Holdings LLC, a Delaware limited liability company (**"4F Holdings"**), 4Front Arkansas, LLC, a Delaware limited liability company (**"4F Arkansas**", and collectively with 4F Holdings the "**Seller**"), and Denham Investments, LLC, an Arkansas limited liability company ("**Buyer**").

RECITALS

A. 4F Holdings owns One Hundred percent (100%) of the membership interests of Pine Bluff Agriceuticals I Management, LLC, a Delaware limited liability company (**"PBM"**), (the "**PBM Interest)**;

B. 4F Arkansas owns Seventy-Nine and Five/Tenth Percent (79.5%) of Arkansas Natural Products I Management, LLC, a Delaware limited liability company (**"ANP**"), (the "**ANP Interest**", and collectively with the PBM Interest the "**Collective Interest**"); and

C. Seller wishes to sell, transfer and assign to Buyer, and Buyer wishes to purchase and acquire from Seller, the Collective Interest, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
PURCHASE AND SALE

Section 1.01 Purchase and Sale. On the terms and conditions set forth herein, at the Closing (as defined herein), Seller shall sell to Buyer, and Buyer shall purchase from the Seller, its entire right, title and interest in and to the Collective Interest for the consideration specified in **Section 1.02**. At the Closing, Seller shall execute and deliver to Buyer an assignment or assignments of the Collective Interest substantially in the form attached hereto as **Exhibit A** (the "**Assignment of Collective Interest**"), effectuating the transfer of ownership of the Collective Interest to Buyer.

Section 1.02 Purchase Price. The consideration for the sale and transfer of the Collective Interest shall be Four Million Ninety One Hundred Thousand Five Hundred Twenty-Two Dollars and No 00/100 USD ($4,091,522.00) (the **"Purchase Price**"), allocated Two Million Four Hundred Seventy Nine Thousand Seven Hundred Thirty Seven Dollars and No 00/100 USD ($2,479,737.00) to the PBM Interest and One Million Six Hundred Eleven Thousand Seven Hundred Eighty Five Dollars and No 00/100 USD ($1,611,785.00) to the ANP Interest. The Parties acknowledge that Seller shall be entitled to all cash and cash equivalents held by PBM and ANP, or its affiliated or related entities (including those entities holding the Arkansas Marijuana Dispensaries Licenses for which PBM and ANP are direct or indirect beneficiaries), as of the Closing Date and these funds shall not be offset or credited in any way to the Purchase Price.

Section 1.03 Payment of Purchase Price. The Purchase Price shall be paid to the Seller as follows:

(i) cash payment of One Million Five Hundred Thousand Dollars and 00/100 USD ($1,500,000.00) (the "**Initial Payment**"), to be paid in immediately available funds on the Closing Date; and

(ii) cash payment of Two Million Five Hundred Ninety One Thousand Five Hundred Twenty-Two Dollars and 00/100 USD ($2,591,522.00), to be paid in immediately available funds within thirty (30) calendar days after Pine Bluff Agriceuticals I, LLC, an Arkansas limited liability company (**"Pine Bluff LicenseCo"**), or any assignee, transferee, or other economic or controlling beneficiary of the Arkansas Medical Marijuana Dispensary License No. 222 or that marijuana dispensary license held by Pine Bluff LicenseCo as of the date hereof, makes its first retail marijuana sale to any medical patient or other customer (the **"Future Payment**").

Section 1.04 Closing. The closing of the transactions contemplated by this Agreement (the "**Closing**") shall take place on January 22, 2020, or on such other date as may be mutually agreed upon by the parties hereto (as applicable, the "**Closing Date**"), remotely via the parties' exchange of counterpart signature pages and other deliverables as set forth in this Agreement.

Section 1.05 Option to Re-Acquire ANP Interest. Until Seller receives the entire Future Payment, the Seller or its designee, in its sole discretion, shall have the right, but not the obligation, to acquire the ANP Interest from Buyer or any assignee or transferee of the ANP Interest, for a cash payment, free and clear of all liens and other encumbrances, for One Million Five Hundred Thousand Dollars and 00/100 USD ($1,500,000.00), that may be paid by Seller, or its designee, in immediately available funds within thirty (30) days from the date that Buyer transfers, or causes to be transferred, the ANP Interest to Seller (the **"Option"**). Seller is required to provide Buyer with written notice of its intent to exercise such Option (the **"Option Notice"**). Upon Buyer receiving the Option Notice, Buyer shall have five (5) calendar days to cause the Option to be terminated if Buyer makes a cash payment to Seller within five (5) calendar days of the Option Notice in the amount of Three Hundred Thousand Dollars and 00/100 USD ($300,000.00). Buyer appoints Seller at its proxy for the purposes of effectuating the transaction contemplated in this Section 1.05.

Section 1.06 Future Payment Security If Buyer fails to timely pay any or all of the Future Payment, when due according to Section 1.03 and Section 1.05 above, then Seller or its designee, in its sole discretion, shall have the right, but not the obligation, to cause Buyer or its designee, assignee, successor, transferee, or the individual or entity having any economic benefit and/or control (collectively the **"License Holders"**) of the Arkansas Medical Marijuana Dispensary Licenses affiliated with, as of the date hereof, Pine Bluff License Co and Arkansas Natural Products I, LLC, an Arkansas limited liability company (collectively the "**Licenses**") to transfer and assign all of License Holders interests in all entities and affiliated entities to Seller. If Buyer exercises its option in Section 1.05 above, Seller or its designee shall receive only the interest associated with Pine Bluff License Co. The Parties acknowledge this provision is intended to be security for the payment of the Future Payment and Buyer agrees to cooperate and use all good faith efforts to facilitate the transfer of all of Buyer's and License Holders'

economic interest and control in the Licenses to Seller. Buyer appoints Seller at its proxy for the purposes of effectuating the transaction contemplated in this Section 1.05.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that the statements contained in this **Article II** are true and correct as of the Closing Date. For purposes of this **Article II**, "**knowledge**" shall mean the actual knowledge of Seller's officers, managers and members.

Section 2.01 Organization and Authority. Seller are each a limited liability company duly organized, validly existing and in good standing under the laws of the state of Delaware. Seller has the requisite power and authority to: (i) conduct their respective business as presently conducted; (ii) carry out their obligations hereunder; and (iii) consummate the transactions contemplated hereby.

Section 2.02 Authority and Enforceability. This Agreement has been duly executed and delivered by Seller and (assuming due authorization, execution, and delivery by Buyer) constitutes Seller's legal, valid, and binding obligation, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 2.03 No Conflicts; Consents. The execution, delivery, and performance by Seller of this Agreement and the other Transaction Documents (as defined below), and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) violate or conflict with the certificate of formation, operating agreement and/or other organizational documents of Seller; or (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Seller.

Section 2.04 Legal Proceedings. There are no actions, suits, claims, investigations or other legal proceedings pending against Seller, or to the best of Seller's knowledge, threatened against Seller, that challenges or seeks to prevent, enjoin, or otherwise delay the transactions contemplated by this Agreement or any of the other Transaction Documents.

Section 2.05 Ownership of Collective Interest. To Seller's knowledge, the Collective Interest was issued in compliance with applicable laws and not in violation of the organizational documents.

Section 2.06 Brokers. No broker, finder, or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf Seller.

Section 2.07 Right of First Refusal. According to Section 11.4 of the Arkansas Natural Products I Management, LLC Operating Agreement, certain members of Arkansas Natural Products I Management, LLC are entitled to advance notice and the right to purchase the ANP Interest, if they choose, before Buyer has the right to purchase the ANP Interest. Seller has not provided notice of this Right of First Refusal to any member of Arkansas Natural Products I

Management, LLC. Seller acknowledges that if any member of Arkansas Natural Products I Management, LLC exercises this Right of First Refusal, that any proceeds therefrom shall be remitted to Buyer.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to the Seller that the statements contained in this **Article III** are true and correct as of the Closing Date. For purposes of this **Article III**, "Buyer's knowledge," "knowledge of Buyer," and any similar phrases shall mean the actual knowledge of any manager or officer of Buyer, as applicable.

Section 3.01 Organization and Authority; Enforceability. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the state of Arkansas. Buyer has the power and authority to enter into this Agreement and each agreement, instrument or other document to be executed and delivered by it in connection with the transactions contemplated by this Agreement (collectively, the "**Transaction Documents**"), to carry out its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution, delivery, and performance by Buyer of the Transaction Documents and the consummation of the transactions contemplated thereby have been duly authorized by all requisite member action on the part of Buyer. This Agreement and each of the other Transaction Documents has been duly executed and delivered by Buyer and (assuming due execution and delivery by Seller) constitutes its legal, valid, and binding obligation, enforceable against it, in accordance with their terms.

Section 3.02 No Conflicts; Consents. The execution, delivery, and performance by Buyer of this Agreement and the other Transaction Documents, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) violate or conflict with Buyer's operating agreement or other organizational documents; or (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule, or regulation applicable to Buyer. No consent, approval, waiver, or authorization is required to be obtained by or from any person or entity in connection with the execution, delivery, and performance by Buyer of this Agreement and the other Transaction Documents, and the consummation of the transactions contemplated hereby and thereby.

Section 3.03 Legal Proceedings. To Buyer's knowledge, there are no actions, suits, claims, investigations or other legal proceedings pending or threatened against or by Buyer that challenge or seek to prevent, enjoin, or otherwise delay the transactions contemplated by this Agreement or any of the other Transaction Documents.

Section 3.04 Regulatory Acknowledgement. Buyer acknowledges that its obligations to the Seller under this Agreement are not contingent on, or subject to, any other governmental or other regulatory approval.

Section 3.05 Brokers. No broker, finder, or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer.

Section 3.06 Right of First Refusal. Buyer acknowledges that according to Section 11.4 of the Arkansas Natural Products I Management, LLC Operating Agreement, certain members of Arkansas Natural Products I Management, LLC are entitled to advance notice and the right to purchase the ANP Interest, if they choose, before Buyer has the right to purchase the ANP Interest. Buyer has had the opportunity to review the Arkansas Natural Products I Management, LLC Operating Agreement. Buyer further acknowledges that Seller has not provided notice of this Right of First Refusal to any member of Arkansas Natural Products I Management, LLC. Notwithstanding anything else in this Agreement to the contrary, Buyer is willing to consummate this transaction with Seller and waive any claim it may have against Seller as a result of the Right of First Refusal. Buyer acknowledges that if this Right of First Refusal is exercised, that it will receive any proceeds as a result of the Right of First Refusal, and that Buyer shall use all good faith efforts to transfer the ANP Interest to that person or entity exercising its Right of First Refusal. Further, Buyer acknowledges that an exercise of the Right of First Refusal shall have no other force and effect and all obligations of Buyer herein shall remain in full force and effect, including its purchase of the PBM Interest and its obligations under Sections 1.02 and 1.03, above.

ARTICLE IV
CLOSING DELIVERIES AND POST-CLOSING MATTERS

Section 4.01 Seller's Deliveries. At the Closing, the Seller shall deliver (or cause to be delivered) to Buyer, the following:

(a) a duly executed counterpart signature page to this Agreement;

(b) a duly executed Assignment of Interests from the Seller, transferring ownership of the Collective Interest to Buyer; and

(c) such other documents or deliverables as may be reasonably requested by 4Front to give full effect to the transactions contemplated by this Agreement.

Section 4.02 Buyer's Deliveries. At the Closing, Buyer shall deliver to the Seller the following:

(a) the Initial Payment;

(b) a duly executed counterpart signature page to this Agreement; and

(c) such other documents or deliverables as may be reasonably requested by the Seller to give full effect to the transactions contemplated by this Agreement.

ARTICLE V

INDEMNIFICATION

Section 5.01 Survival. The representations and warranties contained in this Agreement shall survive the Closing for a period of one (1) year after the Closing Date. For the avoidance of doubt, the parties hereby agree and acknowledge that the survival periods in this **Section 5.01**

are contractual statutes of limitations and any claim brought by any party pursuant to this **Article V** must be brought or filed prior to expiration of the applicable survival period. All covenants and agreements of the parties contained in this Agreement and related rights to indemnification shall survive the Closing and remain in full force and effect until fully performed in accordance with their terms.

Section 5.02 Indemnification by Seller. Subject to the other terms and conditions of this **Article V**, Seller shall defend, indemnify and hold harmless Buyer, and its Affiliates, representatives, stockholders, members, directors, managers, officers, and employees (collectively, the "**Buyer Indemnified Parties**"), for, from and against any and all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "**Losses**") incurred or sustained by, or imposed upon, any Buyer Indemnified Party based upon, arising out of or relating to:

(a) any material breach of any of the representations or warranties of Seller contained in **Article II** of this Agreement or any of the other Transaction Documents; or

(b) any material breach or non-fulfillment of any covenant, agreement or obligation to be performed by Seller contained in this Agreement and/or any other of the Transaction Documents.

Section 5.03 Indemnification by Buyer. Subject to the other terms and conditions of this **Article V**, Buyer shall defend, indemnify and hold harmless, the Seller and its Affiliates and representatives (collectively, the "**Seller Indemnified Parties**"), for, from and against any and all Losses incurred or sustained by, or imposed upon, any Seller Indemnified Party based upon, arising out of or relating to:

(a) any material breach of any of the representations or warranties of Buyer contained in **Article III** of this Agreement or any of the other Transaction Documents; or

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Buyer contained in this Agreement, and/or any other of the Transaction Documents.

Section 5.04 Indemnification Procedures. Whenever any claim shall arise for indemnification hereunder, the party entitled to indemnification (the "**Indemnified Party**") shall promptly provide written notice of such claim to the other party (the "**Indemnifying Party**"). In connection with any claim giving rise to indemnity hereunder resulting from or arising out of any action by a person or entity who is not a party to this Agreement, the Indemnifying Party, at its sole cost and expense and upon written notice to the Indemnified Party, may assume the defense of any such action with its counsel and at its own cost and expense. The Indemnified Party shall be entitled to participate in the defense of any such action, with its counsel and at its own cost and expense. If the Indemnifying Party does not assume the defense of any such action, the Indemnified Party may, but shall not be obligated to, defend against such action in such manner as it may deem appropriate, except that the Indemnified Party shall not have the right to settle

such action without the prior written consent of the Indemnifying Party, which shall not be unreasonably withheld, and no action taken by the Indemnified Party in accordance with such defense and settlement shall relieve the Indemnifying Party of its indemnification obligations herein provided with respect to any damages resulting therefrom. The Indemnifying Party shall not settle any action without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld or delayed).

Section 5.05 Payments. Once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this **Article V**, the Indemnifying Party shall satisfy its obligations within 15 business days of such agreement or final, non-appealable adjudication by wire transfer of immediately available funds. The parties hereto agree that should an Indemnifying Party not make full payment of any such obligations within such 15 business day period, any amount payable shall accrue interest from and including the date of agreement of Indemnifying Party or a final, non-appealable adjudication to and including the date such payment has been made at a rate per annum equal to 7%. Such interest shall be calculated daily on the basis of a 365/360 day year and the actual number of days elapsed, without compounding. If a Loss is agreed to by a Seller or adjudicated to be payable by Seller, and the Note has not been yet been paid in full, Buyer Indemnified Parties may set off the amount of the Loss against any outstanding amount due under the Note.

Section 5.06 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for tax purposes, unless otherwise required by applicable law.

ARTICLE VI
MISCELLANEOUS

Section 6.01 Confidentiality. Each receiving party (a "**Receiving Party**") shall hold in strict confidence, any information of a confidential or proprietary nature, whether or not in writing, disclosed by the other party (a "**Disclosing Party**"), relating to the Disclosing Party, the Collective Interest, this Agreement and/or any of the Transaction Documents (collectively, "**Confidential Information**"). Except as expressly contemplated by this Agreement, the Receiving Party shall not, directly or indirectly, disclose, publish, use, or permit others to use such Confidential Information without such Disclosing Party's prior written consent, and shall deliver to the Disclosing Party all copies of such Confidential Information and destroy all of their electronic records of such information; provided, however, that the foregoing restriction shall not apply to any portion of the foregoing that: (i) becomes generally available to the public in any manner or form through no fault of the Receiving Party; (ii) when such disclosure is required by a governmental entity or is otherwise required by any applicable law or is necessary in order to establish rights under this Agreement or any other rights or agreements referred to herein; (iii) is necessary for disclosing the transactions contemplated herein for legal or tax purposes; or (iv) is disclosed in connection with the audit of any Receiving Party's tax returns.

Section 6.02 Further Assurances. Following the Closing, each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances, and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

Section 6.03 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 7.04**):

If to Seller, to:	4Front Holdings LLC or 4Front Arkansas, LLC 5060 N. 40th Street, Suite 120 Phoenix, Arizona 85018 Attention: Josh Rosen, Member Email: josh.rosen@4frontventures.com
with a copy (which shall not constitute notice to Seller) to:	Saul Ewing Arnstein & Lehr LLP 161 N. Clark St., Suite 4200 Chicago, Illinois 60601 Attention: Adam S. Fayne Facsimile: (312) 876-7883 Email: adam.fayne@saul.com
If to Buyer, to:	Denham Holdings, LLC 6 Smith Springs Rd Morrilton, AR 72110
with a copy (which shall not constitute notice to Buyer) to:	

Section 6.04 Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

Section 6.05 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 6.06 Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon a determination that any term or other provision is invalid, illegal, or unenforceable, the parties hereto shall negotiate in good faith to modify the Agreement so as to give effect to the original intent of the parties as closely as

possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 6.07 Entire Agreement. This Agreement, together with the Assignment of Interests, the Note, and the other Transaction Documents, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

Section 6.08 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement and the rights herein are freely assignable by Buyer. This Agreement and any rights contained herein are not assignable by Seller without the prior written consent of Buyer.

Section 6.09 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity (including any governmental authority) any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

Section 6.10 Amendment and Modification. This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto.

Section 6.11 Waiver. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach, or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

Section 6.12 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Arkansas without giving effect to any choice or conflict of law provision or rule (whether of the State of Arkansas or any other jurisdiction).

(b) Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the State of Arkansas, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

(c) Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in

respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby.

Section 6.13 Independent Counsel. The parties hereto acknowledge and agree that he or it has had an opportunity to consult with his or its own legal counsel, tax advisors and other professional advisors regarding this Agreement and the transactions contemplated hereby, including the tax treatment and implications of such transactions.

Section 6.14 Certain Defined Terms. For purposes of this Agreement, the term "**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "**control**" (including the terms "**controlled by**" and "**under common control with**") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. The term "**Person**" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

Section 6.15 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed, effective as of the Effective Date first written above.

SELLER:

4Front Holdings, LLC, a Delaware limited liability company

By: Name: Josh Rosen
Title: Manager

4Front Arkansas, LLC, a Delaware limited liability company

By: Name: Josh Rosen
Title: Manager

BUYER:

Denham Investments, LLC, an Arkansas limited liability company

By: /s/John Paul Denham
Name: John Paul Denham
Title: Manager

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed, effective as of the Effective Date first written above.

SELLER:

4Front Holdings, LLC, a Delaware limited liability company

By: **/s/** Josh Rosen
Name: Josh Rosen
Title: Manager

4Front Arkansas, LLC, a Delaware limited liability company

By: **/s/** Josh Rosen
Name: Josh Rosen
Title: Manager

BUYER:

Denham Investments, LLC, an Arkansas limited liability company

By: _____
Name: John Paul Denham
Title: Manager

EXHIBIT A
ASSIGNMENT OF COLLECTIVE INTERESTS

ASSIGNMENT OF COLLECTIVE INTERESTS

This Assignment of Interests (this "**Assignment**") is entered into and made effective on January 22, 2020 by and between 4Front Holdings LLC, a Delaware limited liability company (**"4F Holdings"**), 4Front Arkansas, LLC, a Delaware limited liability company (**"4F Arkansas**", and collectively with 4F Holdings the "**Seller**"), and Denham Investments, LLC, an Arkansas limited liability company ("**Buyer**"), pursuant to that certain Membership Interest Purchase Agreement of even date herewith (the **"Purchase Agreement"**). Seller and Buyer may be referred to herein collectively as the "**Parties**", and each individually as a **"Party**." Capitalized words or terms used in this Assignment and not defined herein shall have the meanings set forth in the Purchase Agreement.

RECITALS:

A. 4F Holdings is the legal and beneficial owner and holder of all of the membership interest (the "**Interests**") in Pine Bluff Agriceuticals I Management, LLC, a Delaware limited liability company ("**PBM Interest**");

B. 4Front Arkansas is the legal and beneficial owner of Seventy-Nine and Five/Tenth Percent (79.5%) of Arkansas Natural Products I Management, LLC, a Delaware limited liability company ("**ANP Interest**", and collectively with the PBM Interest the "**Collective Interest**"); and

C. Seller desires, pursuant to the Purchase Agreement, to sell, assign, transfer and convey to Buyer, and Buyer desires to accept from Seller, all of Seller's right, title and interest in, of and to the Collective Interest.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing recitals, the accuracy of which is hereby acknowledged by the Parties, and the mutual covenants, conditions, representations and warranties hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. **Recitals**. The foregoing recitals are incorporated herein and made a part of this Assignment.

2. **Assignment of Interest**. Effective as of the Closing, Seller hereby sells, assigns, transfers and conveys to Buyer all of Seller's right, title and interest in and to the Collective Interest. All allocations and distributions of profits, losses, income, cash flow, capital and other items on account of the Interests hereby transferred shall be made or allocated to the Buyer hereof effective as of the Closing.

3. **Acceptance of Interest**. Effective as of the Closing, Buyer hereby affirmatively and unconditionally accepts from Seller all rights, title and interests of Seller in, of and to the Collective Interest.

4. **Representations and Warranties**. Buyer and Seller hereby represent and warrant to each other that, unless disclosed otherwise in the Purchase Agreement, each has the requisite power and authority to enter into and consummate the transactions contemplated by this Assignment and otherwise carry out their respective obligations hereunder. This Assignment has been duly executed by each Party and constitutes a legal, valid and binding obligation of both Parties, enforceable against each in accordance with its terms.

5. **Further Acts**. The Parties hereto shall use their good faith efforts to take or direct any and all actions, and to execute and deliver any and all documents, necessary or appropriate to carry out the purposes and intent of the provisions of this Assignment.

6. **Counterparts**. This Assignment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Assignment delivered by email or other means of electronic transmission shall be deemed to have the same legal effect as deliver y of an original signed copy of this Assignment.

[*Remainder of Page Intentionally Left Blank; Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed, effective as of the date first written above.

SELLER:

4FRONT Holdings, LLC, a Delaware limited liability company

By:_____
Name: Josh Rosen
Title: Manager

4FRONT Arkansas, LLC, a Delaware limited liability company

By: _____
Name: Josh Rosen
Title: Manager

BUYER:

Denham Investments, LLC, an Arkansas limited liability company

By: /s/ John Paul Denham
Name: John Paul Denham
Title: Manager

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed, effective as of the date first written above.

SELLER:

4FRONT Holdings, LLC, a Delaware limited liability company

By:/s/ Josh Rosen
Name: Josh Rosen
Title: Manager

4FRONT Arkansas, LLC, a Delaware limited liability company

By: /s/ Josh Rosen
Name: Josh Rosen
Title: Manager

BUYER:

Denham Investments, LLC, an Arkansas limited liability company

By: _____
Name: John Paul Denham
Title: Manager

Exhibit 10.19

FIRST ADDENDUM TO MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS FIRST ADDENDUM (the "**Addendum**") entered into on March 31, 2020, amends, modifies, supplements and clarifies the terms and conditions of that certain Membership Interest Purchase Agreement (the "**Agreement**"), dated as of January 22, 2020, by and among 4Front Holdings, LLC, a Delaware limited liability company ("**4F Holdings**"), 4Front Arkansas, LLC, a Delaware limited liability company ("**4F Arkansas**", and together with 4F Holdings, collectively, the "**Seller**"), and Denham Investments, LLC, an Arkansas limited liability company ("**Buyer**"). Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

RECITALS:

WHEREAS, Seller and Buyer entered into the Agreement with the intent to close the sale, transfer, and assignment of Seller's Collective Interest on January 22, 2020; and

WHEREAS, Seller and Buyer now desire to amend the Agreement in certain respects as more particularly set forth below. In that regard, the Addendum shall merge with the Agreement to become a part thereof and be fully binding upon the parties, and their respective affiliates and assigns.

NOW, THEREFORE, in consideration of the execution and delivery of this Addendum and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

A. Any and all provisions and/or references in connection with the sale, transfer, and assignment of the ANP Interest from Seller to Buyer (the "**ANP Sale**") is hereby modified to amend the Closing Date specifically related to the ANP Sale and extend the Closing Date with regard to the ANP Sale to the first business day following the expiration of any and all notice periods provided under Section 11.4 of the LLC Agreement, as defined below, assuming that ANP or its members have not exercised it or their rights under this Section 11.4 of the LLC Agreement. For avoidance of doubt, the Closing and the Closing Date related to the ANP Sale shall be deemed as unconsummated as of January 22, 2020.

B. Section 1.03 Payment of Purchase Price is hereby modified to amend as follow:

> "**Section 1.03 Payment of Purchase Price**. The Purchase Price shall be paid to the Seller as follows:
>
> (i). cash payment of One Million Five Hundred Thousand Dollars and 00/100 USD ($1,500,000.00) (the "**Payment**") allocated to the ANP Interest. This Payment was paid by Buyer to Seller on the First Closing Date. The Payment is currently being held by Seller for the

purpose of affording Seller an opportunity to provide ANP and its members with advance notice regarding their respective right of first refusal to purchase the ANP Interest under Section 11.04 of that certain Limited Liability Company Agreement of ANP, dated as of September 16, 2017 (the "**LLC Agreement**");

a. Subject and pursuant to the parties' understanding set forth in Sections 2.07 and 3.06 hereof, if ANP and its members elect to waive their respective right of first refusal with regard to the ANP Interest, the Payment shall be applied to the Purchase Price on the Second Closing Date, and

b. A cash payment of Two Million Five Hundred Ninety One Thousand Five Hundred Twenty-Two Dollars and 00/100 USD ($2,591,522.00) shall be paid in immediately available funds within thirty (30) calendar days after Pine Bluff Agriceuticals I, LLC, an Arkansas limited liability company (**"Pine Bluff LicenseCo"**), or any assignee, transferee, or other economic or controlling beneficiary of the Arkansas Medical Marijuana Dispensary License No. 222 or that marijuana dispensary license held by Pine Bluff LicenseCo as of the date hereof, makes its first retail marijuana sale to any medical patient or other customer (the **"Future Payment**").

(ii). Subject and pursuant to the parties' understanding set forth in Sections 2.07 and 3.06 hereof, if ANP and/or its members elect to exercise their right of first refusal with regard to the ANP Interest, the Payment shall be applied to the Purchase Price allocated to the PBM Interest pursuant to Section 1.02 hereof (i.e., $2,479,737.00) (the "**PBM Purchase Price**"), and

a. A cash payment of Nine Hundred Seventy Nine Thousand Seven Hundred Thirty-Seven Dollars and 00/100 USD ($979,737.00) shall be paid in immediately available funds within thirty (30) calendar days after Pine Bluff LicenseCo, or any assignee, transferee, or other economic or controlling beneficiary of the Arkansas Medical Marijuana Dispensary License No. 222 or that marijuana dispensary license held by Pine Bluff LicenseCo as of the date hereof, makes its first retail marijuana sale to any medical patient or other customer (the **"Final Payment**")."

C. Section 1.04 Closing is hereby amended as follow:

"**Section 1.04 Closing**. The closing of the sale, transfer and assignment of the PBM Interest from Seller to Buyer (the "**First Closing**") shall take

place on January 22, 2020 (the "**First Closing Date**"). The closing of the sale, transfer and assignment of the ANP Interest from Seller to Buyer (the "**Second Closing**," and together with the First Closing, collectively, the "**Closing**") shall take place on the first business day following the expiration of any and all notice periods provided under Section 11.4 of the LLC Agreement, as defined below, assuming that ANP or its members have not exercised it or their rights under this Section 11.4 of the LLC Agreement (the "**Second Closing Date**," and together with the First Closing Date, collectively, the "**Closing Date**"), remotely via the parties' exchange of counterpart signature pages and other deliverables as set forth in this Agreement."

D. Section 1.06 Future Payment Security is hereby amended as follow:

"**Section 1.06 Future Payment or Final Payment Security.** If Buyer fails to timely pay any or all of the Future Payment or Final Payment, as applicable, when due according to Section 1.03 and Section 1.05 above, then Seller or its designee, in its sole discretion, shall have the right, but not the obligation, to cause Buyer or its designee, assignee, successor, transferee, or the individual or entity having any economic benefit and/or control (collectively the **"License Holders"**) of the Arkansas Medical Marijuana Dispensary Licenses affiliated with, as of the date hereof, Pine Bluff License Co and Arkansas Natural Products I, LLC, an Arkansas limited liability company (collectively the "**Licenses**") to transfer and assign all of License Holders interests in all entities and affiliated entities to Seller. If Buyer exercises its option in Section 1.05 above, Seller or its designee shall receive only the interest associated with Pine Bluff License Co. The Parties acknowledge this provision is intended to be security for the payment of the Future Payment or Final Payment, as applicable, and Buyer agrees to cooperate and use all good faith efforts to facilitate the transfer of all of Buyer's and License Holders' economic interest and control in the Licenses to Seller. Buyer appoints Seller at its proxy for the purposes of effectuating the transaction contemplated in this Section 1.05."

E. Section 5.06 Tax Treatment of Indemnification Payments is hereby amended as follow:

"**Section 5.06 Tax Treatment of Indemnification Payments**. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price or PBM Purchase Price for tax purposes, unless otherwise required by applicable law."

F. In the event of any inconsistencies between this Addendum and the Agreement, the provisions of this Addendum shall prevail.

G. This Addendum shall be binding upon the parties and their respective affiliates and assigns.

H. The parties' obligations under this Addendum, which by their nature would continue beyond termination, cancellation or expiration of the Agreement, shall survive termination, cancellation, or expiration of this Agreement.

I. This Addendum constitutes the full and entire agreement and understanding between the parties with respect to the subject matter hereof, and there are no agreements, representations, or warranties except as specifically set forth herein. This Addendum may not be amended or modified except by an instrument in writing signed by the party against whom enforcement of such amendment or modification is sought.

J. This Addendum may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any signatures delivered by a party by facsimile transmission or by e-mail transmission shall be deemed an original signature hereto.

[*Signature Page(s) to follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed, effective as of the date first written above.

SELLER:

4Front Holdings, LLC, a Delaware limited liability company

By: /s/ Josh Rosen
Josh Rosen, Manager

4Front Arkansas, LLC, a Delaware limited liability company

By: /s/ Josh Rosen
Josh Rosen, Manager

BUYER:

Denham Investments, LLC, an Arkansas limited liability company

By: /s/ John P. Denham
John P. Denham, Manager

Exhibit 10.20

SECOND ADDENDUM TO MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS SECOND ADDENDUM (the "**Second Addendum**") entered into on August 12, 2020, amends, modifies, supplements and clarifies the terms and conditions of that certain Membership Interest Purchase Agreement (the "**Original Agreement**"), dated as of January 22, 2020, by and among 4Front Holdings LLC, a Delaware limited liability company ("**4F Holdings**"), 4Front Arkansas, LLC, a Delaware limited liability company ("**4F Arkansas**", and together with 4F Holdings, collectively, the "**Seller**"), and Denham Investments, LLC, an Arkansas limited liability company ("**Buyer**").

RECITALS:

WHEREAS, Seller and Buyer entered into the Original Agreement with the intent to close the sale, transfer, and assignment of Seller's Collective Interest on January 22, 2020;

WHEREAS, Seller and Buyer amended, modified and supplemented the Original Agreement pursuant to that certain First Addendum to Membership Interest Purchase Agreement, dated as of March 31, 2020 (the "**First Addendum**," and the Original Agreement, as amended, modified, supplemented and clarified by the First Addendum, the "**Agreement**");

WHEREAS, Seller and Buyer acknowledge that the right of first refusal notice, pursuant to Section 11.04 of the LLC Agreement, has been provided and that the applicable right of first refusal has expired or been waived by ANP and its members, and as a result, pursuant to Section B(i)(a) of the First Addendum, the Payment was applied to the Purchase Price on the Second Closing Date; and

WHEREAS, the Seller and Buyer now desire to further amend the Agreement in certain respects as more particularly set forth below. In that regard, the Second Addendum shall merge with the Agreement to become a part thereof and be fully binding upon the parties, and their respective affiliates and assigns.

NOW, THEREFORE, in consideration of the execution and delivery of this Second Addendum and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

1. **Definitions**. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Agreement. For purposes of clarification, the terms Closing and Closing Date have the meanings given to them in the Original Agreement.

2. **Amendment to Section 1.02**. Section 1.02 of the Agreement is hereby amended by adding the following sentence to the end of the current paragraph: "Notwithstanding the foregoing, the Purchase Price will be reduced to Four Million Forty Nine Thousand Twenty Two Dollars and 00/100 USD ($4,049,022.00) if the Buyer makes the Second Payment described in Section 1.03(ii) of the Agreement."

3. **Amendment to Section 1.03**. Section 1.03 of the Agreement is hereby amended and restated in its entirety as follows:

Section 1.03 Payment of Purchase Price. The Purchase Price shall be paid to the Seller as follows:

(i) Cash payment of One Million Five Hundred Thousand Dollars and 00/100 USD ($1,500,000.00) (the "**Initial Payment**"), to be paid in immediately available funds on the Closing Date, which has been paid and applied to the ANP Interest.

(ii) If Buyer pays $1,483,915.00 (the "**Second Payment**") of the remaining portion of the Purchase Price on or before September 9, 2020, Seller will assign the ANP Interest to Buyer on the date the Second Payment is made, and the remaining portion of the Purchase Price would be reduced by $42,500.00, such that the remaining balance would be $1,065,107.00 (the "**Reduced Balance**"). With respect to the Second Payment, the Buyer may hold $100,000 in the trust account of Simpson & Simpson at 200 North Spring Street, Searcy, Arkansas, 72143 (the "**Holdback Amount**"), and the Holdback Amount will be released to Seller when Seller reasonably determines the ANP Member's tax obligations for their portion of ANP's business operations during 2020 prior to the sale of the ANP Interests, and if any taxes are owed by the minority owners of ANP, once the Seller has made a distribution to such minority owners for their respective tax obligations, and if the minority owners have no such tax obligations for 2020, when a statement by Seller has been provided to Buyer to that effect.

(iii) An additional payment (the "**Final Payment**") equal to either (A) the Reduced Balance, if the Second Payment is made in accordance with Section 1.03(ii) above, or (B) Two Million Five Hundred Ninety One Thousand Five Hundred Twenty-Two Dollars and 00/100 USD ($2,591,522.00), if the Second Payment is not made. The Final Payment will be due in immediately available funds within thirty (30) calendar days after Pine Bluff Agriceuticals I, LLC, an Arkansas limited liability company ("**Pine Bluff LicenseCo**"), or any assignee, transferee, or other economic or controlling beneficiary of the Arkansas Medical Marijuana Dispensary License No. 222 or that marijuana dispensary license held by Pine Bluff LicenseCo as of the date hereof, makes its first retail marijuana sale to any medical patient or other customer; provided that if the Final Payment is not made on or before March 15, 2021, the Seller will have the right, by delivering written notice to the Buyer effective upon providing such notice, to terminate the sale of the PBM Interest and retain any portion of the Purchase Price that has been paid to the Seller.

4. **Replace Defined Term Future Payment with Final Payment**. All references to the defined term "Future Payment" in the Agreement should be replaced with the term "Final Payment."

5. **Amendment to Section 1.04**. Section 1.04 of the Agreement is hereby amended and restated in its entirety as follows:

Section 1.04 Closing. The closing of the sale, transfer and assignment of the ANP Interest will occur effective when the Second Payment is made (the "**First Closing**"). The closing of the sale, transfer and assignment of the PBM Interest will occur effective when the Final

Payment is made (the "**Second Closing**"). At the First Closing and Second Closing, the Assignment of Collective Interest that the Seller delivered in connection with the Effective Date shall become effective with respect to the ANP Interest (on the First Closing) and the PBM Interest (on the Second Closing).

6. **Amendment to Preface to each of Article II and Article III**. In the preface to Articles II and III, replace the term "Closing Date" with "Effective Date" such that the Seller's and Buyer's respective representations and warranties in Article II and Article III are effective as of the Effective Date (which, for purposes of clarity, is January 22, 2020).

7. **Amendment to Section 5.06**. Section 5.06 of the Agreement is hereby amended and restated in its entirety as follows:

Section 5.06 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for tax purposes, unless otherwise required by applicable law.

8. **Effect of this Second Addendum**. In the event of any inconsistencies between this Second Addendum and the Agreement, the provisions of this Second Addendum shall prevail. The provisions of the Agreement, not otherwise amended, modified or supplemented by this Second Addendum, continue in full force and effect.

9. **Binding**. This Addendum shall be binding upon the parties and their respective affiliates and assigns.

10. **Survival**. The parties' obligations under the Agreement, as amended, modified and supplemented by this Second Addendum, which by their nature would continue beyond termination, cancellation or expiration of the Agreement, as amended, modified and supplemented by this Second Addendum, shall survive termination, cancellation, or expiration of the Agreement, as amended, modified and supplemented by this Second Addendum.

11. **Entire Agreement**. This Second Addendum constitutes the full and entire agreement and understanding between the parties with respect to the subject matter hereof, and there are no agreements, representations, or warranties except as specifically set forth herein. This Second Addendum may not be amended or modified except by an instrument in writing signed by the party against whom enforcement of such amendment or modification is sought.

12. **Counterparts**. This Second Addendum may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any signatures delivered by a party by facsimile transmission or by e-mail transmission shall be deemed an original signature hereto.

[*Signature Page follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed, effective as of the date first written above.

SELLER:

4Front Holdings LLC, a Delaware limited liability company

By: /s/ Josh Rosen
Josh Rosen, Manager

4Front Arkansas, LLC, a Delaware limited liability company

By: /s/ Josh Rosen
Josh Rosen, Manager

BUYER:

Denham Investments, LLC, an Arkansas limited liability company

By: /s/ John P. Denham
John P. Denham, Manager

Exhibit 10.21

MEMBERSHIP INTEREST PURCHASE AGREEMENT

This Membership Interest Purchase Agreement, dated as of April 30, 2020 (this "Agreement"), is entered into by and among (i) MLH NE Pennsylvania, LLC, a Delaware limited liability company ("Buyer"), (ii) Mission Pennsylvania II, LLC, a Pennsylvania limited liability company (the "Company"), (iii) Linchpin Investors, LLC, a Delaware limited liability company (the "RE Seller") and 326 Bear Creek Commons LLC, a Delaware limited liability company (the "RE Company"), and (iv) 4Front Ventures Corp., a corporation amalgamated under the laws of the Province of British Columbia ("Seller Parent"), Mission Mercury, LLC, a Delaware limited liability company ("Mission Mercury") and PL Pennsylvania Dispensary, LLC, a Pennsylvania limited liability company ("PL PA" and together with Mission Mercury and the RE Seller, the "Sellers" and each, a "Seller"). The Seller Parent and the Sellers are sometimes referred to herein as the "Seller Parties." The Buyer, the Company, the RE Company and the Seller Parties are sometimes referred to herein as the "Parties," and each, a "Party."

Recitals

WHEREAS, Mission Mercury and PL PA collectively own 100% of the issued and outstanding membership interests of the Company (the "Company Membership Interests");

WHEREAS, the RE Seller owns 100% of the issued and outstanding membership interests of RE Company (the "RE Membership Interests" and together with the Company Membership Interests, the "Membership Interests");

WHEREAS, on or about the date hereof, certain Affiliates of the Seller Parties are entering into an agreement (the "Maryland Acquisition Agreement") with Affiliates of Buyer pursuant to which such Affiliates of Buyer will acquire certain assets related to licensed cannabis businesses in the State of Maryland (the "Maryland Acquisition"); and

WHEREAS, subject to the terms and conditions set forth in this Agreement, the Sellers have determined to sell, and Buyer desires to purchase from the Sellers, the Membership Interests, all as more specifically provided herein.

NOW, THEREFORE, intending to be legally bound, in consideration of the mutual covenants and agreements contained herein, the Parties hereby agree as follows:

Agreement

1. Definitions. For purposes of this Agreement, the capitalized terms not otherwise defined in the body of this Agreement shall have the meanings ascribed to such terms in Exhibit A attached hereto, which defined terms are incorporated herein by reference.

2. Sale and Purchase of Membership Interests.

2.1. Sale and Purchase. Subject to and upon the terms and conditions contained in this Agreement, the Sellers shall sell, transfer, convey, assign and deliver to Buyer, and Buyer

shall purchase and acquire from the Sellers, good and marketable title to the Membership Interests at the Closing, free and clear of all Encumbrances.

2.2. Purchase Price. The aggregate consideration to be paid by the Buyer to the Sellers for the Membership Interests shall be $10,550,000.00 in cash (the "Purchase Price"), such Purchase Price subject to adjustment as set forth in this Agreement. The Purchase Price, as adjusted pursuant to the terms of this Agreement, shall be allocated to the Sellers in accordance with the allocation schedule attached hereto as Exhibit B (the "Allocation Schedule"). The Purchase Price, as adjusted pursuant to the terms of this Agreement, shall be paid to the Sellers in accordance with the Proportionate Share set forth in the Allocation Schedule. Each of the Sellers irrevocably consents to the allocation of the Purchase Price, as adjusted pursuant to the terms of this Agreement, in accordance with the Proportionate Share for such Seller set forth in the Allocation Schedule, notwithstanding anything to the contrary contained in the Company's and the RE Company's governing documents.

2.3. Escrow. On the date hereof, the Buyer shall cause an amount equal to $10,550,000.00 in cash (the "Escrow Amount") to be delivered to the Escrow Agent pursuant to the terms of the Escrow Agreement. Pursuant to the terms of the Escrow Agreement, the Escrow Amount shall be used to fund the payment of the Purchase Price, as adjusted pursuant to the terms of this Agreement, at the Closing following the satisfaction of each of the closing conditions set forth in Section 6. The Buyer and the Sellers agree to split the fees of the Escrow Agent 50-50.

2.4. Closing Transactions. At the Closing, Buyer and Sellers shall cause the Escrow Agent to: (i) deliver to Sellers the Estimated Closing Date Payment by wire transfer of immediately available funds to the accounts designated in the Closing Report; and (ii) pay, on behalf of the Company or Sellers, the following amounts: (A) Debt of the Company to be paid at Closing, by wire transfer of immediately available funds to the accounts and in the amounts specified in the Closing Report; and (B) any Transaction Costs unpaid at Closing, by wire transfer of immediately available funds to the accounts and in the amounts specified on the Closing Report. At the Closing, each Seller shall deliver to Buyer: (i) an assignment of such Seller's Membership Interests to Buyer in form and substance satisfactory to Buyer (the "Assignment"), duly executed by such Seller; and (ii) the agreements, documents, instruments or certificates required to be delivered by such Seller at or prior to the Closing pursuant to Section 6. At the Closing, Buyer shall deliver to the Sellers: (i) the agreements, documents, instruments or certificates required to be delivered by Buyer at or prior to the Closing pursuant to Section 6 and (ii) to the extent that the Escrow Amount is insufficient to deliver the Estimated Closing Date Payment to Sellers pursuant to the first sentence of this Section 2.4, an amount equal to such shortfall by wire transfer of immediately available funds to the accounts designated in the Closing Report.

2.5. Working Capital Adjustment.

(a) Closing Adjustment. At the Closing, the Purchase Price shall be adjusted in the following manner: (A) either (1) an increase by the amount, if any, by which the Estimated Net Working Capital (as determined in accordance with this Section 2.5) is greater than the Target Net Working Capital, or (2) a decrease by the amount, if any, by which the Estimated Net Working Capital is less than the Target Net Working Capital (in either case, the "Estimated

Adjustment Amount"); (B) a decrease by the outstanding Debt of the Company as of the close of business on the Closing Date; and (C) a decrease by the amount of unpaid Transaction Costs as of the close of business on the Closing Date. The net amount after giving effect to the adjustments listed above shall be the "Closing Date Payment." At least one (1) Business Day prior to the Closing Date, Sellers shall prepare in good faith and deliver to the Buyer a report (the "Closing Report") setting forth (1) an estimated balance sheet of the Company as of the Closing Date (without giving effect to the consummation of the transactions contemplated hereby), including the Sellers' good faith estimate of the Net Working Capital (the "Estimated Net Working Capital"), (2) the Sellers' good faith estimate of the Debt of the Company and Transaction Costs and each of the components thereof, and (3) based upon the foregoing, a calculation of the Closing Date Payment based thereon (the "Estimated Closing Date Payment"), including Sellers' good faith estimate of the portion of the Estimated Closing Date Payment payable to each Seller in accordance with the Allocation Schedule. The preparation of the Closing Report and the calculation of the components thereof shall be prepared in accordance with the policies and procedures used in calculating the sample calculation of Net Working Capital as set forth on Schedule 2.5(a), and shall (i) be signed by the Sellers and shall certify that the components of the Closing Report and the calculations therein were prepared in good faith based on the books and records of the Company, and (ii) include reasonably detailed supporting documents for the calculation of the components of the Closing Report.

(b) Closing Statement. Within thirty (30) days after the Closing Date, the Buyer shall prepare and deliver to the Sellers a statement (the "Closing Statement") including the balance sheet of the Company as of the Closing Date (without giving effect to the consummation of the transactions contemplated hereby) and calculating in reasonable detail each of the Net Working Capital, Debt of the Company, Transaction Costs and each of the components thereof, and its calculation of the Closing Date Payment (the "Final Closing Date Payment"). The Buyer shall promptly provide the Sellers reasonable access, at reasonable times following prior notice, to all relevant documents and information reasonably requested by the Sellers in connection with, and reasonably necessary to conduct, its review of the Closing Statement (including all components thereof); provided, that the Buyer may withhold or redact portions of information that is subject to attorney-client privilege. If the Buyer does not deliver a Closing Statement to the Sellers within such thirty (30) day period, the Closing Report, including the calculations set forth therein, shall be deemed to be the "Final Closing Statement" and the Estimated Closing Date Payment set forth therein, the Final Closing Date Payment.

(c) If the Sellers have any disputes with respect to the amounts shown on the Closing Statement, the Sellers shall deliver to the Buyer within thirty (30) days after receipt of the Closing Statement a notice (the "Dispute Notice") setting forth the Sellers' basis for such dispute(s) in reasonable detail. The Buyer and the Sellers shall use good faith efforts to resolve any dispute involving any matter set forth in the Dispute Notice. If the Sellers do not deliver a Dispute Notice to the Buyer within such thirty (30) day period, the Closing Statement, including the calculations set forth therein, prepared and delivered by the Buyer shall be deemed to be the Final Closing Statement and the Closing Date Payment set forth therein, the Final Closing Date Payment. The Buyer and the Sellers shall use commercially reasonable efforts to resolve such differences within a period of thirty (30) days after the Sellers have given the Dispute Notice. If the Buyer and the Sellers resolve such differences, the Closing Statement agreed to by the Buyer

and the Sellers shall be deemed to be the Final Closing Statement. If the Buyer and the Sellers do not reach a final resolution on the Closing Statement within such thirty (30) day period, then either the Buyer or the Sellers may refer the dispute to the Neutral Accountant to resolve any remaining differences, pursuant to an engagement agreement, containing customary terms consistent with this Section 2.5, among the Buyer and the Sellers and the Neutral Accountant (which the Buyer and the Sellers agree to execute promptly). The Neutral Accountant shall only decide the specific items with respect to the amounts shown on the Closing Statement under dispute by the Parties (the "Disputed Items"), solely in accordance with the terms of this Agreement, and the recalculation, if any, of the amounts therein in light of such resolution, and shall not award an amount more favorable to the Buyer than the corresponding amounts claimed by the Buyer in the Closing Statement, or more favorable to the Sellers than the corresponding amounts claimed by the Sellers in the Dispute Notice. The Buyer and the Sellers shall use commercially reasonable efforts to cause the Neutral Accountant to provide a written determination of its resolution of the Disputed Items within twenty (20) days after the engagement of the Neutral Accountant. The Buyer and the Sellers shall reasonably cooperate with the Neutral Accountant in its efforts to resolve the Disputed Items described in the Dispute Notice and the recalculation, if any, of the amounts therein in light of such resolution. The Neutral Accountant's determination shall be based solely on written submissions of the Buyer and the Sellers (i.e., not on independent review) and on the definitions and other terms included herein. The Closing Statement and the Closing Date Payment determined by the Neutral Accountant shall be deemed to be the Final Closing Statement and Final Closing Date Payment, respectively. Such determination by the Neutral Accountant shall be conclusive and binding upon the Parties, absent fraud or manifest error. The fees and expenses of the Neutral Accountant for services rendered pursuant to this Section 2.5 shall be borne by the Buyer and the Sellers in inverse proportion as they may prevail on the matters resolved by the Neutral Accountant, which proportional allocations shall also be determined by the Neutral Accountant at the time the determination of the Neutral Accountant is rendered on the matters submitted. Nothing in this Section 2.5 shall be construed to authorize or permit the Neutral Accountant to determine any questions or matters whatsoever under or in connection with this Agreement except for the resolution of differences between the Buyer and the Sellers regarding the determination of the Final Closing Statement.

(d) The "Final Adjustment Amount" (which, for the avoidance of doubt, may be a positive or negative number) shall be equal to (i) the Final Closing Date Payment (as set forth on the Final Closing Statement) minus (ii) the Estimated Closing Date Payment (as set forth on the Closing Report). No later than five (5) Business Days after the Final Closing Date Payment is determined:

(i) if the Final Closing Date Payment is greater than the Estimated Closing Date Payment, the Buyer shall pay, in cash by wire transfer of immediately available funds, such Final Adjustment Amount to the Sellers in accordance with their Proportionate Share as set forth on the Allocation Schedule; or

(ii) if the Estimated Closing Date Payment is greater than the Final Closing Date Payment, each of the Seller Parties, jointly and severally, shall pay, in cash by wire transfer of immediately available funds, such Final Adjustment Amount to the Buyer.

All payments made pursuant to this Section 2.5 shall be treated by the Parties as a post-Closing adjustment to the Purchase Price.

2.6. Closing. The closing of the sale and purchase of the Membership Interests (the "Closing") shall take place via electronic exchange of signature pages, as promptly as practicable, but in no event later than the second (2^{nd}) business day following the satisfaction or waiver of each of the conditions set forth in Section 6 (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at Closing), or at such other time and place as the Buyer and the Sellers may agree in writing. The date on which the Closing occurs is the "Closing Date." Immediately following the Closing, the Buyer shall amend and restate the operating agreements of the Company and RE Company in form and substance reasonably acceptable to the Buyer.

2.7. Withholding. Buyer shall be entitled to deduct and withhold (or cause to be deducted and withheld) from any amounts payable in respect of the Membership Interests or any other payments contemplated by this Agreement such amount, if any, as set forth on a schedule provided by Buyer to the Sellers not later than two days prior to Closing and reasonably agreed to by the Sellers, and to collect any necessary Tax forms for avoiding such withholding, including IRS Form W-9, or any similar information, from the Sellers and any other recipient of any payment hereunder. To the extent that amounts are so withheld (or caused to be withheld), such withheld amounts shall be treated for all purposes as having been paid to Sellers or such other recipient, as applicable, in respect of which such deduction and withholding was made.

3. Representations and Warranties of the Seller Parties. Except as set forth in the Schedules to this Agreement delivered by the Seller Parties on the date of this Agreement and attached hereto, the Seller Parties, jointly and severally, hereby represent and warrant to the Buyer as of the date hereof, and at and as of the Closing Date, as follows:

3.1. Organization. Each of the Company and PL PA is a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and each of Mission Mercury and the RE Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Each of the Company, the RE Company and the Sellers has the requisite power and authority to own, lease and operate the properties now owned, leased and operated by it and to carry on its business as currently conducted. Each of the Company, the RE Company and the Sellers is duly qualified to do business as a foreign entity in each jurisdiction in which the nature of its business or the character of its properties makes such qualification necessary, except where the failure to do so would not have a Material Adverse Effect on the Company or the RE Company, as applicable. Neither the Company nor the RE Company has any subsidiaries or holds any equity securities of any other Person.

3.2. Enforceability. This Agreement and each other agreement or instrument executed and delivered by any Seller Party at the Closing (collectively, the "Seller Party Closing Documents") has been duly authorized by all requisite action on the part of such Seller Party. This Agreement constitutes, and the Seller Party Closing Documents will constitute as of the Closing, the legal, valid and binding obligation of the Seller Parties, enforceable against the Seller Parties in accordance with its terms, subject to the effect of any applicable bankruptcy, moratorium,

insolvency, fraudulent conveyance, reorganization, or other similar law affecting the enforceability of creditors' rights generally and to the effect of general principles of equity which may limit the availability of remedies (whether in a proceeding at law or in equity) (collectively, the "Enforceability Exceptions").

3.3. No Violation, Consents. The execution and delivery of this Agreement and each Seller Party Closing Document by the Seller Parties, and the performance of their obligations hereunder and thereunder does not and will not (a) violate or conflict with any provision of the organizational documents of the Company and the RE Company, (b) violate, or conflict with, or result in a material breach of any provision of, or constitute a default or give rise to any right of termination, cancellation or acceleration (with the passage of time, notice or both) under any Contract to which a Seller Party is a party or by which a Seller Party is bound, (c) violate or conflict with any Legal Requirement to which the Company, the RE Company or any of their properties or assets are subject or (d) result in any Encumbrance on any assets of the Company or the RE Company. Without limiting the foregoing, none of the Seller Parties have granted any right to any third party which would conflict with the conveyance of the Membership Interests to Buyer. No Seller Party is required to give any notice to or obtain any Consent from any Person in connection with the Seller Parties' execution and delivery of this Agreement or any of the Seller Party Closing Documents, or the consummation or performance of the transactions contemplated hereby or thereby.

3.4. Capitalization. The Sellers collectively own 100% of the Membership Interests and, except as set forth on Schedule 3.4, no other Person has ever held any equity interest in the Company and the RE Company. The Membership Interests were duly authorized, validly issued, and are fully paid and non-assessable. There are no securities outstanding which are convertible into, exchangeable for, or carrying the right to acquire, equity interests (or securities convertible into or exchangeable for equity interests) of the Company or the RE Company, or subscriptions, warrants, options, calls, convertible securities, registration or other rights or other arrangements or commitments obligating the Company or the RE Company to issue, transfer or dispose of any of its equity interests or any ownership interest therein and there are no pre-emptive rights in respect of any securities of the Company or the RE Company. There are no outstanding obligations of the Company or the RE Company to repurchase, redeem or otherwise acquire any equity interests.

3.5. Title. Each Seller is the lawful owner of, and has good and marketable title to, the Membership Interests set forth opposite such Seller's name in the Allocation Schedule, free and clear of all Encumbrances. None of the Sellers have granted a currently effective power of attorney or proxy to any person with respect to all or any part of the Membership Interests. There are no outstanding options, warrants or other similar rights in respect of the Membership Interests and, except as set forth in this Agreement, none of the Seller Parties is a party to or bound by any agreement, undertaking or commitment to, directly or indirectly, sell, exchange or transfer the Membership Interests. Following the Closing, Buyer will own 100% of the outstanding membership interests of the Company and RE Company, free and clear of all Encumbrances.

3.6. RE Company. The RE Company was formed solely for the purpose of holding the real property (the "Wilkes Barre Property") conveyed to RE Seller by Bear Creek

Commons, L.P. by that certain Special Warranty Deed dated August 21, 2019 and recorded in the Recorder of Deeds Office of Luzerne County, Pennsylvania as Instrument Number 201946741 in Deed Book 3019, Page 153891. Except as set forth on Schedule 3.6, RE Company: (i) holds no cash or assets (and has never held any cash or assets) other than the Wilkes Barre Property, (ii) has no (and has never had any) Liabilities or Debt, (iii) has no (and has never had any) employees, consultants, independent contractors or service providers, (iv) has no (and has never had any) business or operations other than owning the Wilkes Barre Property, (v) is not (and has never been) a party to any Contracts.

3.7. Legal Proceedings. There is no pending or, to the Knowledge of the Seller Parties, threatened Proceeding by or against any Seller Party (i) in which the Company or RE Company is or is threatened to be made a party; (ii) that relates to or may affect the Business or any of the Membership Interests; or (iii) that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, the transactions contemplated hereby. There are no Judgments currently outstanding involving or related to the Company or RE Company (or any of their managers, officers or members in their capacities as such) or affecting the Business or any of the Company's or RE Company's assets. Schedule 3.7 describes any such Proceeding arising, alleged or commenced by or against the Company or RE Company or settled or otherwise finally resolved by the parties thereto since the Company's and RE Company's formation. The Company has not received notice of, nor, to the Knowledge of the Seller Parties, is there, any pending or threatened investigation or regulatory action by any Governmental Body involving any product currently or previously sold by the Company.

3.8. Compliance With Legal Requirements; Governmental Authorizations.

(a) Each of the Company and RE Company is in material compliance with all Legal Requirements applicable to it. Neither the Company nor RE Company has received any written or oral notice from a Governmental Body that alleges that it is not in compliance with any Legal Requirement, and neither the Company nor RE Company has been subject to any adverse inspection, finding, investigation, penalty assessment, suspension, revocation, audit or other compliance or enforcement action. Except as set forth on Schedule 3.8, (A) the Company has not received any written or oral notice from any Governmental Body having jurisdiction over its operations, activities, locations, or facilities, of (I) any deficiencies or violations of, or (II) any remedial or corrective actions required in connection with, any Company Permit or their renewal, and (B) no action is being or, to the Knowledge of the Seller Parties, has been threatened or contemplated which (I) could reasonably be expected to result in the issuance of any notice referenced in the preceding clause (A) or (II) could prevent or impair the operations and activities engaged in pursuant to such Company Permits.

(b) The Company has all Governmental Authorizations and Licenses reasonably necessary for the conduct of the Business (the "Company Permits"), which are listed on Schedule 3.8(b). All conditions of or restrictions on the Company Permits that may materially affect the ability of the Company to conduct its current Business or contemplated business, whether or not embodied in such Company Permit, have been disclosed to the Buyer. All of the Company Permits are valid and in full force and effect, and the Company is not in breach or default in any material respect under any Company Permit or any renewal thereof. Any and all applications for

renewals of the Licenses necessary for the conduct of their business activities involving the Company have been timely made. No notices have been received by and no claims have been pursued and/or filed or threatened to be pursued and/or filed against the Company alleging a material violation of any Company Permit and no event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, termination, lapse or limitation of any Company Permit (including any License). Each Seller Party hereby covenants that it shall promptly notify the Buyer of any such notice hereafter given and/or of any such action hereafter threatened or contemplated. All fees and charges with respect to the Company Permits due through the date hereof have been paid in full and will be paid in full through the Closing. Schedule 3.8(b) includes, where provided by the Governmental Body: (i) the operations, activities, locations and/or facilities authorized, covered by, or subject to such Licenses; (ii) the issuer of such License; and (iii) the expiration or renewal date for such License. Except as set forth on Schedule 3.8(b), all of the Company Permits are in full force and effect, all of the Company Permits are owned solely by the Company, free and clear of all Encumbrances, and the Company is in compliance with the Company Permits and all Legal Requirements in all material respects. All conditions of or restrictions on such Company Permits that may materially affect the ability to perform any cannabis related activity authorized by Pennsylvania law, whether or not embodied in the Company Permits, have been disclosed to representatives of Buyer.

(c) Based on a review of the Pennsylvania Department of Health, Office of Medical Marijuana webpage, and to the best of the Sellers' Knowledge, the Company's Licensed Providers have all Licenses necessary for the conduct of their business activities involving the Company. Schedule 3.8(c) sets forth, with respect to each Licensed Provider, that nature and date of any agreements or arrangements between the Company and Licensed Providers. The Company has not received any written notice from any Governmental Body having jurisdiction over its Licensed Providers' operations, activities, locations, or facilities, of (I) any deficiencies or violations of, or (II) any remedial or corrective actions required in connection with any License held by a Licensed Provider or their renewal, and (B) to the Seller Parties' Knowledge, no event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any License held by a Licensed Provider necessary for its cannabis or cannabis-related activities and operations involving the Company.

(d) None of the Seller Parties has, nor, to the Knowledge of the Seller Parties have any employees, agents or other representatives of the Company on behalf of the Company, directly or indirectly, made or authorized any payment, contribution or gift of money, property or services, in contravention of applicable Legal Requirement, (1) as a kickback or bribe to any Person or (2) to any political organization, regulator or the holder of or any candidate for any elective or appointive public office, except for personal political contributions not involving the direct or indirect use of funds of the Company.

(e) Without limiting the foregoing and with the exception of immaterial deficiencies that have previously been remedied in the ordinary course (none of which resulted in any individual fine or sanctions equal to or greater than $500 or a temporary suspension of the Business for more than 24 hours), the Company and its employees have complied and are in compliance in all material respects with all federal, state and local laws, rules, regulations and

requirements for the operation of the Business to which it is subject, as well as the laws, rules and regulations of any other governmental or quasi-governmental authority, agency, or entity having jurisdiction with respect thereto, except with respect to federal laws regarding the manufacture, possession, sale or distribution of cannabis.

(f) The Company's activities pursuant to or in connection with the Licenses and to the extent required by Applicable Law: (i) are intended to prevent the distribution of marijuana to minors; (ii) are intended to prevent revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels; (iii) are intended to prevent the diversion of marijuana from states where it is legal under state law in some form to other states; (iv) are intended to prevent state-authorized marijuana activity from being used as a cover or pretext for trafficking of other illegal drugs or other illegal activity.

(g) To the Seller Parties' Knowledge (a) each of the Company and RE Company has all necessary permits under any applicable Environmental Law for the operation of its business and is in compliance with such permits and otherwise is and has been in compliance with all Environmental Laws; (b) there has been no release or, to the Seller Parties' Knowledge, threatened release, of any pollutant, contaminant or toxic or hazardous material, substance or waste or petroleum or any fraction thereof (each a "Hazardous Substance"), on, upon, into or from any site currently or heretofore owned, leased or otherwise used by the Company or RE Company; (c) there have been no Hazardous Substances generated by the Company or RE Company that have been disposed of or come to rest at any site that has been included in any published U.S. federal, state or local "superfund" site list or any other similar list of hazardous or toxic waste sites published by any governmental authority in the United States; (d) neither Company nor RE Company has received any written communication alleging that it is in violation of, or may have Liability under, any Environmental Law or written request by any Governmental Authority for information pursuant to any Environmental Law; and (e) there are no underground storage tanks located on, no polychlorinated biphenyls ("PCBs") or PCB-containing equipment used or stored on, and no hazardous waste as defined by the Resource Conservation and Recovery Act, as amended, stored on, any site owned or operated by the Company or RE Company, except for the accumulation of hazardous waste in compliance with Environmental Laws. Each of the Company and RE Company has made available to the Buyer true and complete copies of all material environmental records, reports, notifications, certificates of need, permits, pending permit applications, correspondence, engineering studies and environmental studies or assessments. None of the Seller Parties have received any written notice regarding any actual or alleged violation of or material liability under Environmental Laws.

3.9. Brokers or Finders. Except as set forth on Schedule 3.9, no Seller Party has incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with the sale of the Membership Interests or the transactions contemplated hereby.

3.10. Absence of Certain Changes. Except for transactions specifically contemplated in this Agreement, since the Interim Balance Sheet Date, each of the Company and RE Company has conducted the Business in the ordinary course of business and consistent with

past practice and there has not been, and no event has occurred or circumstances exist that would reasonably be excepted to have, any Material Adverse Effect.

3.11. Books and Records. All the books of account and other Records of the Company and RE Company (including, without limitation, manager and member resolutions, minutes and written consents) have been made available to the Buyer.

3.12. Property.

(a) Owned Property. The RE Company has good, clear, record and marketable title to all Owned Real Property, free and clear of all liens, liabilities, Encumbrances and title exceptions or claims other than (i) liens for taxes not yet due and payable, (ii) zoning laws, and (iii) utility easements and other of-record easements that will not impair or prohibit the use of the Owned Real Property as a retail dispensary for cannabis and cannabis-related products. The RE Company has not granted any lease, license or other agreement granting to any Person any right to use or occupancy of the Owned Real Property or any portion thereof. All Tangible Personal Property used in the Business is in the possession of the Company.

(b) Leased Property. With respect to the property and assets that the Company leases (including, without limitation, real property that the Company leases, subleases, licenses or otherwise uses or occupies (collectively, the "Leased Real Property," and together with the Owned Real Property, the "Company Real Property")), (i) the Company is in material compliance with all agreements related to such property and assets, (ii) the Company holds a valid leasehold interest free of any Encumbrances, other than those of the lessors of such property or assets and (iii) such property and assets are in good operating condition and repair (subject to normal wear and tear). No Person other than the Company has any right to use or occupy the Leased Real Property or any portion thereof. The Company has made available to the Buyer true and correct copies of all leases with respect to the Leased Real Property. The Company has made available to the Buyer or its advisors true, correct and complete copies of all Contracts relating to any rights in the Leased Real Property. To the Seller Parties' Knowledge, no parcel of Leased Real Property is subject to any governmental decree or order to be sold or is being condemned, expropriated or otherwise taken by any public authority with or without payment of compensation therefore, nor has any such condemnation, expropriation or taking been proposed. All leases of Leased Real Property and all amendments and modifications thereto are in full force and effect, and there exists no default under any such lease by the Company or, to the Seller Parties' Knowledge, any other party thereto, nor any event which, with notice or lapse of time or both, would constitute a default thereunder by the Company or, to the Seller Parties' Knowledge, any other party thereto.

(c) The Company Real Property is suitable for the conduct of the Business. The Closing will not affect the continued use and possession of the Company Real Property by the Company. Neither the operation of the Business on the Company Real Property nor such Company Real Property, including the improvements thereon, violate in any material respect any applicable building code, zoning requirement or statute relating to such property or operations thereon, and any such non-violation is not dependent on so-called non-conforming use exceptions. To the Knowledge of the Seller Parties, there is no existing, pending or threatened (i)

condemnation proceedings affecting the Company Real Property, (ii) zoning, building code or other moratorium proceedings, or similar matters which could reasonably be expected to adversely affect the ability to operate the Business on the Company Real Property, or (iii) special assessments or public improvements that may result in special assessments against or otherwise affect the Company Real Property. Neither the whole nor any material portion of the Company Real Property has been damaged or destroyed by fire or other casualty. To the Knowledge of the Seller Parties, there are no structural, latent or hidden, defects in the buildings and other structures that are part of the Company Real Property, and there are no restrictive covenants, easements or other written agreements with respect to the Company Real Property, in either case that would materially affect the ability of the Company to operate the Business on the Company Real Property. There are no contractual or legal restrictions that preclude or restrict the ability to use any Company Real Property for the current use thereof and the Seller Parties have received no notice or communication of any violation of an Applicable Law with respect to the Company Real Property. All parcels of Company Real Property are adequately maintained and are in good operating condition and repair for the requirements of the Business as currently conducted.

(d) All of the improvements upon any of the Owned Real Property (collectively, the "Improvements") have been constructed and installed in accordance with applicable codes, laws, ordinances, rules, regulations, permits and approvals and have been completed in a professional and workmanlike manner and are in good operating condition and repair. All of the heating, ventilation and air conditioning systems, plumbing, fire protection, security and other mechanical and electrical systems of the Improvements have been constructed and installed in accordance with applicable codes, laws, ordinances, rules, regulations, permits and approvals, have been completed in a professional and workmanlike manner and are in good operating condition and repair. There are no latent defects in any of the Improvements, and the structural components, foundations, roofs, walls and fixtures are in good operating condition and repair, and the roofs, foundations and structural components are free from leaks, and the Improvements are free from termite and other infestation. There are no defects or inadequacies in the Owned Real Property that might adversely affect the insurability of the same or that might cause an increase in the insurance premiums.

(e) If the Owned Real Property is part of a condominium association, (i) the master deed, declaration of trust, or any other applicable documents governing the condominium (collectively, the "Condominium Documents"), do not prohibit or otherwise materially interfere with the Business, (ii) there are no present violations of the Condominium Documents by the Company, RE Company or any other party that is a party to the Condominium Documents, (iii) there are no pending or unpaid special assessments, and (iv) the Company and RE Company has provided all Condominium Documents, as amended, for Buyer's review.

3.13. Title To Assets; Sufficiency. The Company owns good and marketable title to, or a valid lease or license, as applicable, to all of its assets free and clear of all Encumbrances. The furniture, machinery, equipment, vehicles, goods and other items of Tangible Personal Property of the Company are structurally sound, are in satisfactory operating condition and repair, and are adequate for the uses to which they are currently being put, and none of such furniture, machinery, equipment, vehicles, goods and other items of Tangible Personal Property of the Company is in need of maintenance or repairs except for ordinary, routine maintenance and repairs

that are not material in nature or cost. The assets of the Company are sufficient for the continued conduct of the Business immediately after the Closing in substantially the same manner as conducted prior to the Closing and constitute all of the rights, property and assets necessary to conduct the Business. The RE Company owns no assets other than the Owned Real Property.

3.14. Inventory. All finished goods inventories, raw material inventories, all work in process, supplies and spare parts inventories owned by the Company, wherever located (the "Inventory"), whether or not reflected in the Interim Financial Statements, consists of a quality and quantity usable and salable in the ordinary course of business and consistent with past practice, except for obsolete, damaged, defective or slow-moving or other items required to be removed from inventory under Applicable Law, each of which have been written off or written down to fair market value or for which adequate reserves have been established. All Inventory is owned by the Company free and clear of all Encumbrances, and no Inventory is held on a consignment basis.

3.15. Financial Statements. Complete copies of the financial statements of the Company consisting of (a) the unaudited monthly balance sheets of the Company for 2019 and the related statements of income, for each month of 2019 and (b) the unaudited balance sheet of the Company (the "Interim Balance Sheet") as of March 31, 2020 ("Interim Balance Sheet Date") and the related monthly statements of income January, February and March, 2020 (collectively, the "Financial Statements") have been made available to the Buyer and are attached hereto as Schedule 3.15. The Financial Statements are based on the books and records of the Company and fairly present in all material respects the financial condition of the Company as of the dates they were prepared and the results of the operations of the Company for the periods indicated.

3.16. Undisclosed Liabilities. The Company does not have any indebtedness or other Liabilities except for (a) Liabilities specifically reflected on, and fully reserved against in, the Interim Balance Sheet and (b) Liabilities which have arisen since the Interim Balance Sheet Date in the ordinary course of business and which are, in nature and amount, consistent with those incurred historically and are not material to the Company, individually or in the aggregate.

3.17. Debt. The Company has disclosed to the Buyer all of the Company's Debt and the RE Company's Debt incurred prior to the Closing, all of which is set forth on Schedule 3.17 and shall be repaid, discharged or otherwise satisfied at or prior to the Closing. Neither the Company nor the RE Company is a guarantor for any Liability of any other Person.

3.18. Taxes.

(a) Each income and other material Tax Return of, or that includes, the Company and/or the RE Company has been timely filed, taking into account any valid extensions of time to file such Tax Returns. All such Tax Returns were true, correct and complete in all material respects and have been prepared in material compliance with all applicable Legal Requirements. All Taxes owed by or with respect to the Company and the RE Company (whether or not shown on any Tax Return) have been timely paid or are being contested in good faith through appropriate proceedings. Since the Interim Balance Sheet Date, no Taxes have been incurred by or with respect to the Company or the RE Company other than Taxes resulting from their respective operations in the ordinary course of business consistent with past practice. No penalty,

interest or other charge is due with respect to the late filing of any such Tax Return or late payment of any such Tax.

(b) Each of the Company and the RE Company (i) has withheld from all payments to employees, customers, independent contractors, creditors, members and any other applicable payees proper and accurate amounts for all taxable periods in material compliance with all Tax withholding provisions of applicable federal, state, local and foreign laws, (ii) has remitted, or will remit on a timely basis, such amounts to the appropriate taxing authority, and (iii) has furnished or been furnished properly completed exemption certificates for all exempt transactions and has maintained records of such exemption certificates in material compliance with all applicable Legal Requirements.

(c) No audit, examination or other proceeding of any nature by a Governmental Body with respect to which the Company, the RE Company or any other Seller Party received notice in writing is presently in progress with respect to any material Tax of (or attributable to), or Tax Return of (or that includes), the Company or the RE Company. Neither the Company, the RE Company, any other Seller Party, nor any member, manager, director or officer of the Company, the RE Company or any other Seller Party has received (i) notice in writing of commencement of an audit, examination or other proceeding of any nature by a Governmental Body with respect to any Tax of (or attributable to), or Tax Return of (or that includes), the Company or the RE Company, as applicable, (ii) a request in writing for information related to any Tax matters of or attributable to the Company or the RE Company, as applicable, or (iii) the written assessment (or written proposed assessment) of any additional Taxes against or with respect to the Company or the RE Company, as applicable, for any period, nor does any Seller Party have any reason to expect any such items to be forthcoming. The Seller Parties have delivered to the Buyer correct and complete copies of all Tax Returns filed by the Company and the RE Company, examination reports and statements of deficiencies assessed against or with respect to, or agreed to, by each of the Company and the RE Company or that relate to any tax year or other Tax period for which the applicable limitations period has not expired.

(d) There are no liens for Taxes upon the assets of the Company or the RE Company, other than liens for Taxes not yet due and payable.

(e) There are no outstanding agreements or waivers (by operation of law or otherwise) extending the statutory period of limitations applicable to any Tax or Tax Return of the Company or RE Company for any period that will not lapse before the Closing Date.

(f) Neither the Company nor the RE Company is a party to any Tax allocation or Tax sharing agreement (including any Tax indemnity arrangement) pursuant to which it would have any obligation to make payments after the Closing. Neither the Company nor the RE Company (i) has made any payments; (ii) is obligated to make any payments; and (iii) is a party to any agreement that could obligate it to make any payments that will not be deductible (in whole or in part) under Sections 162, 280G or 404 of the Code.

(g) Neither the Company nor the RE Company owns an interest in any "controlled foreign corporation" (as defined in Section 957 of the Code), "passive foreign

investment company" (as defined in Section 1297 of the Code) or other entity the income of which is or could be required to be included in the income of the Company or RE Company, as applicable.

(h) From the date of its formation through November 9, 2018, the Company was classified as either a partnership or a disregarded entity for federal income tax purposes and in each state where it does business or is required to file Tax Returns, and was not classified as a publicly traded partnership as that term is defined in Section 7704 of the Code. From November 10, 2018, the Company has been classified as an association taxable as a "C" corporation for federal income tax purposes and in each state where it does business or is required to file Tax Returns. The Company is a member of a consolidated group within the meaning of Treasury Regulation Section 1.1502-1(h) and is not the common parent of such group.

(i) The RE Company is, and from the date of its formation has been, classified as either a partnership or a disregarded entity for federal income tax purposes and in each state where it does business or is required to file Tax Returns. No election has been made (on IRS Form 8832 or any other form, or on any comparable state or local tax form) to classify the RE Company as an association taxable as a corporation or any other form of entity other than a partnership or disregarded entity for federal and state income tax purposes. The RE Company is not, and has never been, a publicly traded partnership as that term is defined in Section 7704 of the Code.

(j) The Company is not, and has never been, a "United States real property holding corporation" within the meaning of Section 897 of the Code during the five-year period (or other applicable period) ending on the Closing Date.

(k) Neither the Company nor the RE Company will be required to include any item of income, or exclude any deduction, in the computation of taxable income (including any Company or RE Company item that may be included in the computation of the taxable income of Buyer or any of its Affiliates) for any Tax period or portion thereof ending after the Closing Date as a result of any installment sale or open transaction disposition made prior to the Closing, any prepaid amount received prior to the Closing, any nonrecognition transaction consummated prior to the Closing, or any other transaction reflecting economic income that arose prior to the Closing.

(l) Neither the Company nor the RE Company has engaged or participated in any "reportable transaction" under Section 6011 of the Code and the Treasury Regulations thereunder (or any comparable state, local or foreign law).

3.19. Employees; Employee Benefit Plans.

(a) The Company is not delinquent in payments to any of its employees, consultants or independent contractors for any wages, salaries, commissions, bonuses, or other direct compensation for any service performed for it to the date hereof or amounts required to be reimbursed to such employees, consultants and independent contractors. The Company has complied in all material respects with all applicable state and federal equal employment opportunity laws and with other laws related to employment, including those related to wages, hours, worker classification and collective bargaining. The Company has withheld and paid to the

appropriate Governmental Body or is holding for payment not yet due to such Governmental Body all amounts required to be withheld from employees of the Company and is not liable for any arrears of wages, taxes, penalties or other sums for failure to comply with any of the foregoing.

(b) The employment of each employee of the Company is terminable at the will of the Company, and upon termination of the employment of any such employees, no severance or other payments or benefits will become due. The Company does not have any policy, practice, plan or program of paying severance pay or benefits or any form of severance compensation in connection with the termination of employment or services.

(c) Schedule 3.19(c) lists each material employment, bonus, profit sharing, or other employee benefit plan, agreement, policy or arrangement maintained or contributed to, or required to be contributed to, by the Company for the benefit of any officer, employee, former employee, consultant, independent contractor or other service provider of the Company (collectively referred to herein as the "Employee Plans"). With respect to each Employee Plan, the Company has made available to the Buyer, as applicable, the plan document and summary plan description, the most recent determination or opinion letter from the Internal Revenue Service, the most recent annual report (Form 5500 with all applicable attachments), and all related trust agreements, insurance contracts and other funding arrangements which implement such plan.

(d) The Company has made all payments and contributions to or with respect to the Employee Plans on a timely basis as required by the terms of each such Employee Plan and any applicable Legal Requirement. The Company has paid and will continue to pay all applicable premiums for any insurance contract which funds an Employee Plan for coverage provided through the Closing. The requirements of COBRA have been met in all material respects with respect to each Employee Plan that is subject to COBRA.

(e) The Company has maintained and administered all of its Employee Plans in compliance with their terms in all material respects and such plans comply in form and operation in all material respects with all applicable provisions of ERISA, the Code and state laws. No action, suit, proceeding, hearing or investigation with respect to any Employee Plan is pending or, to the Knowledge of Sellers, threatened.

(f) None of the Company nor any of its affiliates (hereafter referred to as an "ERISA Affiliate") that together with the Company are deemed a "single employer" within the meaning of Section 4001(a)(14) of ERISA, currently maintains any Employee Plan that is subject to Title IV of ERISA, and has not previously maintained any such Employee Plan that has resulted in any liability or potential liability to the Company or its ERISA Affiliates under said Title IV.

(g) Neither the Company nor an ERISA Affiliate maintains, maintained or contributed to within the past five (5) years, any multiemployer plan, within the meaning of Section 3(37) or 4001(a)(3) of ERISA. Neither the Company nor an ERISA Affiliate currently has any liability to make withdrawal liability payments to any multiemployer plan.

(h) The consummation of the transactions contemplated by this Agreement will not accelerate the time of the payment or vesting of, or increase the amount of, or result in the forfeiture of compensation or benefits under, any Employee Plan.

(i) CIGNA Plan. The existing employee benefit welfare plan pursuant to which Seller Parent or one of its Affiliates provides health insurance coverage to the employees of the Company through CIGNA Health and Life Insurance Company (the "Current Plan") shall, to the extent requested by the Buyer, continue to cover all employees of the Company who remain employed following the Closing pursuant to the terms of the Transition Services Agreement. The Current Plan's terms and conditions permit such continued coverage of all such employees pursuant to the terms of the Transition Services Agreement.

3.20. Labor and Employment Matters.

(a) Schedule 3.20(a) contains a true, complete and correct list of each employee of the Company as of the date hereof, including each such employee's name, hire date and job title, principal work location, current annual salary or hourly rate of pay (whichever is applicable), along with such employee's 2019 bonus and total commissions, accrued but unpaid bonuses or commissions, any amounts of compensation forfeited or cancelled, part-time, full-time or temporary or leased status, exempt/non-exempt status, status as a W-2 employee or as a K-1 partner, accrued unused vacation, sick-time or paid-time off (hours and dollar equivalents), leave of absence status (including FMLA and disability), citizenship status (and visa status for non-United States citizens working for the Company along with dates of issuance and expiration of such visa or other similar permit), and service credited for purposes of vesting and eligibility to participate under the Employee Plans, if applicable. Each employee may be terminated at will by his or her employer without penalty or any continuing obligations, including severance, except for any accrued benefits under the Employee Plans or any statutory obligations to former employees. All of the employees are at least 21 years of age or older none of the employees have committed a felony or other crime of the type that would prohibit the Company from employing such employee under Applicable Law. The Company has on file a valid Form I-9 for each of its employees.

(b) Except as set forth on Schedule 3.20(b), the Company has no independent contractors.

(c) The Company is not, and has never been, a signatory to or otherwise bound by any collective bargaining agreement, union contract, memorandum or letter of understanding, project labor agreement or similar agreement with any trade union, labor organization or group. The Company does not have a duty to bargain with any labor organization, and there is no pending demand for recognition or demand from a labor organization for representative status with respect to any individual employed by the Company. There are no strikes, disputes, controversies, slowdowns, stoppages, boycotts or pickets in progress, pending or, to the Seller Parties' Knowledge, threatened against or affecting the Company.

(d) The Company is not liable for any arrears of wages, compensation, penalties, or other sums for failure to timely pay its employees. There are no Proceedings against the Company pending or, to the Seller Parties' Knowledge, threatened to be brought or filed, by or with any Governmental Body or arbitrator in connection with the employment or termination

of any current or former applicant, employee, consultant or independent contractor of any Company. All persons classified as non-employees, all persons classified as W-2 employees and all individuals classified as exempt from overtime requirements are and, for the past five (5) years, have been at all times properly classified as such.

(e) The Company is in compliance with its obligations pursuant to the Worker Adjustment Retraining and Notification Act, 29 U.S.C. § 2101 et seq. (as amended from time to time, "WARN" and, collectively with any similar state or local law, the "WARN Acts") and all other notification obligations arising under any statute or otherwise, in each case to the extent affecting, in whole or in part, any site of employment, facility, operating unit or employee of the Company. The Company has never been engaged in any transaction or engaged in layoffs, terminations or relocations sufficient in number to trigger any WARN Act obligation. No former employees of the Company have suffered an "employment loss" (as defined in WARN) in the ninety (90) days prior to the date hereof.

(f) Except in each case, as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect (i) no allegations of sexual harassment have been made against (A) any officer, director or manager of the Company or (B) any employee of the Company who, directly or indirectly, supervises at least eight (8) other employees of the Company, and (ii) the Company has not entered into any settlement agreement related to allegations of sexual harassment or sexual misconduct by an employee, contractor, manager, officer or other representative.

(g) The Company has previously delivered to the Buyer true, correct and complete summaries of all: (i) workers' compensation claims filed against the Company; and (ii) charges, grievances, complaints or notices of violation filed with, or otherwise made by, the Occupational Safety and Health Administration (or any comparable foreign Governmental Body) against the Company.

3.21. Privacy and Data.

(a) The Company currently maintains (and at all times since it has held the License, has maintained) a Privacy and Data Security Program necessary to materially satisfy standards which may be imposed by applicable Privacy and Security Laws and ensure the confidentiality of Business Data and that Business Data is not disclosed contrary to the provisions of any Privacy and Security Laws or Contracts now or previously in existence, applicable to such information (collectively, "Commitments"). Without limiting the generality of the foregoing, the Company has implemented, at a minimum, such physical, electronic and procedural safeguards to: (i) maintain the security and confidentiality of such Business Data; (ii) protect against any anticipated threats or hazards to the security or integrity of such Business Data; and (iii) protect against unauthorized access to or use of such Business Data that could result in harm or inconvenience to the Persons to whom such Business Data pertains.

(b) Except as set forth on Schedule 3.21(b), with respect to all Commitments for Business Data associated with the Company's customers and other Persons: (i) the Company and its products and services are and since its formation have been in material compliance with the Commitments; (ii) the Company has not received written inquiries from any

Governmental Body regarding its protection, storage, use or other Business Data or its compliance with the Commitments; (iii) the Commitments have not been rejected by any applicable certification organization that has reviewed such Commitments or to which any such Commitments have been submitted; (iv) no applicable certification organization has provided written notice to the Company that such organization has found the Company or any of its products or service offerings to be out of compliance with such Commitments; (v) electronic mail distribution lists have been scrubbed prior to their use to remove email addresses associated with individuals who have opted out of receiving commercial electronic email messages; and (vi) there have been no security breaches with respect to any of the Company's products, service offerings or related data resulting in the loss of or unauthorized access to or acquisition of Business Data.

(c) The Company is, and at all times since it has held the License has been, in material compliance with all contracts (or portions thereof) between the vendors, marketing affiliates, and other customers and business partners, that are applicable to the use and disclosure of Business Data (such contracts, "Privacy Agreements"). The Company has delivered to Buyer accurate and complete copies of all of the Privacy Agreements of the Company.

(d) Schedule 3.21(d) contains a list of the Company's privacy policies in effect at any time since the inception of the Company that the Company has been able to locate after reasonable search and inquiry (each, a "Privacy Policy"). The Company has clearly and conspicuously presented an accurate Privacy Policy to individuals at such time that the Company collected any personally-identifying information and personal data from such individuals. The Company has notified and obtained consent from each individual with respect to any material changes to the data practices described in the Privacy Policy that was presented to such individual when the Company collected the personally-identifying information and personal data from that individual. The Company has complied with and conducted business in compliance with each applicable Privacy Policy.

(e) Except as set forth on Schedule 3.21(e), no customers, merchants, service providers or third parties with whom the Company does business have access to Business Data.

(f) To the Knowledge of the Seller Parties, no Person has made any illegal or unauthorized use of or access to Business Data that was collected by or on behalf of the Company and is or was previously in the possession or control of the Company.

(g) The Privacy Agreements do not require the delivery of any notice to or consent from any Person, or prohibit the transfer of Business Data collected and in the possession or control of the Company to Buyer, in connection with the execution, delivery or performance of this Agreement or the consummation of any of the transactions contemplated by this Agreement.

(h) Neither the execution, delivery or performance of this Agreement, nor the consummation of any of the transactions contemplated in this Agreement will result in any violation of any Commitments, any Privacy Agreements, any of the Company's Privacy Policies currently in effect, or any Applicable Law, industry guidelines or standards pertaining to privacy.

(i) The Company has not previously been and is not currently under investigation by any Governmental Authority regarding its protection, storage, use, disclosure and transfer of Business Data. The Company is in material compliance with all applicable Privacy and Security Laws, and any regulations promulgated thereunder, and all similar state and local laws that regulate consumer reporting or trade practices, or that are otherwise applicable to the Company or its customers, merchants, and service providers with whom the Company does business.

(j) The Company does not have or maintain documented incident response, business continuity procedures and disaster recovery plans.

3.22. Contracts; Vendors and Suppliers.

(a) All of the Contracts to which the Company is a party or is bound and which have a value in excess of $5,000 (the "Material Contracts") are listed on Schedule 3.22. The Material Contracts are in full force and effect, and constitute legal, valid, binding and enforceable obligations against the Company and, to the Knowledge of the Seller Parties, any other parties thereto. The Company is not in breach in any material respect under any Material Contract, nor, to the Knowledge of the Seller Parties, is any other party to any such Material Contract in breach thereunder.

(b) No vendor, supplier or service provider party to a Material Contract has given the Company notice that it intends to terminate or materially alter its business relationship with the Company (whether as a result of the consummation of the transactions contemplated by this Agreement or otherwise) on its own volition or as the result of a governmental action or threatened action.

3.23. Insurance. True and complete copies of all Insurance Policies currently owned or maintained by the Company and the RE Company have been made available to the Buyer and are listed on Schedule 3.23. All premiums due to date under such Insurance Policies have been paid and will be paid through the Closing Date, no breach by the Company exists thereunder and no material term of any such policy is void or voidable. Neither the Company nor the RE Company has received any notice of cancellation with respect to any such current Insurance Policy and the Seller Parties have no Knowledge of any threatened termination of, or premium increase with respect to, any of the Insurance Policies. There are no claims that are pending under any of the Insurance Policies, and no other Person is a named or additional insured under any such Insurance Policies.

3.24. Intellectual Property.

(a) Schedule 3.24(a) lists all Intellectual Property owned by the Company ("Company Owned Intellectual Property") that is either (i) subject to any issuance, registration, application or other filing by, to or with any Governmental Authority or authorized private registrar in any jurisdiction (collectively, "Intellectual Property Registrations"), including registered trademarks, domain names and copyrights, issued and reissued patents and pending applications for any of the foregoing; or (ii) used in or necessary for the Company's current or planned business or operations, including all material unregistered trademarks. All required filings and fees related to the Intellectual Property Registrations have been timely filed with and paid to

the relevant Governmental Bodies and authorized registrars, and all Intellectual Property Registrations are otherwise in good standing.

(b) The Company owns or has sufficient right to use, exclusively or jointly with other Persons, all right, title and interest in and to the Company Intellectual Property, free and clear of Encumbrances. Except at set forth in Schedule 3.24(b) and without limiting the generality of the foregoing, the Company has entered into binding, written agreements with every current and former employee of the Company, and with every current and former independent contractor, whereby such employees and independent contractors (i) assign to the Company any ownership interest and right they may have in the Company Intellectual Property; and (ii) acknowledge the Company's exclusive ownership of all Company Owned Intellectual Property. The Company is in compliance in all material respects with all legal requirements applicable to the Company Intellectual Property and the Company's ownership and use thereof.

(c) Schedule 3.24(c) lists all options, licenses, sublicenses and other agreements whereby the Company is granted rights, interests and authority, whether on an exclusive or non-exclusive basis, with respect to any Licensed Intellectual Property that is used in or necessary for the Company's current or planned business or operations. All such agreements are valid, binding and enforceable between the Company and the other parties thereto except as may be limited by the Enforceability Exceptions, and the Company and such other parties are in compliance in all material respects with the terms and conditions of such agreements.

(d) To the Seller Parties' Knowledge, all Intellectual Property currently or formerly owned, licensed or used by the Company and the Company's conduct of its business as currently and formerly conducted and currently proposed to be conducted have not, do not and will not infringe, violate or misappropriate the Intellectual Property of any Person. The Company has not received any written communication, and no Proceeding has been instituted, settled or threatened that alleges any such infringement, violation or misappropriation, and none of the Company Intellectual Property are subject to any outstanding Governmental Order.

(e) Schedule 3.24(e) lists all options, licenses, sublicenses and other agreements pursuant to which the Company grants rights or authority to any Person with respect to any Company Intellectual Property or Licensed Intellectual Property. All such agreements are valid, binding and enforceable between the Company and the other parties thereto except as may be limited by the Enforceability Exceptions, and the Company and such other parties are in compliance in all material respects with the terms and conditions of such agreements. To the Seller Parties' Knowledge, no Person has infringed, violated or misappropriated, or is infringing, violating or misappropriating, any Company Intellectual Property.

3.25. Major Suppliers. Schedule 3.25 sets forth (i) each supplier to whom the Company has paid (or committed to pay) consideration for goods or services rendered in an amount greater than or equal to $5,000 (collectively, the "Material Suppliers"); and (ii) the amount of purchases from each Material Supplier. The Company has not received any notice, and has no reason to believe, that any of its Material Suppliers have ceased, or intends to cease, to supply goods or services to the Company or to otherwise terminate or materially reduce its relationship with the Company on Material Suppliers' own volition or as the result of any governmental action

or threatened action. There are no actual or, to the Seller Parties' Knowledge, threatened disputes or Proceedings currently involving any Material Supplier.

3.26. Related Party Transactions. None of the Company's or the RE Company's directors, officers, managers, members (including the Sellers and Seller Parent) or employees, or any members of their immediate families, or any Affiliate of the foregoing has, directly or indirectly, (a) borrowed money from or loaned money to the Company or RE Company which remains unpaid or owed, (b) any interest in any assets owned or used by the Company or RE Company or (c) engaged in any other material transactions with the Company or RE Company.

3.27. Products. All products manufactured, sold, or distributed by or on behalf the Company have conformed in all material respects with Applicable Law, all applicable contractual commitments, all product specifications, and all express and implied warranties, and the Company does not have any Liability for replacement thereof or other damages in connection therewith, except to the extent such Liability or other damages would not exceed $25,000 in the aggregate. The manufacturing and storage practices, preparation, ingredients, composition, and packaging and labeling for each of the products of the Company, (i) are in material compliance with all Applicable Laws, including Applicable Laws relating to manufacturing, storage, preparation, packaging and labeling of cannabis products; and (ii) are in compliance with all internal quality management policies and procedures of the Company. All labeling used on such products has been filed or registered with and/or approved by each applicable Governmental Body that requires such filing, registration and/or approval. The Company has made available to Buyer or its advisors copies of all material documents in its possession relating to food safety inspections, investigations, reportable events, recalls, or other corrective actions. There have been no product recalls, withdrawals or seizures with respect to any products manufactured, sold or distributed by or on behalf of the Company.

3.28. Bank Accounts. Schedule 3.28 contains a true and complete list of all deposit and disbursement accounts maintained by the Company and the RE Company with any bank, brokerage house or other financial institution, including for each such account the name and address of the financial institution, the nature of the account, the account number, and the name of the account holder, the names of each Person with authority to draw on such account or to have access to such account, or to change the persons authorized to draw on the account. All such accounts, credit lines, safe deposit boxes and vaults are maintained by the Company and the RE Company for normal business purposes and no such proxy, power of attorney or other like instrument is irrevocable.

3.29. Regulatory. The Company has never been shut down for longer than one day due to regulatory non-compliance nor has the Company received any individual fines or sanctions equal to or greater than $500 from the Pennsylvania Department of Health, Office of Medical Marijuana or any other Governmental Body.

3.30. Disclosure. No representation or warranty by the Seller Parties in this Agreement and no statement contained in any certificate or other documents furnished to the Buyer pursuant to the provisions hereof contains any untrue statement of material fact or omits to state any material fact necessary in order to make the statements made herein or therein not misleading.

3.31. No Other Representations and Warranties. Except for the representations and warranties contained in this Section 3 (including the related Schedules) and any Seller Party Closing Documents, the Seller Parties have not made and do not make any other express or implied representation or warranty, either written or oral, including any representation or warranty as to the accuracy or completeness of any information regarding the business of the Company or RE Company furnished or made available to Buyer and its representatives, or as to the future revenue, profitability or success of the business of the Company or RE Company, or any representation or warranty arising from statute or otherwise in Applicable Law.

4. Representations and Warranties of the Buyer. Except as set forth in the Schedules to this Agreement delivered by the Buyer on the date of this Agreement and attached hereto, the Buyer represents and warrants to the Sellers as of the date hereof, and at and as of the Closing Date, as follows:

4.1. Organization And Good Standing. The Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware, with full power and authority to conduct its business as it is now conducted.

4.2. Enforceability. This Agreement and each other agreement or instrument executed and delivered by the Buyer at the Closing (collectively, the "Buyer Closing Documents") has been or will be by the Closing duly authorized by all requisite action on the part of the Buyer. This Agreements constitutes, and the Buyer Closing Documents will constitute as of the Closing, the legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, subject to the Enforceability Exceptions.

4.3. Brokers Or Finders. Neither the Buyer nor any of its Representatives have incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with the transactions contemplated hereby.

4.4. Legal Proceedings. There is no pending or, to the knowledge of the Buyer, threatened Proceeding by or against the Buyer that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, the transactions contemplated hereby.

4.5. No Violation, Consents. The execution and delivery of this Agreement and each Buyer Closing Document by the Buyer, and the performance of its obligations hereunder and thereunder does not and will not (a) violate or conflict with any provision of the organizational documents of the Buyer, (b) violate, or conflict with, or result in a material breach of any provision of, or constitute a material default or give rise to any right of termination, cancellation or acceleration (with the passage of time, notice or both) under any Contract to which Buyer is a party or by which Buyer is bound, or (c) violate or conflict with any Legal Requirement to which Buyer or any of its properties or assets are subject. Buyer is not required to give any notice to or obtain any Consent from any Person in connection with the Buyer's execution and delivery of this Agreement or any of the Buyer Closing Documents, or the consummation or performance of the transactions contemplated hereby or thereby.

4.6. Independent Investigation. Buyer has conducted its own independent investigation, review and analysis of the business of Company and RE Company, and the Membership Interests, and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of Company and RE Company for such purpose. Buyer acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer has relied solely upon its own investigation and the express representations and warranties of the Seller Parties set forth in Section 3 of this Agreement (including the related Schedules), and the Seller Party Closing Documents; and (b) neither any Seller Party nor any other Person has made any representation or warranty as to Company, RE Company or the Membership Interests, except as expressly set forth in Section 3 of this Agreement (including the related Schedules), the Seller Party Closing Documents and any certificates or other documents delivered pursuant to this Agreement.

5. Covenants and Other Agreements.

5.1. Conduct of Business by the Seller Parties. From the date hereof through the earlier of consummation of the Closing and any earlier termination of this Agreement, the Company and the RE Company shall, and the Seller Parties shall cause the Company and the RE Company to: (a) conduct its business and operations in the Ordinary Course of Business; (b) preserve intact its existence and business organization; (c) use its commercially reasonable efforts to preserve its assets; (d) pay all applicable Taxes as such Taxes become due and payable and file all Tax Returns required to be filed by the Company and the RE Company; and (e) maintain all licenses and Governmental Authorizations applicable to its operations and business. Notwithstanding the foregoing, the Sellers shall be permitted to sweep the cash of the Company and the RE Company at the Closing.

5.2. Access to Information. From the date hereof through the earlier of consummation of the Closing and any earlier termination of this Agreement, the Seller Parties shall, to the extent permitted by Applicable Law, give the Buyer and their Representatives access on reasonable notice during normal business hours to all properties, facilities and offices, and complete and correct copies of all books, Records and Contracts (including customer and supplier Contracts) and such financial and operating data and other information with respect to the Company and the RE Company as such persons may reasonably request. Such review shall be at the Buyer' sole cost and shall be conducted in a fashion that does not unreasonably interfere with the ability of the Company and the RE Company to conduct its day-to-day operations.

5.3. Notice of Developments. During the Term of this Agreement, the Seller Parties shall promptly notify the Buyer in writing of any events, circumstances, facts and occurrences arising subsequent to the date of this Agreement which would result in a breach of a representation, warranty or covenant of any Seller Party in this Agreement, or which would have the effect of making any representation or warranty of any Seller Party in this Agreement untrue in any material respect, or would be reasonably likely to result in a Material Adverse Effect. Any disclosure by any Seller Party pursuant to this Section 5.3 shall not be deemed to prevent or cure any misrepresentation, breach of representation or warranty or breach of covenant, or limit the rights of the Buyer under Section 6.3 or Section 7.

5.4. Exclusivity. During the Term of this Agreement, each of the Seller Parties

agrees, and shall cause its Representatives, not to, directly or indirectly, (i) solicit, facilitate or initiate, or encourage the submission of, proposals, inquiries or offers relating to; (ii) respond to any submissions, proposals, inquires or offers relating to; (iii) participate or engage in any negotiations or discussions with any Person relating to; (iv) otherwise cooperate in any way with or facilitate in any way (including, without limitation, by providing information) with any Person, other than the Buyer, relating to; or (v) enter into any agreement or agreement in principle in connection with, any acquisition, merger, business combination, recapitalization, consolidation, liquidation, dissolution, disposition or similar transaction involving the Company or the RE Company, or any issuance, acquisition, sale or transfer of any securities or any substantial portion of the assets of the Company or the RE Company.

5.5. Filings; Consents.

(a) Buyer, the Company, the RE Company and the Seller Parties will: (i) promptly make and effect all registrations, filings and submissions required to be made or effected by them under Applicable Laws with respect to this Agreement and the transactions contemplated under this Agreement; and (ii) use commercially reasonable efforts to cause to be taken on a timely basis, all other actions necessary or appropriate for the purpose of consummating and effectuating the transactions contemplated by this Agreement, including the obtaining of all necessary consents, approvals or waivers from third parties. Each party will reasonably cooperate in efforts to obtain such consents, waivers and approvals.

(b) Prior to Closing, Buyer, the Company, the RE Company and the Seller Parties shall use commercially reasonably efforts to (i) promptly provide all information requested by any Governmental Body in connection with this Agreement or any of the other transactions contemplated by this Agreement, and (ii) promptly take, and cause its Affiliates to take, all actions and steps necessary to obtain any clearance or approval required to be obtained from such Governmental Body in connection with the transactions contemplated by this Agreement. In connection therewith and prior to Closing, (i) Buyer (and the Seller Parties, if applicable) shall through Company cause each individual that will serve as a post-Closing board member, officer or equity owner of the Company or other person requiring Pennsylvania Department of Health approval to become affiliated with the Company (the "Post-Closing Affiliated Persons") to submit to the Pennsylvania Department of Health all necessary information and documentation (including fingerprint forms and background check consents) to become approved as an affiliated person of the Company, and (ii) following the approval of the Post-Closing Affiliated Persons by the Pennsylvania Department of Health, the Seller Parties shall cause any individuals that are currently listed as affiliated persons of the Company, but will not serve as Post-Closing Affiliated Persons, to promptly submit to the Pennsylvania Department of Health all necessary information and documentation to remove themselves as affiliated persons of the Company. In the event that the Company or any Seller Party receives any communication from the Pennsylvania Department of Health indicating that it will be unable to approve any Post-Closing Affiliated Person, Buyer (or the Seller Parties, if applicable) shall promptly take all commercially reasonable action to disassociate from such Post-Closing Affiliated Person, and replace such Post-Closing Affiliated Person with another individual who then must obtain the approval of the Pennsylvania Department of Health to become affiliated with the Company prior to Closing.

(c) Buyer, the Company, the RE Company and the Seller Parties shall: (i) give the other Parties prompt notice of the commencement or threat of any investigation, action or legal proceeding by or before any Governmental Body with respect to this Agreement or any of the other transactions contemplated by this Agreement, (ii) keep the other party informed as to the status of any such investigation, action or legal proceeding, and (iii) promptly inform the other party of any communication to or from any Governmental Body regarding this Agreement or any of the other transactions contemplated by this Agreement.

5.6. Further Assurances. Subject to the terms and conditions hereof, each of the Parties hereto shall use commercially reasonable efforts (without further consideration being payable) to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable to the extent permitted under Legal Requirements to consummate and give effect to the transactions contemplated hereby.

5.7. Tax Matters.

(a) The Buyer and Sellers will split 50/50, and shall pay when due, all sales, use, transfer, stamp or similar Taxes and fees (collectively, "Transfer Charges") imposed with respect to the transactions contemplated hereby. The Sellers shall timely file any Tax Return or other document with respect to such Transfer Charges, and Buyer shall cooperate with respect thereto, as necessary.

(b) For federal income tax purposes, the Parties shall treat the sale of the Membership Interests of any entity that is disregarded as separate from its owner for federal income tax purposes pursuant to this Agreement as a sale and purchase by and between the applicable Parties of all of the applicable entity's assets and an assumption by Buyer of the applicable entity's liabilities. No Party shall take any position (whether in a Tax Return, an audit or otherwise) that is inconsistent with the foregoing treatment, unless required to do so by applicable Legal Requirements.

(c) In the case of any transaction described in Section 5.7(b), the Purchase Price with respect to the applicable Membership Interests, as adjusted to reflect assumed liabilities and other amounts deemed paid by Buyer, shall be allocated among the assets of the applicable entity in accordance with Section 1060 of the Code and the Treasury Regulations promulgated thereunder. Attached here to as the "Preliminary Asset Allocation Schedule" is a preliminary purchase price allocation schedule setting forth the methodology for allocating the Purchase Price (plus other relevant items). Within ninety (90) days of the Closing, Buyer shall deliver to Sellers a draft purchase price allocation for Sellers' review and comment, which allocation shall be consistent with the Preliminary Asset Allocation Schedule, and Buyer shall consider in good faith any reasonable comments proposed by Seller. Sellers shall provide Buyer with any information reasonably requested and required to complete the proposed purchase price allocation and IRS Form 8594 (or any comparable state or local tax form) and, if applicable, IRS Form 8883. No Party shall file any Tax Return (including IRS Form 8594 or IRS Form 8883, or any comparable state or local tax form) or take a position with any Governmental Authority that is inconsistent with the final purchase price allocation prepared in accordance with this Section 5.7(c), unless otherwise required by Applicable Law.

(d) For purposes of this Agreement, in the case of any taxable period that begins on or before and ends after the Closing Date, (i) the amount of all Taxes of the Company and RE Company, other than Taxes computed by reference to profits, income or sales, allocable to the portion of the taxable period ending on the Closing Date shall be equal to the amount of such Taxes for the entire taxable period multiplied by a fraction, the numerator of which is the number of days during the taxable period on or prior to the Closing Date and the denominator of which is the number of days in the entire taxable period, and (ii) the amount of any Taxes of the Company and RE Company computed by reference to profits, income or sales allocable to the portion of the taxable period ending on the Closing Date shall be computed as if such taxable period ended as of the close of business on the Closing Date.

(e) The Sellers or their duly authorized agent shall, at the Sellers' cost and expense, prepare the income Tax Returns of or that include the Company and the RE Company for any period ending on or before the Closing Date. Buyer shall prepare or cause to be prepared all other Tax Returns of or that include the Company and the RE Company required to be filed after the Closing Date. Buyer shall submit each such material Tax Return that relates to a taxable period that ends before or includes the Closing Date to the Sellers not later than sixty (60) days prior to the deadline for filing such Tax Return (taking into account applicable extensions) for Sellers' review and comment. Sellers shall provide comments within thirty (30) days after receipt of such Tax Return, and Buyer shall consider in good faith all changes thereto reasonably requested by the Sellers.

(f) 338(h)(10) Election.

(i) If requested by Buyer, Sellers agree to make an election pursuant to Section 338(h)(10) of the Code (and of any corresponding provisions of applicable state, local and foreign Tax law) (a "338(h)(10) Election") with respect to the purchase of the Company Membership Interests. Buyer's determination to make a 338(h)(10) Election shall be made no later than eight (8) months after the Closing Date, and Buyer shall promptly advise Sellers of its determination.

(ii) The Seller Parties shall include or cause to be included, any income, gain, loss, deduction, or other tax item resulting from the 338(h)(10) Election pursuant to this Section 5.07(f) on its or the Company's Tax Returns, as applicable, to the extent required by Applicable Law.

(iii) If the 338(h)(10) Election is made, Sellers and Buyer shall report, in connection with the determination of income, franchise or other similar Taxes, the transactions being undertaken pursuant to this Agreement in a manner consistent with the 338(h)(10) Election and this Agreement. Buyer shall be responsible for the preparation of two copies of all forms and documents required in connection with the 338(h)(10) Election (including IRS Form 8023). Buyer shall properly prepare documents and forms as may be required by the Applicable Law to complete and make the 338(h)(10) Election, and Buyer shall timely deliver two copies of such forms and documents to Sellers, no later than eight (8) months after the Closing Date. Sellers shall execute both copies no later than 10 days following receipt of such forms and timely file one copy of such forms and documents with the IRS and return the other copy to Buyer

for timely filing; *provided* that if Sellers determine in good faith that there is an error in any such form or document, then Sellers shall promptly notify Buyer of such error and cooperate with Buyer to correct promptly any such error. If Buyer shall deliver to Sellers any such forms and documents necessary to make the 338(h)(10) Election prior to Closing, Sellers shall execute such forms and documents prior to Closing and deliver one copy to Buyer at Closing.

(iv) To the extent permitted by Applicable Law, the principles and procedures of this Section 5.07(f) shall also apply with respect to a 338(h)(10) Election under any Applicable Law. Sellers shall join with Buyer in making any election similar to the 338(h)(10) Election which is optional under any applicable state, local or foreign law, and shall cooperate and join in any election made by Buyer or the Company to effect such an election so as to treat the transactions contemplated herein as a sale of assets for state, local and foreign income Tax purposes, if so determined by Buyer.

(v) If any 338(h)(10) Election is made with respect to the Company Membership Interests, the Purchase Price (and any other amounts required to be treated as purchase price consideration for the assets of the Company under Applicable Law) shall be allocated among the assets of the Company in accordance with Section 338 of the Code and the Treasury Regulations thereunder (and any similar provision of state, local or foreign law, as applicable) in the manner set forth in Schedule 5.07(f). Buyer, Sellers, and their respective Affiliates shall report, act, and file Tax Returns in all respects and for all purposes consistent with the allocation in accordance with this Schedule 5.07(f). Sellers shall timely and properly prepare, execute, file, and deliver all such documents, forms, and other information as Buyer may reasonably request to prepare such allocation. Neither Buyer nor Sellers shall take any position (whether in audits, Tax Returns or otherwise) that is inconsistent with the allocation unless required to do so by Applicable Law.

(g) Amending Tax Returns for Pre-Closing Tax Periods. Buyer will not cause or permit the Company or RE Company to (i) amend or otherwise modify any Tax Return of the Company or RE Company that relates in whole or in part to any Tax period that ends on or before the Closing Date; (ii) make or change any election of the Company or RE Company that has retroactive effect to, any Tax period that ends on or before the Closing Date (other than a 338(h)(10) Election made pursuant to Section 5.7(f)); (iii) voluntarily approach any Governmental Body with respect to the Company or RE Company for any Tax period that ends on or before the Closing Date or Taxes attributable to Tax period that ends on or before the Closing Date (other than in connection with a 338(h)(10) Election made pursuant to Section 5.7(f)), or (iv) extend or waive the statute of limitations with respect to any Tax Period that ends on or before the Closing Date, in all cases without the prior consent of the Sellers.

(h) Cooperation on Tax Matters. Buyer and Sellers shall cooperate, as and to the extent reasonably requested by the other party, in connection with the preparation, filing and execution of Tax Returns and any action with respect to Taxes. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information or portions thereof that are reasonably relevant to any such Tax Return or action and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder or, to the extent necessary, to testify at any such

proceeding. The Parties agree to retain all books and records with respect to Tax matters pertinent to pre-Closing Tax periods of the Company and RE Company until 30 days after the expiration of the statute of limitations applicable to the Tax period for which the books and records relate. Any information obtained under this Section 5.7(h) shall be kept confidential, except as otherwise may be necessary in connection with the filing of Tax Returns or in the conduct of an action with respect to Taxes. The Buyer and the Sellers further agree, upon request, to use their commercially reasonable efforts to obtain any certificate or other document from any Governmental Body or any other Person or take any other action as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed on any party with respect to the Company or the RE Company and/or the transactions contemplated by this Agreement.

(i) Tax Contests. The Buyer and the Sellers shall promptly notify each other upon receipt by such Party of written notice of any inquiries, claims, assessments, audits or similar events with respect to Taxes of or attributable to the Company or the RE Company that relate to a Tax period (or portion thereof) that ends on or before the Closing Date (any such inquiry, claim, assessment, audit or similar event, a "Tax Matter"). The Sellers shall have joint control of the conduct of any Tax Matter relating to Taxes with respect to a Tax period ending on or before the Closing Date. The Buyer shall have control of the conduct of any Tax Matters with respect to a period that begins before and ends after the Closing Date; provided, however, that the Buyer shall keep the Sellers reasonably informed of the progress of any such Tax Matter and shall not effect any settlement or compromise of any such Tax Matter with respect to which the Sellers are liable without obtaining the Sellers' prior written consent thereto, which consent shall not be unreasonably withheld, conditioned or delayed.

5.8. Employee Matters. It is the intention of Buyer that substantially all current employees of the Company will retain their employment following the Closing. However, subject to Buyer's customary screening and conditions to employment, Buyer shall have the sole right to determine on any basis which current employees the Company will continue to employ immediately after Closing (the "Continuing Employees"). The Company will provide Buyer with commercially reasonable assistance in the conduct of interviewing such employees, including the distribution of applications or related materials. Buyer and the Company shall not be obligated to continue or maintain any particular benefit or component of any Employee Plan after the Closing. Notwithstanding anything to the contrary in this Section 5.8, the Parties expressly acknowledge and agree that (i) this Agreement is not intended to create a contract between Buyer or its Affiliates (including the Company) on the one hand and any other Person on the other, and no such other Person may rely on this Agreement as the basis for any breach of contract claim against Buyer or such Affiliates, and (ii) nothing in this Agreement shall be deemed or construed to limit Buyer's or its Affiliates right to terminate the employment of any Continuing Employee during any period after the Closing Date. Nothing in this Agreement is intended, and it shall not be construed, to create or amend any benefit plan of Buyer or any of its Affiliates.

5.9. Release. Each Seller Party, on its behalf and, to the extent permitted by Applicable Law, on behalf of any such Person's Affiliates, heirs, executors, successors and assigns and all Persons or entities that might allege a Claim through such Person or Person's behalf (collectively, the "Releasor Parties"), hereby, to the extent permitted by Applicable Law, knowingly, fully, unconditionally and irrevocably acquits, exonerates and irrevocably releases

(except as provided below) Buyer, the Company, the RE Company and their respective individual, joint or mutual, past, present and future officers, directors, managers and employees (in their respective capacities as such), subsidiaries, successor and assigns thereof (collectively, the "Released Parties"), effective as of the Closing Date, from any and all claims, demands, inquiries, investigations, counterclaims, arbitrations, proceedings, actions, causes of action, orders, judgments, obligations, contracts, agreements, debts and liabilities whatsoever that such Releasor Party had, may now have, or may hereafter have, against any of the Released Parties, whether asserted or unasserted, known or unknown, contingent or noncontingent, or past or present, arising or resulting from or relating, directly or indirectly, to any act, omission, event or occurrence prior to the Closing relating to the Company, the Membership Interests or any rights or interests therein, including without limitation any distributions, dividends, severance, accrued compensation (other than ordinary course compensation which has been accrued as of the Closing Date in accordance with GAAP, and in amounts consistent with the compensation accruals reflected on the Interim Financial Statements, but not yet paid), deferred compensation, purchase options, call options, redemption rights, conversion rights, rights of first refusal, tag-along rights, preemptive rights or similar rights under the Company's governing documents, any consulting agreements, or under any other instrument, agreement or other contract to which the Company and such Releasor Party is or was a party (the "Applicable Claims"). Notwithstanding the foregoing, nothing in this Section 5.9 will be deemed to constitute a release by any Person of any right of such Person under this Agreement or any related transaction documents. Each Seller Party, and any other Person claiming through the Seller Parties, will forever refrain and forbear from commencing, instituting or prosecuting any suit, action or other proceeding of any kind whatsoever, by way of action, defense, set-off, cross-complaint or counterclaim, against any Released Party based on any Applicable Claim.

5.10. Intentionally Omitted.

5.11. Restrictive Covenants.

(a) Non-Competition. Each Seller Party agrees that during the two (2) year period following the Closing Date (the "Restricted Period"), it shall not (and it shall cause its affiliates not to), directly or indirectly, either individually, in partnership, jointly, or in conjunction with, or on behalf of, any other Person: (i) engage in the ownership, operation, management or control of any cannabis businesses (or any portion thereof) (the "Restricted Business") within the Territory; or (ii) otherwise obtain any interest in, advise, consult, lend money to, guarantee the debts or obligations of, perform services for, or otherwise participate in the ownership, management, or control of any Person engaged in the Restricted Business (or any portion thereof) within the Territory . In addition, each Seller Party agrees that, for the duration of the Restricted Period, it shall not (and it shall cause its affiliates not to), directly or indirectly, attempt, or assist any third party in attempting, to cause any adverse interference with the business relationship between the Company, Buyer or any of their Affiliates and any of their respective suppliers, vendors, customers, independent contractors, consultants or other business relation thereof in the Territory; provided, that, it will not be deemed a breach of this Section if, following a Significant Transaction, any of the customers of the Company, Buyer or any of their Affiliates become customers of a Seller Party, or any of its Affiliates, provided that such Seller Party, or any of its Affiliates, does not directly solicit such customers.

(b) No Solicitation of Employees. Each Seller Party agrees that, for the duration of the Restricted Period, it shall not (and it shall cause its Affiliates not to), directly or indirectly, (i) solicit, request or induce any employee of any Company, Buyer or any of their Affiliates to terminate his or her employment or enter the employ of any other Person or in any way interfere with the relationship between the Company, Buyer or any of its Affiliates, on the one hand, and any employee of the Company or Buyer or any of its Affiliates on the other hand or (ii) hire any person who was an employee of the Company or the Business at any time during the six (6) month period immediately prior to the date on which such hiring would take place (it being conclusively presumed by the Parties so as to avoid any disputes under this Section 5.11 that any such hiring is in violation of clause (i) above); provided, however, that general advertisements with respect to a position that are not directed to employees of the Company, Buyer or any of their Affiliates will not violate this Section 5.11(b).

(c) Confidential or Proprietary Information. From and at all times following the Closing, each Seller Party shall, and shall cause their respective Affiliates and Representatives to: (i) hold in confidence any and all Confidential Information (as defined below) whether written or oral, (ii) not disclose any Confidential Information to any Person whatsoever, other than to the Company, the RE Company, Buyer or any of their Affiliates or their respective Representatives, or (iii) sell or use any Confidential Information in any manner whatsoever for the direct or indirect benefit of any Person other than Buyer, the Company, the RE Company or their Affiliates. For purposes of this Agreement, "Confidential Information" means the confidential or proprietary business information that is unique and specific to the Company or the RE Company, the Business or the Buyer and its Affiliates or their business, whether or not marked as such, including any business plans, technology, plans, blueprints, drawings, models, designs, templates, processes, formulae, computer programs, customer lists, supplier lists, pricing data, financial data, Trade Secrets, operations manuals, standard operating procedures, or other information identified or otherwise treated as confidential or proprietary business information, including the terms and existence of this Agreement and the related transaction documents and the consummation of the transactions contemplated by this Agreement and the related transaction documents; provided, however, that Confidential Information does not include such information that is used by the Company or RE Company which is also used in the operation of the Seller Parties' other businesses. If any Person restricted by this Section 5.11(c) is compelled to disclose any information by judicial or administrative process or by other requirements of Applicable Law, the Seller Parties shall promptly notify Buyer in writing, and shall cause the applicable party to disclose only that portion of such information which it is advised by its counsel in writing is legally required to be disclosed, provided each such Seller Party, as applicable, shall use reasonable best efforts to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information.

(d) Non-Disparagement. During the Restricted Period, each Seller Party shall not, and shall cause their respective Affiliates and Representatives not to, make any statement, whether direct or indirect, whether true or false, that is intended to become public, or that should reasonably be expected to become public, and that disparages, or is intended to harm the reputation or business of the Company, the RE Company, the Buyer or any of their Affiliates, its Affiliates, or any of their respective employees, officers, directors or stockholders. During the Restricted Period, Buyer agrees to use its commercially reasonable efforts to cause its Affiliates

and Representatives not to make, and to use commercially reasonable efforts to cause other personnel not to make, or cause any other Person to make any statement, whether direct or indirect, whether true or false, that is intended to become public, or that should reasonably be expected to become public, and that disparages, or is intended to harm the reputation or businesses of any Seller Party. Notwithstanding the foregoing, nothing in this Agreement shall preclude any Party from responding publicly to incorrect statements, from testifying truthfully in any judicial or administrative proceeding, disclosing any information or acting in compliance with Applicable Laws or regulations or making statements or allegations in legal filings that are based on such Party's reasonable belief and are not made in bad faith.

(e) Acknowledgment; Separate Covenants; Enforcement. Each Seller Party acknowledges that (i) it will receive significant consideration in connection with the Closing of the transactions contemplated by this Agreement, (ii) Buyer has a legitimate business interest in protecting the customer relationships, goodwill, trade secrets and other Confidential Information of its, the Company's and the RE Company's businesses, (iii) they are agreeing to and making the covenants contained in this Section 5.11, among other things, to induce Buyer to engage in and consummate the transactions contemplated by this Agreement, and (iv) the consideration received by them, directly or indirectly, pursuant to this Agreement constitutes good, valuable, adequate and sufficient consideration for such covenants and each Seller Party's obligations hereunder. The Seller Parties agree that each of the covenants and agreements set forth in this Section 5.11 is and shall be deemed and construed as a separate and independent covenant and agreement. If any such covenant or agreement or any part thereof is held invalid, void or unenforceable by any court of competent jurisdiction as to a Seller Party, then (x) the covenant or agreement shall be modified to the least extent necessary to make it valid and enforceable, and (y) such invalidity, voidness or unenforceability will in no way render invalid, void or unenforceable any other part of this Agreement. The Seller Parties acknowledge and agree that the restrictions contained herein are reasonable and necessary to protect Buyer's legitimate business interest and, if violated, would cause Buyer irreparable harm for which monetary damages would not be an adequate remedy. Accordingly, each Seller Party agrees that if any portion of this Section 5.11 is breached, then Buyer may at its election in any court of competent jurisdiction, and in addition to any other remedy available to it, obtain specific performance of such provision or enjoin any Seller Party from engaging in the activities proscribed by this Section 5.11, in each case without any requirement to post a bond for such purpose. Notwithstanding anything set forth in this Agreement, after the Closing, Buyer and its Affiliates are expressly permitted to disclose the existence of this Section 5.11 or any obligation set forth in this Section 5.11 to any Person with whom a Seller Party conducts business or proposes to conduct business in a manner that may violate this Section 5.11.

(f) If any Seller Party or any of its Affiliates breaches, or threatens to commit a breach of, any of the covenants set forth in this Section 5.11, Buyer, the Company and RE Company shall have the following rights and remedies, each of which rights and remedies shall be independent of the others and severally enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to Buyer, the Company, the RE Company or their Affiliates at law or in equity, the right and remedy to have the covenants set forth in this Section 5.11 specifically enforced by any court of competent jurisdiction (without the need for a

posting of a bond), it being agreed that any such action would cause irreparable injury to the Buyer, and that money damages would not provide an adequate remedy to the Buyer.

5.12. Post-Closing Attorney-Client Issues.

(a) Seller Parties' Post-Closing Use of SEAL. Each party to this Agreement acknowledges that (i) the Seller Parties, Company and RE Company have retained Saul Ewing Arnstein & Lehr, LLP ("SEAL"), to act as their counsel in connection with the transactions contemplated by this Agreement, (ii) SEAL has not acted as counsel for any other Person in connection with the transactions contemplated by this Agreement, and (iii) no Person other than the Seller Parties, Company and RE Company has the status of a SEAL client for conflict of interest or any other purpose as a result thereof. Buyer (1) waives and will not assert, and will cause each of its Affiliates (including, after Closing, Company and RE Company) to waive and not assert, any conflict of interest relating to SEAL's representation after the Closing of any Seller Party, Company or RE Company in any matter involving the transactions contemplated by this Agreement (including any litigation, arbitration, mediation, or other proceeding), and (2) consents to, and will cause each of its Affiliates (including, after the Closing, Company and RE Company) to consent to, any such representation, even though in each case (x) the interests of the Seller Parties may be directly adverse to Buyer, Company or RE Company, or (y) SEAL may have represented Company or RE Company in a substantially related matter.

(b) Buyer's Non-Access to Company's and RE Company's Legal Records. Buyer agrees that, after the Closing, neither Company, RE Company, Buyer nor any of their Affiliates will have any right to access or control any of SEAL's records relating to or affecting the transactions contemplated hereby, which will be the property of (and be controlled by) the Seller Parties. In addition, Buyer agrees that it would be impractical to remove all Attorney Client Communications (as defined below), from the records (including e-mails and other electronic files) of Company and RE Company. Accordingly, Buyer will not, and will cause each of its Affiliates (including, after Closing, Company and RE Company) not to, use any Attorney-Client Communication remaining in the records of Company or RE Company after Closing in a manner that may be adverse to any Seller Party. For purposes of this Section 5.12, "Attorney-Client Communication" means any communications occurring on or prior to Closing between SEAL on the one hand and Company, RE Company or any Seller Party on the other hand that in any way relates to the transactions contemplated hereby, including any representation, warranty, or covenant of any party under this Agreement or related agreement.

(c) Seller Parties' Retention of Attorney-Client Privilege with Respect to Sell-Side Acquisition Legal Representation. Buyer agrees, on its own behalf and on behalf of its Affiliates (including, after Closing, Company and RE Company), that from and after Closing (a) the attorney-client privilege, all other evidentiary privileges, and the expectation of client confidence as to all Attorney-Client Communications belong to the Seller Parties and will not pass to or be claimed by Buyer, Company or RE Company, and (b) the Seller Parties will have the exclusive right to control, assert, or waive the attorney-client privilege, any other evidentiary proceeding, and the expectation of client confidence with respect to such Attorney-Client Communications. Accordingly, Buyer will not, and will cause each of its Affiliates (including, after Closing, Company and RE Company) not to, (x) assert any attorney-client privilege, other

evidentiary privilege, or expectation of client confidence with respect to any Attorney-Client Communication, except in the event of a post-Closing dispute with a Person that is not a Seller Party, or (y) take any action which could cause any Attorney-Client Communication to cease being a confidential communication or to otherwise lose protection under the attorney-client privilege or any other evidentiary privilege, including waiving such protection in any dispute with a Person that is not a Seller Party. Furthermore, Buyer agrees, on its own behalf and on behalf of each of its Affiliates (including, after Closing, Company and RE Company), that in the event of a dispute between any Seller Party on the one hand and Company or RE Company on the other hand arising out of or relating to any matter in which SEAL jointly represented both parties, neither the attorney-client privilege, the expectation of client confidence, nor any right to any other evidentiary privilege will protect from disclosure to such Seller Party any information or documents developed or shared during the course of SEAL's joint representation.

5.13. Public Announcements. Unless otherwise required by Applicable Law or stock exchange requirements (based upon the reasonable advice of counsel), no Party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed), and the parties shall cooperate as to the timing and contents of any such announcement.

6. Conditions to Closing; Termination.

6.1. Conditions Precedent to Obligations of the Buyer. The obligation of the Buyer to consummate the purchase of the Membership Interests at the Closing shall be subject to the satisfaction, on or before the Closing Date, of each and every one of the following conditions, any or all of which the Buyer may waive in writing, at their sole and absolute discretion:

(a) Representations and Warranties. Each of the representations and warranties made by the Seller Parties in this Agreement shall be true and correct in all material respects as of the Closing Date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all material respects as of that specified date).

(b) Covenants. The Seller Parties shall have duly performed in all material respects all of the covenants, acts and undertakings required to be performed by them prior to the Closing under this Agreement.

(c) No MAE. There shall have been no Material Adverse Effect, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect.

(d) No Injunction, Etc. No action, proceeding, investigation, regulation or legislation shall have been instituted before any Governmental Body to enjoin, restrain, prohibit, or obtain damages in respect of, or which is related to, or arises out of, this Agreement or the consummation of the transactions contemplated hereby.

(e) Consents and Notices. All consents, approvals and waivers of any Person necessary or desirable to the consummation of the Closing and the transactions contemplated hereunder shall have been obtained and all notices to any Person necessary or desirable to the consummation of the Closing and the transactions contemplated hereunder shall have been delivered including, without limitation, those listed on Schedule 6.1(e). A copy of each such consent, approval, waiver or notice shall have been provided to the Buyer and all such consents, approvals, waivers and notices shall be in a form reasonably acceptable to the Buyer.

(f) Regulatory Approval. Without limiting the foregoing, all consents, approvals and waivers of any Governmental Body necessary in order to permit consummation of the Closing and the transactions contemplated hereunder shall have been obtained, and all notices to any Governmental Body necessary in order to permit consummation of the Closing and the transactions contemplated hereunder shall have been delivered including, without limitation, approval by the Pennsylvania Department of Health of (a) the affiliation of the Buyer associated persons listed on Schedule 6.1(f) with the Company and (b) the withdrawal of affiliation of those persons affiliated with the Company who will not remain affiliated with the Company after the Closing. A copy of each such consent, approval, waiver or notice shall have been provided to the Buyer and all such consents, approvals, waivers and notices shall be in a form reasonably acceptable to the Buyer.

(g) Seller Parties Closing Deliveries. The Seller Parties shall have delivered to the Buyer the following:

(i) Officer's Certificate. A certificate from an executive officer of the Company, dated as of the Closing Date, certifying that attached thereto are true and correct copies of the Company's certificate of formation and any amendments thereto to date, as well as the resolutions duly adopted by the members and/or managers of the Company authorizing the Company's execution, delivery and performance of this Agreement.

(ii) Good Standing Certificate. A certificate of good standing for: (i) the Company issued by the Secretary of the State of the Commonwealth of Pennsylvania and (ii) the RE Company issued by the Secretary of the State of the State Delaware, each dated within ten (10) business days prior to the Closing Date.

(iii) Compliance Certificate. A certificate from an executive officer of each of the Seller Parties, dated as of the Closing Date, certifying compliance with Sections 6.1(a), 6.1(b) and 6.1(c) in a form reasonably acceptable to the Buyer.

(iv) Resignation Letters. Letters of resignation from each manager, managing member and officer of the Company and RE Company, in form and substance reasonably acceptable to the Buyer, effective as of the Closing.

(v) Assignment of Membership Interests. An assignment by the Sellers to Buyer assigning the Membership Interests to Buyer on the Closing Date.

(vi) Withholding Certificates; FIRPTA. A completed and duly executed IRS Form W-9 from each Seller, or a certificate from each Seller and/or a certificate and

notice from the Company or the RE Company (as applicable), in a form reasonably acceptable to the Buyer and in accordance with the Code, in each case dated as of the Closing Date and certifying such facts as to establish that the transactions contemplated hereby are exempt from withholding pursuant to Section 1445 of the Code.

(vii) Debt and Encumbrances. Evidence, reasonably satisfactory to the Buyer, that all Company Debt and all RE Company Debt has been repaid, discharged or otherwise satisfied at or prior to the Closing and that all Encumbrances relating to the assets of the Company and the RE Company shall have been released in full and Sellers shall have delivered to Buyers written evidence, in form satisfactory to Buyers in its sole discretion, of the release of such Encumbrances.

(viii) Wilkes Barre Property Mortgage Release. Evidence, reasonably satisfactory to the Buyer, that certain Open-End Mortgage, Assignment, Security Agreement and Fixture Filing dated August 20, 2019 by RE Company in favor of LI Lending, LLC affecting the Wilkes Barre Property and recorded in the Recorder of Deeds Office of Luzerne County, Pennsylvania as Instrument Number 201946742 in Deed Book 3019, Page 153900 shall have been satisfied, released or discharged at or prior to the Closing.

(ix) Payoff Letters. Payoff letters duly executed by each applicable lender and other creditor of the Company and the RE Company necessary to obtain title to the Membership Interests and the assets of the Company and RE Company free and clear of all Encumbrances, and a schedule of all the Indebtedness of the Company and the RE Company as of the Closing Date;

(x) Transition Services Agreement. Mission Partners USA, LLC (an Affiliate of Seller and Seller Parent) shall have delivered a duly executed transition services agreement in form and substance reasonably satisfactory to Buyer (the "Transition Services Agreement") and Mission Partners IP, LLC shall have delivered a duly executed Trademark License Agreement in form and substance reasonably satisfactory to Buyer (the "Trademark License Agreement") and duly executed by Mission Partners IP, LLC.

(xi) Other Agreements. All other agreements, certificates, instruments, or documents reasonably requested by the Buyer in order to fully consummate the transactions contemplated hereby and to carry out the purposes and intent of this Agreement.

6.2. Conditions Precedent to Obligations of the Sellers. The obligation of the Sellers to consummate sale of the Membership Interests at the Closing shall be subject to the satisfaction, on or before the Closing Date, of each and every one of the following conditions, any or all of which the Sellers may waive in writing, at their sole and absolute discretion:

(a) Representations and Warranties. Each of the representations and warranties made by the Buyer in this Agreement shall be true and correct in all material respects as of the Closing Date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all material respects as of that specified date).

(b) Covenants of Buyer. The Buyer shall have duly performed in all material respects all of the covenants, acts and undertakings required to be performed by it prior to the Closing.

(c) No Injunction, Etc. No action, proceeding, investigation, regulation or legislation shall have been instituted, threatened or proposed before any Governmental Body to enjoin, restrain, prohibit, or obtain substantial damages in respect of, or which is related to or arises out of, this Agreement or the consummation of the transactions contemplated hereby.

(d) Closing Deliveries. Buyer will have delivered duly executed copies of each of the Transition Services Agreement and Trademark License Agreement.

6.3. Termination of Agreement. The Parties may terminate this Agreement as provided below:

(a) The Parties may terminate this Agreement by mutual written consent at any time prior to the Closing.

(b) If the Buyer is not then in material breach under this Agreement, the Buyer may terminate this Agreement by giving written notice to the Seller Parties at any time prior to the Closing in the event any of the Seller Parties has materially breached any of their respective representations, warranties, or covenants contained in this Agreement, provided that Buyer has notified the Seller Parties of the breach and the breach has continued without cure for a period of ten (10) business days after the notice of breach, or upon the occurrence of a Material Adverse Effect.

(c) If the Seller Parties are not then in material breach under this Agreement, the Seller Parties may terminate this Agreement by giving written notice to the Buyer at any time prior to the Closing in the event the Buyer has materially breached any of its representations, warranties, or covenants contained in this Agreement, provided that the Seller Parties have notified the Buyer of the breach and the breach has continued without cure for a period of ten (10) business days after the notice of breach.

(d) The Buyer or the Seller Parties may terminate this Agreement in the event that (i) there shall be any law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited, (ii) any Governmental Body shall have issued an order restraining or enjoining the transactions contemplated by this Agreement, and such order shall have become final and non-appealable or (iii) the Pennsylvania Department of Health does not approve (a) the affiliation of the Buyer associated persons listed on Schedule 6.1(f) with Company and (b) the withdrawal of affiliation of those persons affiliated with the Company who will not remain affiliated with the Company.

(e) Either the Buyer or the Seller Parties may terminate this Agreement if the Closing does not occur on or before June 30, 2020.

6.4. Effect of Termination. If this Agreement is terminated prior to the Closing for any reason, all rights and obligations of the Parties hereunder shall terminate without any

Liability of any Party to any other Party except for provisions set forth in Sections 5.4, this Section 6.4 and Section 8. No termination of this Agreement shall relieve any Party of liability for its intentional breach or violation of this Agreement.

7. Indemnification.

7.1. Sellers' Obligation to Indemnify. Each Seller Party (the "Seller Indemnifying Parties"), jointly and severally, shall defend, indemnify and hold harmless the Buyer, its Affiliates and their respective Representatives and successors and permitted assigns (collectively, the Buyer Indemnified Parties"), from and against any and all actions, suits, proceedings, claims, demands, debts, liabilities, obligations, losses, diminution in value, damages, costs and expenses (collectively "Adverse Consequences"), arising out of, or in connection with, or caused by, directly or indirectly, any or all of the following:

(a) any misrepresentation or breach of any representation or warranty made by the Seller Parties in this Agreement or in any certificate or schedule delivered by the Seller Parties pursuant hereto,

(b) any breach by the Seller Parties to satisfy or perform any covenant, restriction or agreement applicable to the Seller Parties contained in this Agreement or in any certificate or schedule delivered pursuant hereto,

(c) any Liability for (A) Taxes of the Company or the RE Company that are attributable to a taxable period (or portion thereof) ending on or prior to the Closing Date (determined in accordance with Section 5.7(d)), (B) the portion of Transfer Charges for which Sellers are responsible pursuant to Section 5.7(a) and (C) Taxes of any Person imposed on the Company or the RE Company as a transferee or successor, by Contract or pursuant to any Applicable Law, which Taxes relate to an event or transaction occurring before the Closing;

(d) any Proceedings disclosed or required to be disclosed on Schedule 3.7;

(e) any Debt of the Company or Transaction Cost, to the extent not deducted from the Purchase Price pursuant to Section 2.5(a);

(f) any claim that the Closing Report does not reflect the proper allocation and distribution of the Purchase Price; and

(g) any costs of enforcing this Agreement and all actions, suits, proceedings, claims and demands incident to the foregoing or such indemnification.

7.2. Buyer's Obligation to Indemnify. Buyer shall defend, indemnify and hold harmless the Seller Parties, their Affiliates and their respective Representatives and successors and permitted assigns (collectively, the Seller Indemnified Parties"), from and against any and all Adverse Consequences arising out of, or in connection with, or caused by, directly or indirectly, any or all of the following:

(a) any misrepresentation or breach of any representation or warranty made by the Buyer in this Agreement or in any certificate or schedule delivered by the Buyer pursuant hereto;

(b) any breach by the Buyer to satisfy or perform any covenant, restriction or agreement applicable to the Buyer contained in this Agreement or in any certificate or schedule delivered pursuant hereto;

(c) any (i) Taxes of the Company or RE Company that are attributable to taxable periods (or portions thereof) beginning after the Closing Date, and (B) the portion of Transfer Charges for which the Buyer is responsible pursuant to Section 5.7(a); and

(d) any costs of enforcing this Agreement and all actions, suits, proceedings, claims and demands incident to the foregoing or such indemnification.

7.3. Indemnification Procedures.

(a) The party or parties seeking indemnification hereunder (each, an "Indemnified Party") shall give the party or parties from whom indemnification is sought or to be sought (each, an "Indemnifying Party") prompt written notice of any Adverse Consequences suffered by, affecting or otherwise directed at it. If an indemnification claim involves a claim by a third party (a "Third Party Claim"), the Indemnified Party shall promptly notify the Indemnifying Party thereof in writing, which notice shall include in reasonable detail a description of the Third Party Claim and copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practical of such Adverse Consequences, that has been or may be sustained by the Indemnified Party.

(b) The Indemnifying Party will have the right to defend the Indemnified Party against the Third Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party so long as the Indemnifying Party notifies the Indemnified Party in writing within fifteen (15) calendar days of its intention to assume the defense of any Third Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense. If the Indemnifying Party elects not to compromise or defend such Third Party Claim or fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, the Indemnified Party may compromise, defend such Third Party Claim and seek indemnification for any and all Adverse Consequences based upon, arising from or relating to such Third Party Claim. Seller and Buyer shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

(c) So long as the Indemnifying Party is conducting the defense of the Third Party Claim in accordance with Section 7.3(b) above, (i) the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third Party Claim, (ii) the Indemnified Party will not consent to the entry of any judgment or enter into any

settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld) and (iii) the Indemnifying Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld).

(d) Direct Claims. Any action by an Indemnified Party on account of Adverse Consequences which do not result from a Third Party Claim (a "Direct Claim") shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than 30 days after the Indemnified Party becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Adverse Consequences that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 30 days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Company's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such 30 day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

7.4. Survival. The representations and warranties made by the Seller Parties and the Buyer herein or in any certificate or schedule delivered pursuant hereto or thereto on the Closing Date, shall survive the Closing and continue in full force and effect for a period of eighteen (18) months from and after the Closing Date; provided, however, the representations and warranties set forth in Sections 3.1, 3.2, 3.4, 3.5, 3.9, 4.1 and 4.2 shall survive indefinitely, and the representations and warranties set forth in Sections 3.8 and 3.18 shall survive until sixty (60) days after expiration of all applicable statutory limitation periods (collectively, such representations in this proviso, the "Fundamental Representations"). Upon expiration of the representation and warranty limitation periods set forth herein, such representations and warranties shall cease to be of any further force or effect. No such expiration shall affect the rights of a Party hereto in respect of a claim made by such Party in writing received by another Party prior to the expiration of any such period until finally resolved.

7.5. Satisfaction of Losses. Once Adverse Consequences are agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this Section 7, the Indemnifying Party shall satisfy its obligations within fifteen (15) Business Days of such final, non-appealable adjudication by wire transfer of immediately available funds.

7.6. Effect of Investigation. The representations, warranties and covenants of the Indemnifying Party, and the Indemnified Party's right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Indemnified Party (including by any of its Representatives) or by reason of the fact that the Indemnified Party or any of its Representatives knew or should have known that any such representation or warranty is, was or might be inaccurate.

7.7. Limitation on Liability.

(a) The aggregate amount of all Adverse Consequences for which the Seller Indemnifying Parties shall be liable pursuant to Section 7.1(a) shall not exceed the sum of: 50% of the Purchase Price (such sum, the "Cap"); provided, however, that the Cap shall not apply to any Adverse Consequences arising from any claims based on a breach of a Fundamental Representations, or any claim based on the fraud or intentional misrepresentation of any Seller Party. Notwithstanding the foregoing, the Seller Parties will not have any liability under this Agreement in excess of the total amount of the Purchase Price, except with respect to any claim based on: (i) the fraud or intentional misrepresentation of any Seller Party; (ii) any misrepresentation or breach of any representation or warranty made by the Seller Parties in Sections 3.8(g) and 3.18 or (iii) Section 7.1(c).

(b) The aggregate amount of all Adverse Consequences for which Buyer shall be liable pursuant to Section 7.2(a) shall not exceed the Cap; provided, however, that the Cap shall not apply to any Adverse Consequences arising from any claims based on a breach of a Fundamental Representations, or any claim based on the fraud or intentional misrepresentation of the Buyer. Notwithstanding the foregoing, the Buyer will not have any liability under this Agreement in excess of the total amount of the Purchase Price, except with respect to any claim based on the fraud or intentional misrepresentation of the Buyer.

(c) The Seller Parties shall have no liability in respect of their indemnification obligations under Section 7.1(a), and there shall be no claim for indemnification asserted by Buyer pursuant to Section 7.1(a), until the aggregate amount of Adverse Consequences exceeds 0.5% of the Purchase Price (the "Deductible"). Once the aggregate amount of Adverse Consequences exceeds the Deductible, the Seller Parties shall be jointly and severally liable for all such Adverse Consequences, subject to the limitation set forth in Section 7.7(a). The Deductible shall not apply to any Adverse Consequences arising from any claims based on a breach of a Fundamental Representation, or any claim based on the fraud or intentional misrepresentation of any Seller Party.

(d) Adverse Consequences will be calculated net of actual recoveries under insurance policies. Each Indemnified Party recognizes that it has a common law obligation to mitigate the Losses for which it is entitled to seek indemnification under this Section 7.

(e) No party shall be liable to any other party for (a) punitive or exemplary damages (b) any loss of profits arising out of or resulting from an anticipated, expected, projected or actual increase in profits after the Closing as compared to the historical profits of the Company before the Closing; and (c) losses that are not, as of the date of this Agreement, the probable and reasonably foreseeable result of (i) an inaccuracy or breach by the Seller Parties of

their representations and warranties under this Agreement or (ii) the other matters giving rise to a claim for indemnification under this Agreement, except in each case to the extent that any such damages or losses are required to be paid to a third party pursuant to a third party claim.

(f) Except in the case of fraud, the parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in this Section 7. Nothing in this Section 7.7(f) shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled pursuant to Section 5.11.

8. Miscellaneous.

8.1. Expenses. Each Party shall pay all of the costs and expenses (including, without limitation, legal fees and expenses) incurred by it in negotiating and preparing this Agreement (and all other agreements, certificates, instruments and documents executed in connection herewith) and in consummating the transactions contemplated hereby.

8.2. Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt, or (a) personal delivery to the Party to be notified, (b) when sent, if sent by electronic mail during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (c) three (3) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the Parties at the addresses as set forth on the signature pages hereto, or to such e-mail address or address as subsequently modified by written notice given in accordance with this Section 8.2.

8.3. Entire Understanding; Amendments. This Agreement, together with the exhibits and schedules hereto, and the other documents, certificates, agreements and other instruments delivered in connection with the transactions contemplated hereby, states the entire understanding among the Parties with respect to the subject matter hereof and supersedes all prior oral and written communications and agreements with respect to the subject matter hereof. This Agreement shall not be amended or modified except in a written document signed by all Parties.

8.4. Parties in Interest; Assignment; No Waivers; No Third Party Rights. This Agreement shall bind, benefit, and be enforceable by the Parties hereto and their respective successors, legal representatives and assigns, heirs, executors, administrators and personal representatives. No Party hereto may assign this Agreement or its obligations hereunder without the prior written consent of all other Parties hereto. No waiver with respect to this Agreement shall be enforceable unless in writing and signed by the Party against whom enforcement of such waiver is sought. No failure to exercise, delay in exercising or single or partial exercise of any right, power or remedy by any Party, and no course of dealing between or among any of the Parties, shall constitute a waiver of, or shall preclude any other or further exercise of, the same or any other right, power or remedy. Except as may be expressly set forth in this Agreement, nothing herein

will be construed to give any Person other than the Parties to this Agreement any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement.

8.5. Further Assurances. At any time and from time to time after the Closing Date, at the request of a Party and without further consideration, the other Parties shall promptly execute and deliver all such further agreements, certificates, instruments and documents and perform such further actions as such Party may reasonably request, in order to fully consummate the transactions contemplated hereby and carry out the purposes and intent of this Agreement.

8.6. Severability. If any provision of this Agreement is construed to be invalid, illegal or unenforceable, then the remaining provisions hereof shall not be affected thereby and shall be enforceable without regard thereto, and the Parties agree that this Agreement shall be reformed to replace such unenforceable provisions with a valid and enforceable provision that comes as close as possible to expressing the intent of the unenforceable provision.

8.7. Counterparts; Electronic Signatures. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

8.8. Governing Law; Exclusive Jurisdiction.

(a) This Agreement and the respective rights and obligations of the Parties under this Agreement shall be governed by, and shall be determined under, the internal laws of the State of Delaware without regard to choice of law principles.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY MAY BE INSTITUTED IN THE CHANCERY COURTS OF THE STATE OF DELAWARE, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH

PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.8(c).

8.9. Specific Enforcement; Remedies. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Notwithstanding the limitations in Section 7.7(f), it is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, in addition to any other remedy to which they are entitled at law or in equity. Any and all remedies herein expressly conferred upon a Party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such Party, and the exercise by a Party of any one remedy will not preclude the exercise of any other remedy.

8.10. Interpretation. In this Agreement, unless a clear contrary intention appears: (a) the singular number includes the plural number and vice versa; (b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually; (c) reference to any gender includes each other gender; (d) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof; (e) reference to any "Applicable Law" or "Legal Requirement" means such Applicable Law or Legal Requirement, as the case may be, as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any Applicable Law or Legal Requirement means that provision of such Applicable Law or Legal Requirement from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision; (f) "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision hereof; (g) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; (h) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto; and (i) references to articles, sections, schedules and exhibits means articles and sections of, and schedules and exhibits attached to, this Agreement. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

* * * *

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date set forth above.

COMPANY:

MISSION PENNSYLVANIA II, LLC

By: Mission Mercury, LLC, its Manager

By: /s/ Andrew Thut
Name: AndrewThut
Title: Member

By: /s/ Kris Krane
Name: Kris Krane
Title: Member

Address: 5060 N. 40th Street, Ste 120
Phoenix, AZ 85018
E-mail: legal@4frontventures.com

RE COMPANY:

326 BEAR CREEK COMMONS LLC

By: Linchpin Investors, LLC, its Member

By: 4Front Holdings, LLC, its Member

By:/s/ Joshua N. Rosen
Name: Joshua N. Rosen
Title: Executive Chairman

Address: 5060 N. 40th Street, Suite 120
Phoenix, AZ 85018
E-mail: legal@4frontventures.com

SELLER PARENT:

4FRONT VENTURES CORP.

By: /s/ Joshua N. Rosen
Name: Joshua N. Rosen
Title: Executive Chairman

Address: 5060 N. 40th Street, Suite 120
Phoenix, AZ 85018
E-mail: legal@4frontventures.com

SELLERS:

MISSION MERCURY, LLC

By: /s/ Andrew Thut
Name: AndrewThut
Title: Member

By: /s/ Andrew Thut
Name: KrisKrane
Title: Membe

Address: 5060 N. 40th Street, Suite 120
Phoenix, AZ 85018
E-mail: legal@4frontventures.com

PL PENNSYLVANIA DISPENSARY, LLC

By: Mission Mercury, LLC, its Member

By: /s/ Andrew Thut
Name: Andrew Thut
Title: Member

By: /s/ Kris Krane
Name: Kris Krane
Title: Member

Address: 5060 N. 40th Street, Suite 120
Phoenix, AZ 85018
E-mail: legal@4frontventures.com

LINCHPIN INVESTORS, LLC

By: 4Front Holdings, LLC, its Member

By: /s/ Joshua N. Rosen
Name: Joshua N. Rosen
Title: Manager

Address: 5060 N. 40th Street, Suite 120
Phoenix, AZ 85018
E-mail: legal@4frontventures.com

BUYER:

MLH NE PENNSYLVANIA, LLC

By: /s/ David Clapper
Name: David Clapper
Title: Chief Financial Officer and Treasurer

Address: 308 E. Lancaster Avenue, Suite 300,
Wynnewood, PA, 19096

E-mail: david.clapper@EthosCannabis.com

EXHIBIT A

DEFINITIONS

For purposes of the Agreement, the following terms and variations thereof have the meanings specified or referred to in this Exhibit A:

"Adverse Consequences" shall have the meaning set forth in Section 7.1.

"Affiliate" of a specified Person means each other Person who directly or indirectly controls, is controlled by, or is under common control with the specified Person.

"Agreement" shall have the meaning set forth in the preamble to this Agreement.

"Allocation Schedule" shall have the meaning set forth in Section 2.2.

"Applicable Claims" shall have the meaning set forth in Section 5.9.

"Applicable Law" means all applicable provisions of any constitution, statute, common law, ordinance, code, rule, regulation, regulatory bulletin or guidance, decision, order, decree, judgment, release, license, permit, stipulation or other official pronouncement enacted or issued by any Governmental Body or arbitrator or arbitration panel (other than any federal law, rule, or regulation that that prohibits the cultivation, processing, sale or possession of cannabis).

"Assignment" shall have the meaning set forth in Section 2.4.

"Business" means the assets, liabilities and business operations of the Company.

"Business Data" means all business information and all personally-identifying information and personal data (whether of employees, contractors, consultants, customers, consumers, or other Persons and whether in electronic or any other form or medium) that is accessed, collected, used, processed, stored, shared, distributed, transferred, disclosed, destroyed, or disposed of by the Company.

"Business Day" means a day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are required by Applicable Law to close.

"Buyer" shall have the meaning set forth in the preamble to this Agreement.

"Buyer Closing Documents" shall have the meaning set forth in Section 4.2.

"Buyer Indemnified Parties" shall have the meaning set forth in Section 7.1.

"Closing" shall have the meaning set forth in Section 2.6.

"Closing Date" shall have the meaning set forth in Section 2.6.

"Closing Date Payment" shall have the meaning set forth in Section 2.5(a).

"Closing Report" shall have the meaning set forth in Section 2.5(a).

"Closing Statement" shall have the meaning set forth in Section 2.5(b).

"COBRA" means the requirements of Part 6 of Subtitle B of Title I of ERISA and Section 4980B of the Code and of any similar state law.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commitments" shall have the meaning set forth in Section 3.21(a).

"Company" shall have the meaning set forth in the preamble to this Agreement.

"Company Contracts" shall have the meaning set forth in Section 3.22(a).

"Company Intellectual Property" means all Company Owned Intellectual Property, all Licensed Intellectual Property and all Intellectual Property otherwise used in or necessary for the Company's current or planned business or operations.

"Company Membership Interests" shall have the meaning set forth in the Recitals.

"Company Owned Intellectual Property" shall have the meaning set forth in Section 3.24(a).

"Company Permits" shall have the meaning set forth in Section 3.8(b).

"Company Real Property" shall have the meaning set forth in Section 3.12(b).

"Condominium Documents" shall have the meaning set forth in Section3.12(e).

"Confidential Information" shall have the meaning set forth in Section 5.11(c).

"Consent" means any approval, consent, ratification, waiver or other authorization.

"Continuing Employees" shall have the meaning set forth in Section 5.8.

"Contract" means any agreement, contract, lease, consensual obligation, promise or undertaking (whether written or oral).

"Current Assets" means the current assets of the Company arising in the ordinary course in accordance with GAAP and in a manner calculated on Schedule 2.5(a), including accounts receivable and Inventory and excluding cash and cash equivalents.

"Current Liabilities" means the current liabilities of the Company arising in the ordinary course and accrued in accordance with GAAP and in a manner calculated on Schedule 2.5(a).

"Debt" means (a) any indebtedness, whether or not contingent, in respect of borrowed money or evidenced by bonds, notes, debentures or other similar instruments or letters of credit (or reimbursement agreements in respect thereof) or banker's acceptances or representing capitalized lease obligations, (b) any balance deferred and unpaid of the purchase price of any property, (c) all indebtedness of others secured by an Encumbrance on any asset of such Person, (d) all obligations under capital leases in respect of which such Person is liable as obligor, guarantor or otherwise (e) all obligations associated with hedging or similar arrangements, (f) all obligations in respect of letters of credit or bankers' acceptances, in each case, to the extent drawn or funded, (g) all obligations in respect of deferred rent, (h) unfunded, or under-funded retirement or severance obligations; (i) unpaid annual bonuses relating to any fiscal year prior to the 2020 fiscal year, and obligations arising from deferred compensation arrangements, plus the employer's share of Taxes attributable to the payment of the amounts referred to in this clause, (j) any Related Party Liabilities, (k) to the extent not otherwise included by clauses (a) through (i), any guaranty by such Person of any indebtedness of any Person; and (k) all principal, interest, fees, prepayment premiums or charges and other amounts payable by such Person in connection with such indebtedness.

"Direct Claim" shall have the meaning set forth in Section 7.3(d).

"Dispute Notice" shall have the meaning set forth in Section 2.5(c).

"Disputed Items" shall have the meaning set forth in Section 2.5(c).

"Employee Plans" shall have the meaning set forth in Section 3.19(c).

"Encumbrance" means any charge, claim, community or other marital property interest, condition, equitable interest, lien, option, pledge, security interest, mortgage deed of trust, right of way, easement, encroachment, servitude, right of first option, right of first or last negotiation or refusal or similar restriction, including any restriction on use, voting (in the case of any security or equity interest), transfer, receipt of income or exercise of any other attribute of ownership; other than (i) liens for Taxes not yet due and payable, (ii) zoning laws, and (iii) utility easements and other of-record easements that will not impair or prohibit the use of the Company Real Property as a retail dispensary for cannabis and cannabis-related products.

"Enforceability Exceptions" shall have the meaning set forth in Section 3.2.

"Environmental Laws" shall mean any Legal Requirement issued, promulgated or entered into by or with any Governmental Body relating to pollution, the environment, natural resources, exposure of any Person to Hazardous Substances or the protection of human health or endangered or threatened species, or the actual or threatened Releases, discharges or emissions into the environment or within structures.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any United States Department of Labor regulations thereunder.

"ERISA Affiliate" shall have the meaning set forth in Section 3.19(f).

"Escrow Agent" means Western Alliance Bank.

"Escrow Agreement" means that certain Escrow Agreement by and among the Buyer, the Sellers and the Escrow Agent dated as of the date of this Agreement.

"Escrow Amount" shall have the meaning set forth in Section 2.3.

"Estimated Adjustment Amount" shall have the meaning set forth in Section 2.5(a).

"Estimated Closing Date Payment" shall have the meaning set forth in Section 2.5(a).

"Estimated Net Working Capital" shall have the meaning set forth in Section 2.5(a).

"Final Adjustment Amount" shall have the meaning set forth in Section 2.5(d).

"Final Closing Date Payment" shall have the meaning set forth in Section 2.5(b).

"Final Closing Statement" shall have the meaning set forth in Section 2.5(b).

"Financial Statements" shall have the meaning set forth in Section 3.15.

"Fundamental Representation" shall have the meaning set forth in Section 7.4.

"GAAP" means accounting principles generally accepted in the United States of America.

"Governmental Authorization" means any Consent, license, registration, approval, non-objection, exemption, notification, franchise, certificate, authorization, bond or permit issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

"Governmental Body" means any: (a) nation, state, county, city, town, borough, village, district or other jurisdiction; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental powers); (d) multinational organization or body; (e) body exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or (f) official of any of the foregoing.

"Hazardous Substance" shall have the meaning set forth in Section 3.8(g).

"Improvements" shall have the meaning set forth in Section 3.12(d).

"Indemnified Party" shall have the meaning set forth in Section 7.3(a).

"Indemnifying Party" shall have the meaning set forth in Section 7.3(a).

"Insurance Policy" means any public liability, product liability, general liability, comprehensive, property damage, vehicle, life, hospital, medical, dental, disability, worker's compensation, key man, fidelity bond, theft, forgery, errors and omissions, directors' and officers' liability, or other insurance policy of any nature.

"Intellectual Property" means any and all patents, patent applications, registered and unregistered trademarks, trademark applications and registered and unregistered service marks; domain names; original works of authorship and related copyrights; trade secrets, whether or not patentable; designs and inventions and related patents; and similar intangible property in which any Person holds proprietary rights, title, interests or protections, however arising, pursuant to the laws of any jurisdiction throughout the world, all applications, registrations, renewals, issues, reissues, extensions, divisions and continuations in connection with any of the foregoing and the goodwill connected with the use of and symbolized by any of the foregoing; and licenses in, to and under any of the foregoing.

"Intellectual Property Registrations" shall have the meaning set forth in Section 3.24(a).

"Interim Balance Sheet" shall have the meaning set forth in Section 3.15.

"Interim Balance Sheet Date" shall have the meaning set forth in Section 3.15.

"Inventory" shall have the meaning set forth in Section 3.14.

"IRS" means the United States Internal Revenue Service and, to the extent relevant, the United States Department of the Treasury.

"Judgment" means any order, writ, injunction, citation, award, decree, ruling, assessment or other judgment of any Governmental Body or arbitrator.

"Knowledge" means the actual knowledge of Joe Feltham, Karl Chowscano, Jake Wooten and Tanner Phillips and the knowledge each such individual would have acquired after reasonable inquiry of the subject matter being represented.

"Leased Real Property" shall have the meaning set forth in Section 3.12(b).

"Legal Requirement" means any federal, state, local, municipal, foreign, international, multinational or other constitution, law, ordinance, principle of common law, code, regulation, guideline, standard, regulatory bulletin, order, Governmental Authorization, statute or treaty.

"Liability" means with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

"Licenses" means any license, certificate, approval, authorization or permit issued by any state, municipal or local governmental agency, authority or entity authorizing the holder of such license to engage in cannabis-related operations and activities, and any host community agreement or similar agreement entered into with a municipality in connection with cannabis-related operations and activities.

"Licensed Provider" means any Person who is required to have a License under Applicable Law or regulation to provide any cannabis or cannabis-related services for which the Company has hired or engaged with such Person.

"Licensed Intellectual Property" means Intellectual Property in which the Company holds exclusive or non-exclusive rights or interests granted by license from other Persons.

"Material Adverse Effect" means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, that is materially adverse to the business, assets, liabilities, financial condition, prospects or results of operations of the Company and the RE Company taken as a whole; provided that none of the following shall be deemed to constitute and none of the following shall be taken into account in determining whether there has been, a Material Adverse Effect: (a) any adverse change, event, development or effect (whether short-term or long-term) arising from or relating to (1) general business or economic conditions, including such conditions related to the Business, (2) national or international political or social conditions, including the engagement by the United State in hostilities, whether or not pursuant to the declaration of a national emergency or war, the occurrence of any military or terrorist attack upon the U.S., or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the U.S., (3) national or international emergency resulting from a pandemic or similar naturally occurring disease or event, (4) financial, banking, or securities markets (including any disruption thereof and any decline in the price of any security or any market index), (5) changes in U.S. generally accepted accounting principles, (6) changes in laws, rules, regulations, orders or other binding directives issued by any governmental entity, or (7) the taking of any action contemplated by this Agreement and the other agreements contemplated hereby, except in connection with obtaining any third party consents or regulatory approvals pursuant to Section 6.1(e) and Section 6.1(f); provided, further, however, that any event, occurrence, fact, condition or change referred to in clauses (1) through (4) immediately above shall be taken into account in determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur to the extent that such event, occurrence, fact, condition or change has a disproportionate effect on the Company and the RE Company compared to other participants in the industries in which the Company and the RE Company operates.

"Material Suppliers" shall have the meaning set forth in Section 3.25.

"Membership Interests" shall have the meaning set forth in the Recitals.

"Mission Mercury" shall have the meaning set forth in the preamble to this Agreement.

"Net Working Capital" means, without giving effect to the transactions contemplated by this Agreement (a) the sum of the Current Assets minus (b) the sum of Current Liabilities, in each

case, as of the close of business on the day prior to the Closing Date and calculated in accordance with the methodologies, policies and procedures used in calculating the sample calculation of Net Working Capital as set forth on Schedule 2.5(a). For purposes of clarification, Inventory will have a value equal to its cost.

"Neutral Accountant" means a nationally or regionally recognized independent accounting firm mutually acceptable to the Buyer and the Seller Parties.

"Ordinary Course of Business" means the ordinary course of business of the Company consistent with the past practices of the Company or taken in the ordinary course of the normal, day-to-day operations of the Company.

"Owned Real Property" means all land, together with all buildings, structures, improvements, and fixtures located thereon, and all easements, servitudes and other interests and rights appurtenant thereto, owned by the Company or RE Company.

"Party" or "Parties" shall have the meaning set forth in the preamble to this Agreement.

"PCBs" shall have the meaning set forth in Section 3.8(g).

"Person" means any individual, sole proprietorship, joint venture, partnership, corporation, limited liability company, association, cooperative, trust, estate, Governmental Body, administrative agency, regulatory authority, or other entity of any nature whatsoever.

"Post-Closing Affiliated Persons" shall have the meaning set forth in Section 5.5(b).

"Privacy Agreements" shall have the meaning set forth in Section 3.21(c).

"Privacy and Data Security Program" means the Company's technological, technical, physical, administrative, organizational and procedural safeguards, including, without limitation, policies, procedures, guidelines, practices, standards, controls, hardware, software and firmware, the function or purpose of which is, in whole or part, to (a) protect the confidentiality, integrity or availability of Business Data, (b) prevent the unauthorized use or unauthorized access to Business Data; (c) prevent the loss, theft or damage of Business Data; (d) prevent a breach, damage or malicious infection of Company systems or (e) comply with Privacy and Security Laws.

"Privacy and Security Laws" means all international, country-specific, national, federal, state, European Union, and United States state and federal laws and regulations, guidelines, rules, policies, and all standards, guidelines, rules, policies and regulations and procedures, and codes of practice issued by any Governmental Authority, as amended or replaced, applicable to the Company, which relate to the security, confidentiality, protection, privacy or secrecy of Business Data, applicable to the Company pertaining to the security, confidentiality, protection, privacy or secrecy of Business Data.

"Privacy Policy" shall have the meaning set forth in Section 3.21(d).

"Proceeding" means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

"Proportionate Share" means, with respect to each Seller, an amount equal to the percentage set forth next to such Seller's name in the Allocation Schedule.

"Purchase Price" shall have the meaning set forth in Section 2.2.

"RE Company" shall have the meaning set forth in the preamble to this Agreement.

"Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

"Released Parties" shall have the meaning set forth in Section 5.9.

"Releasor Parties" shall have the meaning set forth in Section 5.9.

"RE Membership Interests" shall have the meaning set forth in the Recitals

"Representative" means with respect to a particular Person, any director, officer, manager, employee, agent, consultant, advisor, accountant, financial advisor, legal counsel or other representative of that Person.

"RE Seller" shall have the meaning set forth in the preamble to this Agreement.

"Restricted Business" shall have the meaning set forth in Section 5.11(a).

"Restricted Period" shall have the meaning set forth in Section 5.11(a).

"Seller Indemnified Parties" shall have the meaning set forth in Section 7.2.

"Seller Indemnifying Parties" shall have the meaning set forth in Section 7.1.

"Seller Parent" shall have the meaning set forth in the preamble to this Agreement.

"Seller Party" or "Seller Parties" shall have the meaning set forth in the preamble to this Agreement.

"Seller Party Closing Documents" shall have the meaning set forth in Section 3.2.

"Sellers" shall have the meaning set forth in the preamble to this Agreement.

"Significant Transaction" means any transaction, whether structured as a merger, sale of assets, sale or equity, or similar transaction with a third party, in which (i) a 50% or greater interest in a Seller Party's (or any of its Affiliates') business is acquired by such third party, or (ii) a Seller

Party or any of its Affiliates acquires a fifty percent (50%) or greater interest in such third party's business; provided, however, that (i) such third party must do business in more than one state in the United States and (ii) less than fifty percent (50%) of the fair market value of such third party is attributable to such third party's business operations in the Commonwealth of Pennsylvania.

"Tangible Personal Property" shall mean all furniture, fixtures, leasehold improvements, production equipment, office equipment, accessories, parts, supplies, materials, vehicles, computer hardware, data processing equipment and other equipment owned by the Company and all other tangible personal property of every kind owned or leased by the Company and all related warranties and similar rights.

"Target Net Working Capital" means $0.

"Tax" or "Taxes" means (a) any and all federal, state, local and foreign (whether imposed by a country or political subdivision or authority thereunder) taxes, assessments and other governmental charges, duties, impositions and liabilities relating to taxes, including, without limitation, any federal, state, local or foreign income, earnings, profits, gross receipts, franchise, capital stock, net worth, sales, use, value added, ad valorem, profits, occupancy, general property, real property, personal property, intangible property, transfer, stamp, premium, custom, duty, environmental, fuel, excise, license, lease, service, service use, recapture, parking, employment, occupation, severance, payroll, withholding, unemployment compensation, social security, retirement, imputed underpayment or other tax, fiscal levy or charge of any nature; (b) any federal, state, local or foreign organization fee, qualification fee, annual report fee, filing fee, occupation fee, assessment, other fee or charge of any nature imposed by a Governmental Body or other authority; or (c) any deficiency, interest, penalty or addition imposed with respect to any of the foregoing and any obligations under any agreements or arrangements with any other Person with respect to such amounts, and including any liability for taxes of a predecessor entity and any obligation to indemnify or otherwise assume or succeed to any liability for taxes of any other Person.

"Tax Return" means (a) all returns and reports, amended returns, information returns, statements, declarations, estimates, schedules, notices, notifications, forms, elections, certificates or other documents filed or required to be filed or submitted to any Governmental Body or any Person with respect to the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of, or compliance with, any Tax, and (b) TD F 90-22.1 (and its successor form, FinCEN Form 114), including any amendment thereto.

"Term" means the period from the date of this Agreement through the consummation of the Closing or earlier termination of this Agreement pursuant to its terms.

"Territory" means the Commonwealth of Pennsylvania; provided, that upon and following the closing of a Significant Transaction, for the Seller Party (or its Affiliate) that is party to the Significant Transaction and its subsidiaries, "Territory" shall mean a 3-mile radius around each of the Company's then current store locations in Allentown and Wilkes Barre in the Commonwealth of Pennsylvania.

"Third Party Claim" shall have the meaning set forth in Section 7.3(a).

"Transfer Charges" shall have the meaning set forth in Section 5.7(a).

"Treasury Regulation" means a final, temporary or proposed regulation issued by the United States Department of the Treasury and/or the IRS under the Code.

"Transaction Cost" means all out-of-pocket fees, costs and expenses incurred or otherwise payable by the Company, the RE Company or any Seller Party in connection with the negotiation, documentation and consummation of the transactions contemplated by this Agreement, whether incurred prior to, on or after the date hereof, including (i) unpaid fees and expenses of attorneys, accountants, investment bankers and other advisors, (ii) change-of-control, retention, success fee, severance, bonus, unit appreciation, phantom equity or profit participation payments or similar obligations, including, without limitation, any change of control payments, bonuses, severance, termination or retention obligations or similar amounts (including amounts that are, or may become, payable to employees who have the right to terminate their employment) that are owed by the Company as of the Closing or that will be triggered, in part or in whole, either automatically or with the passage of time, in connection with the consummation of the transactions contemplated by this Agreement, including, in each case, the employer's share of Taxes attributable to any of the items referred to in this clause (ii), and (iii) any costs, fees or other expenses incurred in connection with obtaining any consent or terminating any Contract.

"WARN Acts" shall have the meaning set forth in Section 3.20(e).

"Wilkes Barre Property" shall have the meaning set forth in Section 3.6

EXHIBIT B
ALLOCATION SCHEDULE

Name of Seller	**Membership Interest in Company**	**Membership Interest in RE Company**	**Proportionate Share**
Mission Mercury LLC	65.83%	0%	91.3%
PL Pennsylvania Dispensary, LLC	34.17%	0%	0%
Linchpin Investors, LLC	0%	100%	8.7%

Exhibit 10.22

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement, dated as of April 30, 2020 (this "Agreement"), is entered into by and among (i) MLH Maryland Operations, LLC, a Delaware limited liability company ("Buyer"), and MLH Hampden Real Estate, LLC, a Delaware limited liability company and a wholly owned subsidiary of Buyer ("RE Buyer" and together with Buyer, the "Buyers"), (ii) Mission Maryland, LLC, a Maryland limited liability company ("Mission Maryland"), Adroit Consulting Group, LLC, a Delaware limited liability company ("Adroit"), Old Line State Consulting Group, LLC, a Delaware limited liability company ("Old Line" and together with Adroit, the "Sellers" and each, a "Seller"), and (iv) 4Front Ventures Corp., a corporation amalgamated under the laws of the Province of British Columbia ("Seller Parent" and together with the Sellers and Mission Maryland, the "Seller Parties"). The Seller Parties and the Buyers aresometimes referred to herein as the "Parties," and each, a "Party."

Recitals

WHEREAS, Adroit owns or controls all of the assets used in connection with the management of Chesapeake Integrated Health Institute, LLC, a Maryland limited liability company ("Chesapeake");

WHEREAS, Chesapeake operates a medical marijuana dispensary in Baltimore, Maryland;

WHEREAS, Old Line owns or controls all of the assets used in connection with the management of Maryland Alternative Relief, LLC, a Maryland limited liability company ("MAR"and together with Chesapeake, the "LicenseCos");

WHEREAS, MAR operates a medical marijuana dispensary in Rockville, Maryland;

WHEREAS, Mission Maryland operates a medical marijuana dispensary in Baltimore, Maryland and wishes to enter into a management agreement with Buyer in connection with the transactions contemplated by this Agreement;

WHEREAS, Seller Parent is the ultimate parent of each of the Sellers and in such capacity, Seller Parent will benefit from the transactions contemplated by this Agreement;

WHEREAS, Sellers desires to sell, and Buyers desire to purchase, the Assets (as hereinafter defined) for the consideration and upon the terms and conditions set forth below;

WHEREAS, on or about the date hereof, Seller Parent and certain Affiliates of the Seller Parties are entering into an agreement (the "Pennsylvania Acquisition Agreement") with Affiliatesof Buyers pursuant to which such Affiliates of Buyers will acquire all of the membership interestsof Mission Pennsylvania II, LLC, a licensed cannabis business in the Commonwealth of Pennsylvania (the "Pennsylvania Acquisition");

WHEREAS, Silver Spring Consulting Group, LLC ("Silver Spring") owns or controls all of the assets used in connection with the management of Premium Medicine of Maryland, LLC, a Maryland limited liability company ("Premium Maryland") and Premium Maryland operates a medical marijuana dispensary in Silver Spring, Maryland;

WHEREAS, Buyer and Silver Spring are considering a transaction whereby Buyer would acquire substantially all of the assets or 100% of the issued and outstanding membership interestsof Silver Spring (the "Silver Spring Acquisition"); and

WHEREAS, subject to the terms and conditions set forth in this Agreement, the Sellers have determined to sell and assign to Buyers, and Buyers desire to purchase and assume from the Sellers,the Assets and the Assumed Liabilities, all as more specifically provided herein.

NOW, THEREFORE, intending to be legally bound, in consideration of the mutual covenants and agreements contained herein, the Parties hereby agree as follows:

Agreement

1. Definitions. For purposes of this Agreement, the capitalized terms not otherwise defined in the body of this Agreement shall have the meanings ascribed to such terms in Exhibit A attached hereto, which defined terms are incorporated herein by reference.

2. Transfer of Assets.

2.1. Subject to the terms and conditions set forth herein, at the Closing, each Seller shall sell, assign, transfer, convey and deliver to Buyer (and with respect to the Owned RealProperty, to RE Buyer) and Buyer (and with respect to the Owned Real Property, RE Buyer) shallpurchase from such Seller, free and clear of any Encumbrances, all of such Seller's right, title andinterest in, to and under all of the assets, properties and rights of every kind and nature, whether real, personal or mixed, tangible or intangible (including goodwill), wherever located and whethernow existing or hereafter acquired (other than the Excluded Assets), which relate to, or are used or held for use in connection with, the Business (collectively, the "Assets"), including, without limitation, the following:

(a) all accounts or notes receivable held by the Sellers, and any security (including security deposits), claim, remedy or other right related to any of the foregoing or the following ("Accounts Receivable");

(b) all Inventory of the Sellers;

(c) the Intellectual Property assets of the Sellers and Mission Marylandset forth on Schedule 2.1(d) (the "Acquired IP Assets");

(d) all Owned Real Property and all Leased Real Property of the Sellers;

(e) all furniture, fixtures, equipment, machinery, tools, vehicles, office equipment, supplies, computers, telephones and other tangible personal property of the Sellers (the "Tangible Personal Property");

(f) all Permits, including Environmental Permits, which are held by the Sellers and required for the conduct of the Business as currently conducted or for the ownership and use of the Assets;

(g) all rights to any actions of any nature available to or being pursued by the Sellers to the extent related to the Business, the Assets or the Assumed Liabilities, whetherarising by way of counterclaim or otherwise;

(h) all prepaid expenses, credits, advance payments, claims, security, refunds, rights of recovery, rights of set-off, rights of recoupment, deposits, charges, sums and feesof the Sellers (excluding any such item relating to the payment of Taxes);

(i) all of the Sellers' rights under warranties, indemnities and all similar rights against third parties to the extent related to any Assets;

(j) all insurance benefits of the Sellers, including rights and proceeds, arising from or relating to the Business, the Assets or the Assumed Liabilities;

(k) all catalogues, brochures, sales literature, advertising and promotional material and other selling material prepared by Sellers for products of the LicenseCosand Mission Maryland and all office supplies, production supplies and other miscellaneous supplies owned by the Sellers and used by the LicenseCos or Mission Maryland;

(l) originals, or where not available, copies, of all books and records, including, but not limited to, books of account, ledgers and general, financial and accounting records, machinery and equipment maintenance files, customer lists, customer purchasing histories, price lists, distribution lists, supplier lists, production data, quality control records and procedures, customer complaints and inquiry files, research and development files, records and data (including all correspondence with any Governmental Body), sales material and records (including pricing history, total sales, terms and conditions of sale, sales and pricing policies and practices), strategic plans, internal financial statements, marketing and promotional surveys of or pertaining to the Sellers, the LicenseCos or the Assets (the "Books and Records");

(m) all Contracts of the Sellers set forth on Schedule 2.1(n) (the "Assigned Contracts");

(n) the other assets of the Sellers, if any, listed on Schedule 2.1(o);

(o) the Intraparty Obligations and the Intraparty Security Agreements; and

(p) all goodwill and going concern value of the Sellers.

Without limiting the foregoing, the Assets shall include all assets, property, rights and business of the Sellers that are used or useful in connection with its management and control of the LicenseCos pursuant to the Management Agreements, except for the Excluded Assets. To theextent that any assets, property, rights or business of the Sellers (except for the Excluded Assets) are intended to be transferred to Buyers pursuant to the general language of this Agreement but are not transferred for any reason, the parties shall cooperate fully (without further consideration being payable) to execute such further documents or instruments as may be necessary to transfer such assets, property, rights and business to Buyers.

2.2. Excluded Assets. Notwithstanding the foregoing, the Assets shall notinclude the following assets of the Sellers (collectively, the "Excluded Assets"):

(a) All Contracts of the Sellers that are not Assigned Contracts which are listed on Schedule 2.2(a) (the "Excluded Contracts");

(b) the corporate seals, organizational documents, minute books, stock books, Tax Returns, books of account or other records having to do with the corporate organizationof the Sellers;

(c) all Employee Plans and assets attributable thereto of the Sellers;

(d) the assets, properties and rights of the Sellers specifically set forth on Schedule 2.2(d);

(e)

(f) cash and cash equivalents of the Sellers;

other than the IP Assets; and

(g) the Intellectual Property assets of the Sellers and Mission Maryland

the rights which accrue or will accrue to the Sellers under this Agreement and the Ancillary Documents.

2.3. Assumed Liabilities. Subject to the terms and conditions set forth herein, Buyers shall assume and agree to pay, perform and discharge only the following Liabilities of the Sellers (collectively, the "Assumed Liabilities"), and no other Liabilities:

(a) all trade accounts payable of the Sellers to third parties in connection with the Business, and any other Liabilities of the Sellers, to the extent reflected as a liability in Net Working Capital in the Final Adjustment Amount;

(b) all Liabilities in respect of the Assigned Contracts but only to the extent that such Liabilities thereunder are required to be performed after the Closing Date, were incurred in the ordinary course of business and do not relate to any failure to perform, improper performance, warranty or other breach, default or violation by the Sellers on or prior to the Closing(provided, however, that such Liabilities will only be Assumed Liabilities to the extent that all benefits under such Assigned Contracts are transferred to the Buyer pursuant to this Agreement);and

(c) those Liabilities of Sellers set forth on Schedule 2.3(c).

2.4. Excluded Liabilities. Notwithstanding the provisions of Section 2.3 or any other provision in this Agreement to the contrary, Buyers shall not assume and shall not be responsible to pay, perform or discharge any Liabilities of Seller or any of its Affiliates of any kind or nature whatsoever other than the Assumed Liabilities (all such Liabilities other than the Assumed Liabilities, the "Excluded Liabilities"). Each Seller shall, and shall cause each of its Affiliates to, pay and satisfy in due course all Excluded Liabilities which they are obligated to payand satisfy. Without limiting the generality of the foregoing, the Excluded Liabilities shall include,but not be limited to, the following:

(a) any Liabilities of the Sellers arising or incurred in connection with the negotiation, preparation, investigation and performance of this Agreement and the transactions contemplated hereby and thereby, including, without limitation, fees and expenses of counsel, accountants, consultants, advisers and others;

(b) any Liability for (i) any Taxes relating to the operation of the Business or the ownership, possession or use of the Assets at or prior to the Closing; (ii) Sellers' share of the Taxes that arise out of the consummation of the transactions contemplated hereby (including 75% of all Transfer Charges) or that are the responsibility of the Sellers pursuant to Section 6.12; or (iii) any other Taxes of the Sellers or the Seller Parent (or any stockholder, memberor Affiliate of the Sellers or the Seller Parent) of any kind or description (including any Liability for Taxes of the Sellers or the Seller Parent (or any stockholder, member or Affiliate of the Sellersor the Seller Parent), whether or not arising before or after, or maturing before or after, the Closing,or that becomes a Liability of Buyers under any common law doctrine of de facto merger or transferee or successor liability or otherwise by operation of contract or law);

(c) any Liabilities relating to or arising out of the Excluded Assets;

(d) any Liabilities in respect of any pending or threatened Proceeding arising out of, relating to or otherwise in respect of the operation of the Business or the Assets to the extent such Proceeding relates to such operation on or prior to the Closing Date;

(e) any product Liability or similar claim for injury to a Person or property which arises out of or is based upon any express or implied representation, warranty, agreement or guaranty made by the Sellers or the LicenseCos or by reason of the improper performance or malfunctioning of a product, improper design or manufacture, failure to adequatelypackage, label or warn of hazards or other related product defects of any products at any time manufactured or sold or any service performed by the Sellers or the LicenseCos;

(f) any recall, design defect or similar claims of any products manufactured or sold or any service performed by Sellers or the LicenseCos;

(g) any Liabilities of the Sellers arising under or in connection with any Employee Plan providing benefits to any present or former employee of the Sellers or LicenseCos;

(h) any Liabilities of the Sellers for any present or former employees, officers, directors, retirees, independent contractors or consultants of the Sellers, including,without limitation, any Liabilities associated with any claims for wages or other benefits, bonuses,accrued vacation, workers' compensation, severance, retention, termination or other payments;

(i) any claims or Liabilities under Environmental Laws, to the extent arising out of or relating to facts, circumstances or conditions existing on or prior to the Closing or otherwise to the extent arising out of any actions or omissions of the Sellers or the LicenseCos;

(j) any trade accounts payable of the Sellers to the extent not accountedfor in the Net Working Capital in the Final Adjustment Amount;

(k) any Liabilities to indemnify, reimburse or advance amounts to any present or former officer, director, manager, employee or agent of the Sellers (including with respect to any breach of fiduciary obligations by same);

(l) any Liabilities under the Excluded Contracts or any other Contracts (i) which are not validly and effectively assigned to Buyers pursuant to this Agreement; (ii) whichdo not conform to the representations and warranties with respect thereto contained in this Agreement; or (iii) to the extent such Liabilities arise out of or relate to a breach by the Sellers ofsuch Contracts prior to Closing;

(m) any Liabilities associated with debt, loans or credit facilities of the Sellers and/or the Business owing to financial institutions; except that the debt represented by the Intraparty Obligations will not be deemed an Excluded Liability of the LicenseCos (such Intraparty Obligations are, instead, an Asset); and

(n) any Liabilities arising out of, in respect of or in connection with the failure by the Seller or any of their Affiliates to comply with any law, regulation, regulatory bulletin, regulatory guidance or Governmental Order.

2.5. Purchase Price. The aggregate consideration to be paid by the Buyers to the Sellers for the Assets and for Mission Maryland's entry into a Mission Maryland Management Agreement and Mission Maryland Option Agreement shall be $5,700,000.00 in cash (the "Purchase Price"), such Purchase Price subject to adjustment as set forth in this Agreement. The Purchase Price, as adjusted pursuant to the terms of this Agreement, shall be allocated among theSellers and Mission Maryland in accordance with their Proportionate Share as set forth in the allocation schedule attached hereto as Exhibit B (the "Allocation Schedule"). The Purchase Price,as adjusted pursuant to the terms of this Agreement, shall be paid to the Sellers and Mission Maryland in accordance with their Proportionate Share as set forth in the Allocation Schedule. Each of the Sellers and Mission Maryland irrevocably consents to the allocation of the Purchase Price, as adjusted pursuant to the terms of this Agreement, in accordance with their ProportionateShare as set forth in the Allocation Schedule.

2.6. Escrow. On the date hereof, the Buyers shall cause an amount equal to $2,850,000.00 in cash (the "Escrow Amount") to be delivered to the Escrow Agent pursuant to the terms of the Escrow Agreement. Pursuant to the terms of the Escrow Agreement, the Escrow

Amount shall be used to fund the payment of a portion of the Purchase Price, as adjusted pursuantto the terms of this Agreement, at the Closing following the satisfaction of each of the closing conditions set forth in Section 7. The Buyers and the Sellers agree to split the fees of the Escrow Agent 50-50.

2.7. Working Capital Adjustment.

(a) Closing Adjustment. At the Closing, the Purchase Price shall be adjusted in the following manner: (A) either (1) an increase by the amount, if any, by which the Estimated Net Working Capital (as determined in accordance with this Section 2.7) is greater thanthe Target Net Working Capital, or (2) a decrease by the amount, if any, by which the Estimated Net Working Capital is less than the Target Net Working Capital (in either case, the "Estimated Adjustment Amount"); (B) a decrease by the outstanding Debt of the Sellers and the LicenseCos (not including the Intraparty Obligations) and Mission Maryland as of the close of business on theClosing Date; and (C) a decrease by the amount of unpaid Transaction Costs as of the close of business on the Closing Date. The net amount after giving effect to the adjustments listed above shall be the "Closing Date Payment." At least one (1) Business Day prior to the Closing Date, theSellers and Mission Maryland shall prepare in good faith and deliver to the Buyers a report (the "Closing Report") setting forth (1) an estimated consolidated balance sheet of the Sellers and the LicenseCos and Mission Maryland as of the Closing Date (without giving effect to the consummation of the transactions contemplated hereby), including the Sellers' and Mission Maryland's good faith estimate of the Net Working Capital (the "Estimated Net Working Capital"), (2) the Sellers' and Mission Maryland's good faith estimate of the Debt of the Sellers and the LicenseCos (not including the Intraparty Obligations) and Mission Maryland, and Transaction Costs and each of the components thereof, and (3) based upon the foregoing, a calculation of the Closing Date Payment based thereon (the "Estimated Closing Date Payment"), including the Sellers' good faith estimate of the portion of the Estimated Closing Date Payment payable to each Seller in accordance with the Allocation Schedule. The preparation of the ClosingReport and the calculation of the components thereof shall be prepared in accordance with the policies and procedures used in calculating the sample calculation of Net Working Capital as set forth on Schedule 2.7(a), and shall (i) be signed by the Sellers and shall certify that the componentsof the Closing Report and the calculations therein were prepared in good faith based on the booksand records of the Sellers and the LicenseCos and Mission Maryland, and (ii) include reasonably detailed supporting documents for the calculation of the components of the Closing Report.

(b) Closing Statement. Within sixty (60) days after the Closing Date, the Buyers shall prepare and deliver to the Sellers and Mission Maryland a statement (the "Closing Statement") including the consolidated balance sheet of the Sellers and LicenseCos and Mission Maryland as of the Closing Date (without giving effect to the consummation of the transactions contemplated hereby) and calculating in reasonable detail each of the Net Working Capital, Debt of the Sellers and the LicenseCos (not including the Intraparty Obligations) and Mission Maryland, Transaction Costs and each of the components thereof, and its calculation of the Closing Date Payment (the "Final Closing Date Payment"). The Buyers shall promptly provide the Sellers and Mission Maryland reasonable access, at reasonable times following prior notice, to all relevant documents and information reasonably requested by the Sellers and Mission Maryland in connection with, and reasonably necessary to conduct, its review of the Closing Statement

(including all components thereof); provided, that the Buyers may withhold or redact portions of information that is subject to attorney-client privilege. If the Buyers do not deliver a Closing Statement to the Sellers and Mission Maryland within such sixty (60) day period, the Closing Report, including the calculations set forth therein, shall be deemed to be the "Final Closing Statement" and the Estimated Closing Date Payment set forth therein, the Final Closing Date Payment.

(c) If the Sellers and Mission Maryland have any disputes with respectto the amounts shown on the Closing Statement, the Sellers and Mission Maryland shall deliver tothe Buyers within thirty (30) days after receipt of the Closing Statement a notice (the "Dispute Notice") setting forth the Sellers' basis for such dispute(s) in reasonable detail. The Buyers and the Sellers and Mission Maryland shall use good faith efforts to resolve any dispute involving anymatter set forth in the Dispute Notice. If the Sellers and Mission Maryland do not deliver a DisputeNotice to the Buyers within such thirty (30) day period, the Closing Statement, including the calculations set forth therein, prepared and delivered by the Buyers shall be deemed to be the FinalClosing Statement and the Closing Date Payment set forth therein, the Final Closing Date Payment. The Buyers and the Sellers and Mission Maryland shall use commercially reasonable efforts to resolve such differences within a period of thirty (30) days after the Sellers and MissionMaryland have given the Dispute Notice. If the Buyers and the Sellers resolve such differences, the Closing Statement agreed to by the Buyers and the Sellers and Mission Maryland shall be deemed to be the Final Closing Statement. If the Buyers and the Sellers and Mission Maryland donot reach a final resolution on the Closing Statement within such thirty (30) day period, then eitherthe Buyers or the Sellers and Mission Maryland may refer the dispute to the Neutral Accountant to resolve any remaining differences, pursuant to an engagement agreement, containing customaryterms consistent with this Section 2.7, among the Buyers and the Sellers and Mission Maryland and the Neutral Accountant (which the Buyers and the Sellers and Mission Maryland agree to execute promptly). The Neutral Accountant shall only decide the specific items with respect to the amounts shown on the Closing Statement under dispute by the Parties (the "Disputed Items"),solely in accordance with the terms of this Agreement, and the recalculation, if any, of the amountstherein in light of such resolution, and shall not award an amount more favorable to the Buyers than the corresponding amounts claimed by the Buyers in the Closing Statement, or more favorableto the Sellers and Mission Maryland than the corresponding amounts claimed by the Sellers and Mission Maryland in the Dispute Notice. The Buyers and the Sellers and Mission Maryland shalluse commercially reasonable efforts to cause the Neutral Accountant to provide a written determination of its resolution of the Disputed Items within twenty (20) days after the engagementof the Neutral Accountant. The Buyers and the Sellers and Mission Maryland shall reasonably cooperate with the Neutral Accountant in its efforts to resolve the Disputed Items described in theDispute Notice and the recalculation, if any, of the amounts therein in light of such resolution. TheNeutral Accountant's determination shall be based solely on written submissions of the Buyers and the Sellers and Mission Maryland (i.e., not on independent review) and on the definitions andother terms included herein. The Closing Statement and the Closing Date Payment determined bythe Neutral Accountant shall be deemed to be the Final Closing Statement and the Final Closing Date Payment, respectively. Such determination by the Neutral Accountant shall be conclusive and binding upon the Parties, absent fraud or manifest error. The fees and expenses of the NeutralAccountant for services rendered pursuant to this Section 2.7 shall be borne by the Buyers and theSellers and Mission Maryland in inverse proportion as they may prevail on the matters resolved

by the Neutral Accountant, which proportional allocations shall also be determined by the Neutral Accountant at the time the determination of the Neutral Accountant is rendered on the matters submitted. Nothing in this Section 2.7 shall be construed to authorize or permit the Neutral Accountant to determine any questions or matters whatsoever under or in connection with this Agreement except for the resolution of differences between the Buyers and the Sellers and Mission Maryland regarding the determination of the Final Closing Statement.

(d) The "Final Adjustment Amount" (which, for the avoidance of doubt, may be a positive or negative number) shall be equal to (i) the Final Closing Date Payment (as set forth on the Final Closing Statement) minus (ii) the Estimated Closing Date Payment (as set forthon the Closing Report). No later than five (5) Business Days after the Final Closing Date Paymentis determined:

(i) if the Final Closing Date Payment is greater than the Estimated Closing Date Payment, the Buyers shall pay, in cash by wire transfer of immediately available funds, such Final Adjustment Amount to the Sellers and Mission Maryland in accordance with their Proportionate Share as set forth on the Allocation Schedule; or

(ii) if the Estimated Closing Date Payment is greater than the Final Closing Date Payment, each of the Seller Parties, jointly and severally, shall pay, in cash bywire transfer of immediately available funds, such Final Adjustment Amount to the Buyers.

All payments made pursuant to this Section 2.7 shall be treated by the Parties as a post-Closing adjustment to the Purchase Price.

2.8. Allocation of Purchase Price. The Parties agree that: (A) the initial allocation of the Purchase Price among the Sellers and Mission Maryland is set forth in Section 2.5; (B) the portion of the Purchase Price and the Assumed Liabilities (plus other relevant items) allocated to the Sellers shall be allocated among the Assets for income Tax and financialaccounting purposes as shown on the allocation schedule (the "Asset Allocation Schedule"); and
(C) Buyers, on the one hand, and Seller Parent, Sellers and Mission Maryland, on the other hand, will file all applicable Tax Returns (to the extent required by Applicable Law) in a manner that is consistent with the allocation of the Purchase Price and the Assumed Liabilities (and other relevant items) among the Assets and the Mission Maryland Agreement and the Mission Maryland Option Agreement, as determined pursuant to this Section 2.8. A draft of the Asset Allocation Schedule is attached hereto setting forth the methodology for the allocation (the "Preliminary Allocation Schedule"). Within 90 days following the Closing Date, Buyers shall prepare and deliver to the Sellers an updated Asset Allocation Schedule, which shall be consistent with the methodology set forth in the Preliminary Asset Schedule . If the Sellers notify Buyers in writing that the Sellers object to one or more items reflected in the Asset Allocation Schedule, the Sellers and Mission Maryland and Buyers shall negotiate in good faith to resolve such dispute; *provided, however*, thatif the Sellers and Mission Maryland and Buyers are unable to resolve any dispute with respect to the Asset Allocation Schedule within 30 days following delivery of the Asset Allocation Schedule,such dispute shall be resolved by the Neutral Accountant, who shall be instructed to make a determination that is consistent with the methodology set forth in the Preliminary Allocation Schedule. The fees and expenses of such accounting firm shall be borne equally by the Sellers andMission Maryland and Buyers. Buyers and Sellers and Mission Maryland shall file all Tax Returns

(including amended returns and claims for refund) and information reports in a manner consistent with the Asset Allocation Schedule. Any adjustments to the Purchase Price pursuant to Section 2.7 herein shall be allocated in a manner consistent with the Asset Allocation Schedule.

2.9. Third Party Consents. To the extent that any Seller's rights under any Contract or Permit constituting an Asset, or any other Asset, may not be assigned to Buyers withoutthe consent of another Person which has not been obtained, this Agreement shall not constitute anagreement to assign the same if an attempted assignment would constitute a breach thereof or be unlawful, and such Seller, at its expense, shall use its reasonable best efforts to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted assignment would be ineffective or would impair Buyers' rights under the Asset in question so that Buyers would not in effect acquire the benefit of all such rights, such Seller, to themaximum extent permitted by law and the Asset, shall act after the Closing as Buyers' agent in order to obtain for it the benefits thereunder and shall cooperate, to the maximum extent permittedby Law and the Asset, with Buyers in any other reasonable arrangement designed to provide suchbenefits to Buyers. Notwithstanding any provision in this Section 2.9 to the contrary, Buyers shallnot be deemed to have waived its rights under Section 7.1(e) hereof unless and until Buyers eitherprovides written waivers thereof or elects to proceed to consummate the transactions contemplatedby this Agreement at Closing.

2.10. Withholding. Each Buyer shall be entitled to deduct and withhold (or causeto be deducted and withheld) from any amounts payable by it in respect of the Assets and the Mission Maryland Agreement or any other payments contemplated by this Agreement such amount, if any, as set forth on a schedule provided by Buyer to the Sellers and Mission Marylandnot later than two days prior to Closing and reasonably agreed to by the Sellers, and to collect anynecessary Tax forms for avoiding such withholding, including IRS Form W-9, or any similar information, from the Sellers and Mission Maryland and any other recipient of any payment hereunder. To the extent that amounts are so withheld (or caused to be withheld), such withheld amounts shall be treated for all purposes as having been paid to the Sellers and Mission Marylandor such other recipient, as applicable, in respect of which such deduction and withholding was made.

3. Closing.

3.1. The consummation of the transactions contemplated by this Agreement (the "Closing") shall take place via electronic exchange of signature pages, as promptly as practicable,but in no event later than the second (2^{nd}) business day following the satisfaction or waiver of eachof the conditions set forth in Section 7 (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at Closing), orat such other time and place as the Buyers and the Sellers and Mission Maryland may agree in writing. The date on which the Closing occurs is the "Closing Date."

3.2. At the Closing, each Seller and Mission Maryland shall deliver to Buyers the following (as applicable):

(a) a bill of sale in form and substance satisfactory to Buyers (the "Billof Sale") and duly executed by such Seller, transferring such Seller's portion of the tangible personal property included in the Assets to Buyers;

(b) an assignment and assumption agreement in form and substance satisfactory to Buyers (the "Assignment and Assumption Agreement") and duly executed by such Seller, effecting the assignment to and assumption by Buyers of such Seller's portion of the Assets and the Assumed Liabilities;

(c) assignments in form and substance satisfactory to Buyers (the "Intellectual Property Assignments") and duly executed by such Seller, transferring all of such Seller's right, title and interest in and to the IP Assets to Buyers;

(d) with respect to each parcel of Owned Real Property:

(i) An original special warranty deed in form and substance satisfactory to RE Buyer (each, a "Deed") and duly executed and notarized by such Seller;

(ii) A Certificate of Non-Foreign Status pursuant to Section 1445 of the Internal Revenue Code; and

(iii) A customary parties in possession and mechanics lien affidavit in form and substance reasonably satisfactory to RE Buyer's title insurer and reasonablyacceptable to Sellers (the "Title Company"), allowing the Title Company to delete the Schedule B-II standard title exceptions on an ALTA owner's policy of title insurance (the "Title Policy") pertaining to mechanic's liens and parties in possession;

(e) Such other documentation as may be reasonably required by the Title Company, including certificates of good standing and other evidence of Seller's authority, along with any other state forms or disclosures customarily required in the State of Maryland in connection with a real property transfer, and evidence of payment or the current status of the realestate taxes applicable to the Owned Real Property in order to allow the Title Company to issue the Title Policy to Buyer free from Encumbrances;

(f) the Transition Services Agreement in form and substance satisfactory to Buyers (the "Transition Services Agreement") and duly executed by Mission Partners USA, LLC (an Affiliate of Sellers and Seller Parent) and a Trademark License Agreementin form and substance reasonably satisfactory to Buyers (the "Trademark License Agreement") and duly executed by Mission Partners IP, LLC;

(g) payoff letters duly executed by each applicable lender and other creditor of the Sellers necessary to obtain title to the Assets free and clear of all Encumbrances, and a schedule of all the Indebtedness of the Sellers and the LicenseCos (other than the Intraparty Obligations) as of the Closing Date;

(h) the certificates required by Section 7.1(h)(i) and Section 7.1(h)(iii);

(i) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Buyers and Sellers, as may be required to give effect to this Agreement; and

(j) evidence of termination of the Advisory Services Agreements between Affiliates of Seller Parent and the LicenseCos in form and substance reasonably satisfactory to Buyers.

3.3. At the Closing, Buyers and Sellers and Mission Maryland shall cause the Escrow Agent to deliver to Sellers and Mission Maryland a portion of the Estimated Closing Date Payment not to exceed $2,650,000.00 (such released and delivered portion of the Escrow Amount,the "Escrow Closing Payment") by wire transfer of immediately available funds to the accounts designated in the Closing Report and at the Closing, Buyers shall (i) deliver the remaining portionof the Estimated Closing Date Payment (but not including the Silver Springs Holdback) by wire transfer of immediately available funds to the accounts designated in the Closing Report; (ii) pay,on behalf of LicenseCos, Sellers and/or Mission Maryland, the following amounts: (A) Debt of the Sellers and the LicenseCos (other than the Intraparty Obligations) and Mission Maryland to bepaid at Closing, by wire transfer of immediately available funds to the accounts and in the amounts specified in the Closing Report; and (B) any Transaction Costs unpaid at Closing, by wire transferof immediately available funds to the accounts and in the amounts specified on the Closing Report;and (iii) cause the Title Company to record the Deed at the applicable land title records office or registry. The "Silver Springs Holdback" means the difference between the Escrow Amount and the Escrow Closing Payment. In addition, at the Closing, Buyers shall deliver to the Sellers and Mission Maryland the following:

(a) the Assignment and Assumption Agreement duly executed by Buyers; and

(b) the Transition Services Agreement and Trademark License Agreement, both duly executed by Buyers.

3.4. Silver Springs Transaction Bonus. In the event that Buyer and Silver Springs consummate the Silver Springs Acquisition within sixty (60) days of the date of this Agreement, Buyer shall instruct the Escrow Agent to deliver the Silver Springs Holdback to the account designated in writing by the Sellers. In the event that the Silver Springs Acquisition is not consummated within such sixty (60) day period, the Escrow Agent shall deliver the Silver Springs Holdback to the account designated in writing by Buyer. The payment to the Sellers or Buyer of the Silver Springs Holdback pursuant to this Section 3.4 shall be treated as an adjustment to the Purchase Price.

4. Representations and Warranties of the Seller Parties. Except as set forth in the Schedules to this Agreement delivered by the Seller Parties on the date of this Agreement and attached hereto, the Seller Parties, jointly and severally, hereby represent and warrant to the Buyersas of the date hereof, and at and as of the Closing Date, as follows:

4.1. Organization. Each Seller, Mission Maryland and each LicenseCo is a limited liability company duly organized, validly existing and in good standing under the laws of

the jurisdiction of its formation. Each Seller, Mission Maryland and each LicenseCo has the requisite power and authority to own, lease and operate the properties now owned, leased and operated by it and to carry on its business as currently conducted. Each Seller, Mission Maryland and each LicenseCo is duly qualified to do business as a foreign entity in each jurisdiction in whichthe nature of its business or the character of its properties makes such qualification necessary, except where the failure to do so would not have a Material Adverse Effect on such Seller, Mission Maryland or LicenseCo, as applicable. None of the Sellers, Mission Maryland or the LicenseCos has any subsidiaries or holds any equity securities of any other Person.

4.2. Enforceability. This Agreement and each other agreement or instrument executed and delivered by the Seller Parties at the Closing (collectively, the "Seller Party Closing Documents") has been duly authorized by all requisite action on the part of such Seller Party. This Agreement constitutes, and the Seller Party Closing Documents will constitute as of the Closing, the legal, valid and binding obligation of the Seller Parties, enforceable against the Seller Parties in accordance with its terms, subject to the effect of any applicable bankruptcy, moratorium, insolvency, fraudulent conveyance, reorganization, or other similar law affecting the enforceabilityof creditors' rights generally and to the effect of general principles of equity which may limit the availability of remedies (whether in a proceeding at law or in equity) (collectively, the "Enforceability Exceptions").

4.3. No Violation, Consents. The execution and delivery of this Agreement and each Seller Party Closing Document by the Seller Parties, and the performance of their obligations hereunder and thereunder does not and will not (a) violate or conflict with any provision of the organizational documents of the Seller Parties, (b) violate, or conflict with, or result in a material breach of any provision of, or constitute a default or give rise to any right of termination, cancellation or acceleration (with the passage of time, notice or both) under any Contract to whicha Seller Party or LicenseCo is a party or by which a Seller Party or LicenseCo is bound, (c) violateor conflict with any Legal Requirement to which the Seller Parties, the LicenseCos or any of theirrespective properties or assets are subject or (d) result in any Encumbrance on any assets of the Seller Parties or the LicenseCos. Without limiting the foregoing, none of the Seller Parties have granted any right to any third party which would conflict with the conveyance of the Assets to Buyers. No Seller Party is required to give any notice to or obtain any Consent from any Person inconnection with the Seller Parties' execution and delivery of this Agreement or any of the Seller Party Closing Documents, or the consummation or performance of the transactions contemplatedhereby or thereby.

4.4. Capitalization of LicenseCos.

(a) Schedule 4.4 sets forth the record owners (collectively, the "LicenseCo Owners" and each, a "LicenseCo Owner") of all of the issued and outstanding membership interests of each LicenseCo (collectively, the "LicenseCo Membership Interests"). Each LicenseCo Owner has good and valid title to the LicenseCo Membership Interests set forth next to such LicenseCo Owner's name on Schedule 4.4, free and clear of all Encumbrances. The LicenseCo Owners collectively own 100% of the total issued and outstanding membership interests of the LicenseCos. The LicenseCo Membership Interests have been duly authorized and are validly issued, fully-paid and non-assessable. Upon exercise of the

purchase options included in each of the Option Agreements, Buyers shall own all ofthe LicenseCo Membership Interests, free and clear of all Encumbrances, other than such Encumbrances that arose after the Closing Date through the Buyers' operations of the Business.

(b) The LicenseCo Membership Interests were issued in compliancewith Applicable Laws. The LicenseCo Membership Interests were not issued in violation of the organizational documents of the LicenseCos or any other agreement, arrangement, or commitmentto which any Seller Party or a LicenseCo is a party and are not subject to or in violation of any preemptive or similar rights of any Person.

(c) Except as set forth on Schedule 4.4, there are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to any membership interests in the LicenseCos or obligating the LicenseCos to issue or sell any membership interests (including the LicenseCo Membership Interests), or any other interest, in the LicenseCos. Other than the organizational documents, there are no voting trusts, proxies or other agreements or understandings in effect withrespect to the voting or transfer of any of the LicenseCo Membership Interests. There are no outstanding obligations of the LicenseCos to repurchase, redeem or otherwise acquire any equity interests.

(d) Seller Parent owns 100% of the issued and outstanding membership interests of 4Front Holdings, LLC, which owns 100% of the issued and outstanding membership interests of Mission Partners USA, LLC, which owns 100% of the issued and outstanding membership interests of each of 4F CIHI Investco, LLC, 4F MARI InvestCo, LLC and 4F PM InvestCo, LLC. 4F CIHI Investco, LLC owns 100% of the issued and outstanding membership interests of Adroit; and 4F MARI InvestCo, LLC owns 100% of the issued and outstanding membership interests of Old Line.

(e) Seller Parent owns 100% of the issued and outstanding membership interests of 4Front Holdings, LLC, which owns 100% of the issued and outstanding membership interests of Mission Partners USA, LLC, which owns 100% of the issued and outstanding membership interests of Mission Maryland (the "Maryland Interests") and, except as set forth on Schedule 4.4, no other Person has ever held any equity interest (directly or indirectly) in Mission Maryland. The Maryland Interests were duly authorized, validly issued, and are fully paid and non-assessable. There are no securities outstanding which are convertible into, exchangeable for, or carrying the right to acquire, equity interests (or securities convertible into or exchangeable forequity interests) of Mission Maryland, or subscriptions, warrants, options, calls, convertible securities, registration or other rights or other arrangements or commitments obligating Mission Maryland to issue, transfer or dispose of any of its equity interests or any ownership interest thereinand there are no pre-emptive rights in respect of any securities of Mission Maryland. There are no outstanding obligations of Mission Maryland to repurchase, redeem or otherwise acquire any equity interests.

4.5. Title and Sufficiency. Each Seller, Mission Maryland or LicenseCo, as applicable, is the owner of, and has good and marketable title to, all of the assets reflected on the Interim Balance Sheet in the categories set forth therein and to all of the assets acquired by such Seller,Mission Maryland or such LicenseCo since March 31, 2020, free and clear of all Encumbrances, and

the transfer of the Assets hereunder will convey to the Buyers good and valid title to, or a valid leasehold interest in, the Assets, free and clear of any Encumbrances. Each Seller, Mission Marylandand each LicenseCo owns all of the assets used by them in the operation and conduct of their businessesas currently conducted, or required by such Seller, Mission Maryland or such LicenseCo for the normal conduct of their business as currently conducted, except for those assets set forth on Schedule 4.5 hereto. The Assets (together with the assets held by the LicenseCos and Mission Maryland) constituteall of the assets (other than the Excluded Assets) used in, related to or required by the Sellers, MissionMaryland and LicenseCos for, the continued conduct of their businesses in the same manner as conducted prior to the Closing.

4.6. Legal Proceedings. There is no pending or, to the Knowledge of the Seller Parties, threatened Proceeding by or against any Seller Party or any LicenseCo (i) in which any Seller Party or any LicenseCo is or is threatened to be made a party; (ii) that relates to or may affect the Business or any of the Assets or the assets of the LicenseCos and Mission Maryland; or (iii) that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, the transactions contemplated hereby. There are no Judgments currently outstanding involving or related to any Seller Party or any LicenseCo (or any of their managers, officers or members in their capacities as such) or affecting the Business or any of the Assets or the assets of the LicenseCos and Mission Maryland. Schedule 4.6 describes any such Proceedingcommenced by or against a Seller Party or a LicenseCo settled or otherwise finally resolved by theparties thereto since such Seller Party's or such LicenseCo's formation. None of the Sellers, Mission Maryland or the LicenseCos has received notice of, nor, to the Knowledge of the Seller Parties, is there, any pending or threatened investigation or regulatory action by any GovernmentalBody involving any product currently or previously sold by any of the Sellers, Mission Marylandor any of the LicenseCos.

4.7. Compliance With Legal Requirements; Governmental Authorizations.

(a) Each of the Sellers, each of the LicenseCos and Mission Maryland is in material compliance with all Legal Requirements applicable to it. None of the Sellers, Mission Maryland and the LicenseCos has received any written or oral notice from a Governmental Bodythat alleges that it is not in compliance with any Legal Requirement, and none of the Sellers, Mission Maryland and the LicenseCos has been subject to any adverse inspection, finding, investigation, penalty, assessment, suspension, revocation, audit or other compliance or enforcement action. Except as set forth on Schedule 4.7(a), (A) none of the Sellers, Mission Maryland and the LicenseCos has received any written or oral notice from any Governmental Bodyhaving jurisdiction over its operations, activities, locations, or facilities, of (I) any deficiencies orviolations of, or (II) any remedial or corrective actions required in connection with, any Permits or their renewal, and (B) no action is being or, to the Knowledge of the Seller Parties, has been threatened or contemplated which (I) could reasonably be expected to result in the issuance of anynotice referenced in the preceding clause (A) or (II) could prevent or impair the operations and activities engaged in pursuant to such Permits.

(b) The Sellers, Mission Maryland and the LicenseCos have all Governmental Authorizations and Licenses reasonably necessary for the conduct of the Business (the "Permits"), which are listed on Schedule 4.7(b). All conditions of or restrictions on the Permits that may materially affect the ability of each of the Sellers, Mission Maryland and each of the

LicenseCos to conduct its current Business or contemplated business, whether or not embodied in such Permit, have been disclosed to the Buyers. All of the Permits are valid and in full force and effect, and none of the Sellers, Mission Maryland and the LicenseCos is in breach or default in any material respect under any Permit or any renewal thereof. Any and all applications for renewals ofthe Licenses necessary for the conduct of the Business have been timely made. No notices have been received by and no claims have been pursued and/or filed or threatened to be pursued and/orfiled against the Sellers, Mission Maryland or the LicenseCos alleging a material violation of anyPermit and no event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, termination, lapse or limitation of any Permit (including any License). Each Seller Party hereby covenants that it shall promptly notify the Buyers of any such notice hereafter given and/or of any such action hereafter threatenedor contemplated. All fees and charges with respect to the Permits due through the date hereof havebeen paid in full and will be paid in full through the Closing. Schedule 4.7(b) includes, where provided by the Governmental Body: (i) the operations, activities, locations and/or facilities authorized, covered by, or subject to such Licenses; (ii) the issuer of such License; and (iii) the expiration or renewal date for such License. Except as set forth on Schedule 4.7(b), all of the Permits are in full force and effect, all of the Permits are owned solely by the listed Seller Party orthe listed LicenseCo, free and clear of all Encumbrances, and each of the Sellers, Mission Maryland and each of the LicenseCos is in compliance with the Permits and all Legal Requirements in all material respects. All conditions of or restrictions on such Permits that may materially affect the ability to perform any cannabis related activity authorized by Maryland law,whether or not embodied in the Permits, have been disclosed to representatives of Buyers.

(c) Based on a review of the Maryland Medical Cannabis Commission, and to the best of the Sellers' Knowledge, the Sellers', LicenseCos' and Mission Maryland's Licensed Providers have all Licenses necessary for the conduct of their business activitiesinvolving the Sellers, LicenseCos and Mission Maryland. None of the Sellers, Mission Marylandand the LicenseCos has received any written notice from any Governmental Body having jurisdiction over its Licensed Providers' operations, activities, locations, or facilities, of (I) any deficiencies or violations of, or (II) any remedial or corrective actions required in connection withany License held by a Licensed Provider or their renewal, and (B) to the Seller Parties' Knowledge,no event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any License held by a Licensed Provider necessary for its cannabis or cannabis-related activities and operations involving the Sellers, Mission Maryland and/or the LicenseCos.

(d) None of the Sellers, Mission Maryland and the LicenseCos has, nor,to the Knowledge of the Seller Parties have any employees, agents or other representatives of the Sellers, Mission Maryland or LicenseCos on behalf of the Sellers, Mission Maryland or LicenseCos, directly or indirectly, made or authorized any payment, contribution or gift of money,property or services, in contravention of applicable Legal Requirement, (1) as a kickback or bribeto any Person or (2) to any political organization, regulator, or the holder of or any candidate for any elective or appointive public office, except for personal political contributions not involving the direct or indirect use of funds of the Sellers, Mission Maryland or LicenseCos.

(e) Without limiting the foregoing and with the exception of immaterial deficiencies that have previously been remedied in the ordinary course (none of which resulted in any individual fine or sanctions equal to or greater than $500 or a temporary suspension of the Business for more than 24 hours), each of the Sellers, Mission Maryland, each of the LicenseCosand their employees has complied and are in compliance in all material respects with all federal, state and local laws, rules, regulations and requirements for the operation of the business to whichit is subject, as well as the laws, rules and regulations of any other governmental or quasi- governmental authority, agency, or entity having jurisdiction with respect thereto, except with respect to federal laws regarding the manufacture, possession, sale or distribution of cannabis.

(f) The Sellers', Mission Maryland's and the LicenseCos' activities pursuant to or in connection with the Licenses and to the extent required by Applicable Law: (i) are intended to prevent the distribution of marijuana to minors; (ii) are intended to prevent revenuefrom the sale of marijuana from going to criminal enterprises, gangs, and cartels; (iii) are intendedto prevent the diversion of marijuana from states where it is legal under state law in some form toother states; (iv) are intended to prevent state-authorized marijuana activity from being used as a cover or pretext for trafficking of other illegal drugs or other illegal activity.

(g) To the Seller Parties' Knowledge (a) each of the Sellers, Mission Maryland and each of the LicenseCos has all necessary permits under any applicable Environmental Law for the operation of its business and is in compliance with such permits and otherwise is and has been in compliance with all Environmental Laws; (b) there has been no releaseor, to the Seller Parties' Knowledge, threatened release, of any pollutant, contaminant or toxic or hazardous material, substance or waste or petroleum or any fraction thereof (each a "Hazardous Substance"), on, upon, into or from any site currently or heretofore owned, leased or otherwise used by the Sellers, Mission Maryland or the LicenseCos (including the Real Property); (c) there have been no Hazardous Substances generated by the Sellers, Mission Maryland or the LicenseCosthat have been disposed of or come to rest at any site that has been included in any published U.S. federal, state or local "superfund" site list or any other similar list of hazardous or toxic waste sitespublished by any governmental authority in the United States; (d) none of the Sellers, Mission Maryland and the LicenseCos has received any written communication alleging that it is in violation of, or may have Liability under, any Environmental Law or written request by any Governmental Authority for information pursuant to any Environmental Law; and (e) there are nounderground storage tanks located on, no polychlorinated biphenyls ("PCBs") or PCB-containingequipment used or stored on, and no hazardous waste as defined by the Resource Conservation and Recovery Act, as amended, stored on, any site owned or operated by the Sellers, Mission Maryland or the LicenseCos, except for the accumulation of hazardous waste in compliance withEnvironmental Laws. Each of the Sellers, Mission Maryland and each of the LicenseCos has madeavailable to the Buyers true and complete copies of all material environmental records, reports, notifications, certificates of need, permits, pending permit applications, correspondence, engineering studies and environmental studies or assessments. None of the Sellers, Mission Maryland and the LicenseCos have received any written notice regarding any actual or alleged violation of or material liability under Environmental Laws.

4.8. Brokers or Finders. Except as set forth on Schedule 4.8, no Seller Party andno LicenseCo has incurred any obligation or liability, contingent or otherwise, for brokerage or

finders' fees or agents' commissions or other similar payments in connection with the sale of the Membership Interests or the transactions contemplated hereby.

4.9. Absence of Certain Changes. Except for transactions specifically contemplated in this Agreement, since the Interim Balance Sheet Date, each of the Sellers, Mission Maryland and each of the LicenseCos has conducted its business in the ordinary course of business and consistent with past practice and there has not been, and no event has occurred or circumstances exist that would reasonably be excepted to have, any Material Adverse Effect.

4.10. Books and Records. All the books of account and other Records of the Sellers, Mission Maryland and the LicenseCos (including, without limitation, manager and member resolutions, minutes and written consents) have been made available to the Buyers.

4.11. Property.

(a) Owned Property. Each Seller, Mission Maryland and each LicenseCo has good, clear, record and marketable title to all Owned Real Property, free and clearof all liens, liabilities, Encumbrances and title exceptions or claims other than (i) liens for taxes not yet due and payable, (ii) zoning laws, and (iii) utility easements and other of-record easementsthat will not impair or prohibit the use of the Owned Real Property as a retail dispensary for cannabis and cannabis-related products. None of the Sellers, Mission Maryland and the LicenseCos has granted any lease, license or other agreement granting to any Person any right to use or occupancy of the Owned Real Property or any portion thereof (other than the lease to Chesapeake). All Tangible Personal Property used in the Business is in the possession of the Sellers, Mission Maryland and the LicenseCos.

(b) Leased Property. With respect to the property and assets that the Sellers, Mission Maryland or the LicenseCos lease (including, without limitation, real property that the Sellers or the LicenseCos leases, subleases, licenses or otherwise uses or occupies (collectively, the "Leased Real Property," and together with the Owned Real Property, the "Real Property")), (i) the Sellers, Mission Maryland and the LicenseCos are in material compliance withall agreements related to such property and assets, (ii) the Sellers, Mission Maryland and the LicenseCos hold a valid leasehold interest free of any Encumbrances, other than those of the lessors of such property or assets and (iii) such property and assets are in good operating conditionand repair (subject to normal wear and tear). No Person other than the Sellers, Mission Marylandor the LicenseCos has any right to use or occupy the Leased Real Property or any portion thereof.The Sellers and Mission Maryland have made available to the Buyers true and correct copies of all leases with respect to the Leased Real Property. The Sellers have made available to the Buyersor its advisors true, correct and complete copies of all Contracts relating to any rights in the LeasedReal Property. To the Seller Parties' Knowledge, no parcel of Leased Real Property is subject to any governmental decree or order to be sold or is being condemned, expropriated or otherwise taken by any public authority with or without payment of compensation therefore, nor has any such condemnation, expropriation or taking been proposed. All leases of Leased Real Property and all amendments and modifications thereto are in full force and effect, and there exists no default under any such lease by the Sellers, Mission Maryland, the LicenseCos or, to the Seller Parties' Knowledge, any other party thereto, nor any event which, with notice or lapse of time or

both, would constitute a default thereunder by the Sellers, Mission Maryland, the LicenseCos or,to the Seller Parties' Knowledge, any other party thereto.

(c) The Real Property is suitable for the conduct of the Business. The Closing will not affect the continued use and possession of the Leased Real Property by the LicenseCos and Mission Maryland. Neither the operation of the Business on the Real Property nor such Real Property, including the improvements thereon, violate in any material respect any applicable building code, zoning requirement or statute relating to such property or operations thereon, and any such non-violation is not dependent on so-called non-conforming use exceptions.To the Knowledge of the Seller Parties, there is no existing, pending or threatened (i) condemnation proceedings affecting the Real Property, (ii) zoning, building code or other moratorium proceedings, or similar matters which could reasonably be expected to adversely affectthe ability to operate the Business on the Real Property, or (iii) special assessments or public improvements that may result in special assessments against or otherwise affect the Real Property.Neither the whole nor any material portion of the Real Property has been damaged or destroyed by fire or other casualty. To the Knowledge of the Seller Parties, there are no structural, latent or hidden, defects in the buildings and other structures that are part of the Real Property, and there are no restrictive covenants, easements or other written agreements with respect to the Real Property, in either case that would materially affect the ability of the Sellers, Mission Maryland and the LicenseCos to operate the Business on the Real Property. There are no contractual or legalrestrictions that preclude or restrict the ability to use any Real Property for the current use thereofand Seller has received no notice or communication of any violation of an Applicable Law with respect to the Real Property. All parcels of Real Property are adequately maintained and are in good operating condition and repair for the requirements of the Business as currently conducted.

(d) All of the improvements upon any of the Owned Real Property (collectively, the "Improvements") have been constructed and installed in accordance with applicable codes, laws, ordinances, rules, regulations, permits and approvals and have been completed in a professional and workmanlike manner and are in good operating condition and repair. All of the heating, ventilation and air conditioning systems, plumbing, fire protection, security and other mechanical and electrical systems of the Improvements have been constructed and installed in accordance with applicable codes, laws, ordinances, rules, regulations, permits andapprovals, have been completed in a professional and workmanlike manner and are in good operating condition and repair. There are no latent defects in any of the Improvements, and the structural components, foundations, roofs, walls and fixtures are in good operating condition and repair, and the roofs, foundations and structural components are free from leaks, and the Improvements are free from termite and other infestation. There are no defects or inadequacies inthe Owned Real Property that might adversely affect the insurability of the same or that might cause an increase in the insurance premiums.

4.12. Title to Assets; Sufficiency. Except as set forth in Schedule 4.12, the furniture, machinery, equipment, vehicles and other items of tangible personal property included in the Assets and the assets of the LicenseCos and Mission Maryland are structurally sound, are ingood operating condition and repair, and are adequate for the uses to which they are currently being put, and none of such furniture, machinery, equipment, vehicles and other items of tangiblepersonal property is in need of maintenance or repairs except for ordinary, routine maintenance

and repairs that are not material in nature or cost. The Assets and the assets of the LicenseCos and Mission Maryland are sufficient for the continued conduct of the Business immediately after the Closing in substantially the same manner as conducted prior to the Closing and constitute all of the rights, property and assets necessary to conduct the Business as currently conducted. Each of the Sellers owns good and marketable title to, or a valid lease or license, as applicable, to all of theAssets free and clear of all Encumbrances and each of the LicenseCos and Mission Maryland ownsgood and marketable title to, or a valid lease or license, as applicable, to all of its assets free and clear of all Encumbrances. None of the Excluded Assets are material to the Business.

4.13. Inventory. All finished goods inventories owned by LicenseCos and Mission Maryland, wherever located (the "Inventory"), whether or not reflected in the Interim Financial Statements, consists of a quality and quantity usable and salable in the ordinary course of business and consistent with past practice, except for obsolete, damaged, defective or slow- moving or other items required to be removed from inventory under Applicable Law, each of which have been written off or written down to fair market value or for which adequate reserves have been established. All Inventory is owned by the LicenseCos or Mission Maryland, as applicable, free and clear of all Encumbrances, and no Inventory is held on a consignment basis.

4.14. Financial Statements. Complete copies of the financial statements of the Sellers, Mission Maryland and the LicenseCos consisting of (a) the unaudited monthly balance sheets of each of the Sellers, Mission Maryland and the LicenseCos for 2019 and the related monthly statements of income for each month of 2019 and (b) the unaudited balance sheet of eachof the Sellers, Mission Maryland and the LicenseCos (the "Interim Balance Sheet") as of March 31, 2020 ("Interim Balance Sheet Date") and the related monthly statements of income for January,February and March, 2020 (collectively, the "Financial Statements") have been made available tothe Buyers and are attached hereto as Schedule 4.14. The Financial Statements are based on the books and records of the Sellers, Mission Maryland and the LicenseCos, and fairly present in all material respects the financial condition of the Sellers, Mission Maryland and the LicenseCos as of the dates they were prepared and the results of the operations of the Sellers, Mission Marylandand the LicenseCos for the periods indicated.

4.15. Undisclosed Liabilities. None of the Sellers, Mission Maryland and the LicenseCos has any indebtedness or other Liabilities except for (a) Liabilities specifically reflectedon, and fully reserved against in, the Interim Balance Sheet and (b) Liabilities which have arisen since the Interim Balance Sheet Date in the ordinary course of business and which are, in nature and amount, consistent with those incurred historically and are not material to the Sellers, Mission Maryland or the LicenseCos, individually or in the aggregate.

4.16. Debt. The Sellers have disclosed to the Buyers all of the Sellers' Debt, Mission Maryland's Debt and the LicenseCos' Debt incurred prior to the Closing, all of which, except for the Intraparty Obligations, shall be repaid, discharged or otherwise satisfied at or priorto the Closing. None of the Sellers, Mission Maryland and the LicenseCos is a guarantor for any Liability of any other Person. The Intraparty Obligations represent the only outstanding Debt of the LicenseCos and Mission Maryland to the Sellers, Seller Parent or any of their Affiliates.

4.17. Taxes.

(a) Each of the Sellers, Mission Maryland and each of the LicenseCos has timely filed all income and other material Tax Returns that were required to be filed by it, taking into account any valid extensions of time to file such Tax Returns. All such Tax Returns were true, correct and complete in all material respects and have been prepared in material compliance with all applicable Legal Requirements. All Taxes owed by the Sellers, Mission Maryland and the LicenseCos (whether or not shown on any Tax Return) have been timely paid or are being contested in good faith through appropriate proceedings. With respect to any period prior to the Interim Balance Sheet Date for which Tax Returns described herein have not yet beenfiled or for which Taxes described herein are not yet due or owing, the LicenseCos have fully accrued such Taxes on their respective financial statements. Since the Interim Balance Sheet Date,none of the LicenseCos has incurred any Taxes other than Taxes resulting from their respective operations in the ordinary course of business consistent with past practice. No penalty, interest orother charge is due with respect to the late filing of any such Tax Return or late payment of any such Tax.

(b) Each of the Sellers, Mission Maryland and each of the LicenseCos (i) has withheld from all payments to employees, customers, independent contractors, creditors, members and any other applicable payees proper and accurate amounts for all taxable periods in material compliance with all Tax withholding provisions of applicable federal, state, local and foreign laws, (ii) has remitted, or will remit on a timely basis, such amounts to the appropriate taxing authority, and (iii) has furnished or been furnished properly completed exemption certificates for all exempt transactions and has maintained records of such exemption certificates in material compliance with all applicable Legal Requirements.

(c) Each of the Sellers, Mission Maryland and each of the LicenseCos has (i) collected all sales, use, value added, goods and services and similar Taxes required to be collected by such Seller, Mission Maryland or LicenseCo that would reasonably be expected to result in (A) a lien for Taxes upon any of the Assets or (B) Taxes for which Buyers have any Liability, and (ii) remitted, or will remit on a timely basis, such amounts to the appropriate taxing authority in compliance with all applicable Legal Requirements.

(d) No audit, examination or other proceeding of any nature by a Governmental Body with respect to which the Sellers, Mission Maryland or the LicenseCos received notice in writing is presently in progress with respect to any material Tax or Tax Return of the Sellers, Mission Maryland or the LicenseCos. None of the Sellers, Mission Maryland and the LicenseCos and none of their respective members, managers, directors or officers has received (i) notice in writing of commencement of an audit, examination or other proceeding of any natureby a Governmental Body with respect to any Tax or Tax Return of the Sellers, Mission Marylandor the LicenseCos, as applicable, (ii) a request in writing for information related to any Tax mattersof the Sellers, Mission Maryland or the LicenseCos, as applicable, or (iii) a written assessment (orwritten proposed assessment) of any additional Taxes against the Sellers, Mission Maryland or the LicenseCos, as applicable, for any period, nor does any Seller Party have any reason to expect any such items to be forthcoming. All Tax Returns of the Sellers, Mission Maryland and the LicenseCos delivered to Sellers were correct and complete copies of such Tax Returns.

(e) There are no liens for Taxes upon the assets of the Sellers, Mission Maryland or the LicenseCos, other than liens for Taxes not yet due and payable.

(f) There are no outstanding agreements or waivers (by operation of lawor otherwise) extending the statutory period of limitations applicable to any Tax or Tax Return ofthe Sellers, Mission Maryland or the LicenseCos for any period that will not lapse before the Closing Date.

(g) None of the Assets is an interest in any "controlled foreign corporation" (as defined in Section 957 of the Code), "passive foreign investment company" (as defined in Section 1297 of the Code) or other entity the income of which is or could be required to be included in the income of the Sellers, Mission Maryland or the LicenseCos, as applicable.

4.18. Employees; Employee Benefit Plans.

(a) None of the Sellers, Mission Maryland and the LicenseCos isdelinquent in payments to any of its employees, consultants or independent contractors for any wages, salaries, commissions, bonuses, or other direct compensation for any service performed forit to the date hereof or amounts required to be reimbursed to such employees, consultants and independent contractors. The Sellers, Mission Maryland and the LicenseCos have complied in allmaterial respects with all applicable state and federal equal employment opportunity laws and with other laws related to employment, including those related to wages, hours, worker classification and collective bargaining. Each of the Sellers, Mission Maryland and each of the LicenseCos haswithheld and paid to the appropriate Governmental Body or is holding for payment not yet due tosuch Governmental Body all amounts required to be withheld from employees of the Sellers, Mission Maryland and the LicenseCos and is not liable for any arrears of wages, taxes, penalties or other sums for failure to comply with any of the foregoing.

(b) The employment of each employee of the Sellers and Mission Maryland and each employee of the LicenseCos is terminable at the will of the applicable Seller Party or LicenseCo, and upon termination of the employment of any such employees, no severanceor other payments or benefits will become due. None of the Sellers, Mission Maryland and the LicenseCos has any policy, practice, plan or program of paying severance pay or benefits or any form of severance compensation in connection with the termination of employment or services.

(c) Schedule 4.18(c) lists each material employment, bonus, profitsharing, or other employee benefit plan, agreement, policy or arrangement maintained or contributed to, or required to be contributed to, by the Sellers, Mission Maryland or the LicenseCosfor the benefit of any officer, employee, former employee, consultant, independent contractor or other service provider of the Sellers, Mission Maryland or LicenseCos (collectively referred to herein as the "Employee Plans"). With respect to each Employee Plan, the Sellers and Mission Maryland have made available to the Buyers, as applicable, the plan document and summary plandescription, the most recent determination or opinion letter from the Internal Revenue Service, themost recent annual report (Form 5500 with all applicable attachments), and all related trust agreements, insurance contracts and other funding arrangements which implement such plan.

(d) Each of the Sellers, Mission Maryland and each of the LicenseCos has made all payments and contributions to or with respect to the Employee Plans on a timely basisas required by the terms of each such Employee Plan and any applicable Legal Requirement. Eachof the Sellers, Mission Maryland and each of the LicenseCos has paid and will continue to pay allapplicable premiums for any insurance contract which funds an Employee Plan for coverage provided through the Closing. The requirements of COBRA have been met in all material respectswith respect to each Employee Plan that is subject to COBRA. Each the Sellers, Mission Marylandand the LicenseCos provides COBRA coverage to all former employees of the Sellers, Mission Maryland and the LicenseCos who are entitled to COBRA coverage, in accordance with COBRA.

(e) Each of the Sellers, Mission Maryland and each of the LicenseCos has maintained and administered all of its Employee Plans in compliance with their terms in all material respects and such plans comply in form and operation in all material respects with all applicable provisions of ERISA, the Code and state laws. No action, suit, proceeding, hearing or investigation with respect to any Employee Plan is pending or, to the Knowledge of Seller Partiesand Mission Maryland, threatened.

(f) None of the Sellers, Mission Maryland and the LicenseCos and noneof their affiliates (hereafter referred to as an "ERISA Affiliate") that together with the applicable Seller Party or LicenseCo are deemed a "single employer" within the meaning of Section 4001(a)(14) of ERISA, currently maintains any Employee Plan that is subject to Title IV of ERISA, and has not previously maintained any such Employee Plan that has resulted in any liability or potential liability to the Sellers, Mission Maryland or the LicenseCos or their respectiveERISA Affiliates under said Title IV.

(g) None of the Sellers, Mission Maryland and the LicenseCos and no ERISA Affiliate maintains, maintained or contributed to within the past five (5) years, any multiemployer plan, within the meaning of Section 3(37) or 4001(a)(3) of ERISA. None of the Sellers, Mission Maryland and the LicenseCos and no ERISA Affiliate currently has any liabilityto make withdrawal liability payments to any multiemployer plan.

(h) The consummation of the transactions contemplated by this Agreement will not accelerate the time of the payment or vesting of, or increase the amount of, orresult in the forfeiture of compensation or benefits under, any Employee Plan.

(i) CIGNA Plan. The existing employee benefit welfare plan pursuantto which Seller Parent or one of its Affiliates provides health insurance coverage to the employeesof LicenseCos through CIGNA Health and Life Insurance Company (the "Current Plan") shall, tothe extent requested by Buyers, continue to cover all employees of LicenseCos who remain employed following the Closing pursuant to the terms of the Transition Services Agreement. TheCurrent Plan's terms and conditions permit such continued coverage of all such employees pursuant to the terms of the Transition Services Agreement.

4.19. Labor and Employment Matters.

(a) Schedule 4.19(a) contains a true, complete and correct list of each employee of the Sellers, Mission Maryland and the LicenseCos as of the date hereof, including

each such employee's name, hire date and job title, principal work location, current annual salaryor hourly rate of pay (whichever is applicable), along with such employee's 2019 bonus and total commissions, accrued but unpaid bonuses or commissions, any amounts of compensation forfeitedor cancelled, part-time, full-time or temporary or leased status, exempt/non-exempt status, status as a W-2 employee or as a K-1 partner, accrued unused vacation, sick-time or paid-time off (hoursand dollar equivalents), leave of absence status (including FMLA and disability), citizenship status(and visa status for non-United States citizens working for the Sellers, Mission Maryland or the LicenseCos along with dates of issuance and expiration of such visa or other similar permit), and service credited for purposes of vesting and eligibility to participate under the Employee Plans, if applicable. Except as listed on Schedule 4.19(a), each employee may be terminated at will by hisor her employer without penalty or any continuing obligations, including severance, except for any accrued benefits under the Employee Plans or any statutory obligations to former employees. All of the employees are at least 21 years of age or older none of the employees have committed a felony or other crime of the type that would prohibit the Sellers, Mission Maryland or the LicenseCos from employing such employee under Applicable Law. Each of the Sellers, Mission Maryland and each of the LicenseCos has on file a valid Form I-9 for each of its employees.

(b) Except as set forth on Schedule 4.19(b), none of the Sellers, Mission Maryland and the LicenseCos has any independent contractors.

(c) None of the Sellers, Mission Maryland and the LicenseCos is, and none of them has ever been, a signatory to or otherwise bound by any collective bargaining agreement, union contract, memorandum or letter of understanding, project labor agreement or similar agreement with any trade union, labor organization or group. None of the Sellers, Mission Maryland and the LicenseCos has a duty to bargain with any labor organization, and there is no pending demand for recognition or demand from a labor organization for representative status with respect to any individual employed by the Sellers, Mission Maryland or the LicenseCos. There areno strikes, disputes, controversies, slowdowns, stoppages, boycotts or pickets in progress, pendingor, to the Seller Parties' Knowledge, threatened against or affecting the Sellers, Mission Marylandor the LicenseCos.

(d) None of the Sellers, Mission Maryland and the LicenseCos is liablefor any arrears of wages, compensation, penalties, or other sums for failure to timely pay its employees. There are no Proceedings against the Sellers, Mission Maryland or the LicenseCos pending or, to the Seller Parties' Knowledge, threatened to be brought or filed, by or with any Governmental Body or arbitrator in connection with the employment or termination of any currentor former applicant, employee, consultant or independent contractor of the Sellers, Mission Maryland or the LicenseCos. All persons classified as non-employees, all persons classified as W-2 employees and all individuals classified as exempt from overtime requirements are and, for the past five (5) years, have been at all times properly classified as such.

(e) Each of the Sellers, Mission Maryland and each of the LicenseCos is in compliance with its obligations pursuant to the Worker Adjustment Retraining and Notification Act, 29 U.S.C. § 2101 et seq. (as amended from time to time, "WARN" and, collectively with any similar state or local law, the "WARN Acts") and all other notification obligations arising under any statute or otherwise, in each case to the extent affecting, in whole or

in part, any site of employment, facility, operating unit or employee of the Sellers, Mission Maryland and the LicenseCos. None of the Sellers, Mission Maryland and the LicenseCos has been engaged in any transaction or engaged in layoffs, terminations or relocations sufficient in number to trigger any WARN Act obligation. No former employees of the Sellers, Mission Maryland or the LicenseCos have suffered an "employment loss" (as defined in WARN) in the ninety (90) days prior to the date hereof.

(f) Except in each case, as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect (i) no allegations of sexual harassment have been made against (A) any officer, director or manager of the Sellers, Mission Maryland or the LicenseCos or (B) any employee of the Sellers, Mission Maryland or LicenseCos who, directly or indirectly, supervises at least eight (8) other employees of the Sellers, Mission Maryland or LicenseCos, and (ii) none of the Sellers, Mission Maryland and theLicenseCos has entered into any settlement agreement related to allegations of sexual harassmentor sexual misconduct by an employee, contractor, manager, officer or other representative.

(g) The Sellers and Mission Maryland have previously delivered to the Buyers true, correct and complete summaries of all: (i) workers' compensation claims filed againstthe Sellers, Mission Maryland or the LicenseCos; and (ii) charges, grievances, complaints or notices of violation filed with, or otherwise made by, the Occupational Safety and Health Administration (or any comparable foreign Governmental Body) against the Sellers, Mission Maryland or the LicenseCos.

4.20. Privacy and Data.

(a) The Sellers, Mission Maryland and the LicenseCos each currently maintain (and at all times since holding the Licenses have maintained) a Privacy and Data Security Program as is necessary to materially satisfy standards which may be imposed by applicable Privacy and Security Laws and ensure the confidentiality of Business Data and that Business Datais not disclosed contrary to the provisions of any Privacy and Security Laws or Contracts now or previously in existence, applicable to such information (collectively, "Commitments"). Without limiting the generality of the foregoing, the Sellers, Mission Maryland and the LicenseCos have implemented, at a minimum, such physical, electronic and procedural safeguards to: (i) maintain the security and confidentiality of such Business Data; (ii) protect against any anticipated threats or hazards to the security or integrity of such Business Data; and (iii) protect against unauthorizedaccess to or use of such Business Data that could result in harm or inconvenience to the Persons to whom such Business Data pertains.

(b) Except as set forth on Schedule 4.20(b), with respect to all Commitments for Business Data associated with the Sellers', Mission Maryland's and the LicenseCos' customers and other Persons: (i) the Sellers, Mission Maryland and the LicenseCos and their products and services are and since their respective formation have been in material compliance with the Commitments; (ii) none of the Sellers, Mission Maryland and the LicenseCoshas received written inquiries from any Governmental Body regarding its protection, storage, use or other Business Data or its compliance with the Commitments; (iii) the Commitments have not been rejected by any applicable certification organization that has reviewed such Commitments or

to which any such Commitments have been submitted; (iv) no applicable certification organizationhas provided written notice to the Sellers, Mission Maryland or the LicenseCos that suchorganization has found the Sellers, Mission Maryland or the LicenseCos or any of their products or service offerings to be out of compliance with such Commitments; (v) electronic mail distribution lists have been scrubbed prior to their use to remove email addresses associated with individuals who have opted out of receiving commercial electronic email messages; and (vi) therehave been no security breaches with respect to any of the Sellers, the LicenseCos or their respective products, service offerings or related data resulting in the loss of or unauthorized access to or acquisition of Business Data.

(c) Each of the Sellers and each of the LicenseCos is, and at all times since it has held its Licenses has been, in material compliance with all contracts (or portions thereof) between the vendors, marketing affiliates, and other customers and business partners, that are applicable to the use and disclosure of Business Data (such contracts, "Privacy Agreements").The Sellers have delivered to Buyers accurate and complete copies of all of the Privacy Agreements of the Sellers and the LicenseCos.

(d) Schedule 4.20(d) contains a list of each of the Sellers', Mission Maryland's and the LicenseCos' privacy policies in effect at any time since the inception of the Sellers, Mission Maryland and the LicenseCos that the Sellers have been able to locate after reasonable search and inquiry (each, a "Privacy Policy"). Each of the Sellers, Mission Maryland and each of the LicenseCos has clearly and conspicuously presented an accurate Privacy Policy to individuals at such time that the Sellers, Mission Maryland and the LicenseCos collected any personally-identifying information and personal data from such individuals. Each of the Sellers, Mission Maryland and each of the LicenseCos has notified and obtained consent from each individual with respect to any material changes to the data practices described in the Privacy Policy that was presented to such individual when the Sellers, Mission Maryland or the LicenseCos collected the personally-identifying information and personal data from that individual. Each of the Sellers, Mission Maryland and each of the LicenseCos has complied with and conducted business in compliance with each applicable Privacy Policy.

(e) Except as set forth on Schedule 4.20(e), no customers, merchants, service providers or third parties with whom each of the Sellers, Mission Maryland and each of the LicenseCos does business have access to Business Data.

(f) To the Knowledge of the Seller Parties, no Person has made any illegal or unauthorized use of or access to Business Data that was collected by or on behalf of theSellers, Mission Maryland or the LicenseCos and is or was previously in the possession or controlof the Sellers, Mission Maryland or the LicenseCos.

(g) The Privacy Agreements do not require the delivery of any notice toor consent from any Person, or prohibit the transfer of Business Data collected and in the possession or control of the Sellers, Mission Maryland or LicenseCos to Buyers, in connection with the execution, delivery or performance of this Agreement or the consummation of any of the transactions contemplated by this Agreement.

(h) Neither the execution, delivery or performance of this Agreement, nor the consummation of any of the transactions contemplated in this Agreement will result in any violation of any Commitments, any Privacy Agreements, any of the Sellers', Mission Maryland'sor LicenseCos' Privacy Policies currently in effect, or any Applicable Law, industry guidelines or standards pertaining to privacy.

(i) None of the Sellers, Mission Maryland and the LicenseCos has previously been and none is currently under investigation by any Governmental Authority regarding its protection, storage, use, disclosure and transfer of Business Data. The Sellers, Mission Maryland and the LicenseCos are in material compliance with all applicable Privacy andSecurity Laws, and any regulations promulgated thereunder, and all similar state and local laws that regulate consumer reporting or trade practices, or that are otherwise applicable to the Sellers,Mission Maryland the LicenseCos or the customers, merchants, and service providers with whom each of them does business.

(j) The Sellers, LicenseCos and Mission Maryland do not have or maintain documented incident response, business continuity procedures and disaster recovery plans.

4.21. Contracts; Vendors and Suppliers.

(a) All of the Contracts to which any of the Sellers, Mission Maryland or any of the LicenseCos is a party or is bound and which have a value in excess of $5,000 (the "Material Contracts") are listed on Schedule 4.21. The Material Contracts are in full force and effect, and constitute legal, valid, binding and enforceable obligations against the applicable SellerParty or the applicable LicenseCo and, to the Knowledge of the Seller Parties, any other parties thereto. None of the Sellers, Mission Maryland and the LicenseCos is in breach in any material respect under any Material Contract, nor, to the Knowledge of the Seller Parties, is any other partyto any such Material Contract in breach thereunder.

(b) No vendor, supplier or service provider party to a Material Contracthas given the Sellers, Mission Maryland or the LicenseCos notice that it intends to terminate or materially alter its business relationship with any of the Sellers, Mission Maryland or any of the LicenseCos (whether as a result of the consummation of the transactions contemplated by this Agreement or otherwise) on its own volition or as the result of a governmental action or threatened action.

4.22. Insurance. True and complete copies of all Insurance Policies currently owned or maintained by the Sellers, Mission Maryland and the LicenseCos are listed on Schedule 4.22 and have been made available to the Buyers. All premiums due to date under such Insurance Policies have been paid and will be paid through the Closing Date, no breach by the Sellers, Mission Maryland or the LicenseCos exists thereunder and no material term of any such policy isvoid or voidable. None of the Sellers, Mission Maryland and the LicenseCos has received any notice of cancellation with respect to any such current Insurance Policy and the Seller Parties have no Knowledge of any threatened termination of, or premium increase with respect to, any of the Insurance Policies. There are no claims that are pending under any of the Insurance Policies, andno other Person is a named or additional insured under any such Insurance Policies.

4.23. Intellectual Property.

(a) Schedule 4.23(a) lists all Intellectual Property owned by the Sellers, Mission Maryland and the LicenseCos ("Owned Intellectual Property") that is either (i) subject toany issuance, registration, application or other filing by, to or with any Governmental Authority or authorized private registrar in any jurisdiction (collectively, "Intellectual Property Registrations"), including registered trademarks, domain names and copyrights, issued and reissued patents and pending applications for any of the foregoing; or (ii) used in or necessary forthe Sellers', Mission Maryland's or the LicenseCos' current or planned business or operations, including all material unregistered trademarks. All required filings and fees related to the Intellectual Property Registrations have been timely filed with and paid to the relevant Governmental Bodies and authorized registrars, and all Intellectual Property Registrations are otherwise in good standing.

(b) Each of the Sellers, Mission Maryland and each of the LicenseCos owns or has sufficient right to use, exclusively or jointly with other Persons, all right, title and interest in and to the Business Intellectual Property, free and clear of Encumbrances. Except at setforth in Schedule 4.23(b) and without limiting the generality of the foregoing, each of the Sellers,Mission Maryland and each of the LicenseCos has entered into binding, written agreements with every current and former employee of such Seller Party or LicenseCo, as applicable, and with every current and former independent contractor, whereby such employees and independent contractors (i) assign to such Seller Party or such LicenseCo any ownership interest and right theymay have in the Business Intellectual Property; and (ii) acknowledge such Seller Party's or such LicenseCo's exclusive ownership of all Owned Intellectual Property. Each Seller Party and each LicenseCo is in compliance in all material respects with all legal requirements applicable to the Business Intellectual Property and such Seller Party's or such LicenseCo's ownership and use thereof.

(c) Schedule 4.23(c) lists all options, licenses, sublicenses and other agreements whereby any of the Sellers, Mission Maryland or any of the LicenseCos is granted rights, interests and authority, whether on an exclusive or non-exclusive basis, with respect to anyLicensed Intellectual Property that is used in or necessary for the Sellers', Mission Maryland's and the LicenseCos' current or planned business or operations. All such agreements are valid, bindingand enforceable between such Seller Party or such LicenseCo and the other parties thereto exceptas may be limited by the Enforceability Exceptions, and the Sellers, Mission Maryland the LicenseCos and such other parties are in compliance in all material respects with the terms and conditions of such agreements.

(d) To the Seller Parties' Knowledge, all Intellectual Property currentlyor formerly owned, licensed or used by the Sellers, Mission Maryland or the LicenseCos and the conduct of the Sellers', Mission Maryland's and the LicenseCos' businesses as currently and formerly conducted and currently proposed to be conducted have not, do not and will not infringe, violate or misappropriate the Intellectual Property of any Person. None of the Sellers, Mission Maryland and the LicenseCos has received any written communication, and no Proceeding has been instituted, settled or threatened that alleges any such infringement, violation or

misappropriation, and none of the Business Intellectual Property are subject to any outstanding Governmental Order.

(e) Schedule 4.23(e) lists all options, licenses, sublicenses and other agreements pursuant to which any of the Sellers, Mission Maryland or any of the LicenseCos grants rights or authority to any Person with respect to any Business Intellectual Property or Licensed Intellectual Property. All such agreements are valid, binding and enforceable between such Seller Party or such LicenseCo and the other parties thereto except as may be limited by theEnforceability Exceptions, and such Seller Party or such LicenseCo and such other parties are in compliance in all material respects with the terms and conditions of such agreements. To the SellerParties' Knowledge, no Person has infringed, violated or misappropriated, or is infringing,violating or misappropriating, any Business Intellectual Property.

4.24. Major Suppliers. Schedule 4.24 sets forth (i) each supplier to whom any ofthe Sellers, Mission Maryland or any of the LicenseCos has paid (or committed to pay) consideration for goods or services rendered in an amount greater than or equal to $5,000 (collectively, the "Material Suppliers"); and (ii) the amount of purchases from each Material Supplier. None of the Sellers, Mission Maryland and the LicenseCos has received any notice, andhas no reason to believe, that any of its Material Suppliers have ceased, or intends to cease, to supply goods or services to the Sellers, Mission Maryland or the LicenseCos or to otherwise terminate or materially reduce its relationship with the Sellers, Mission Maryland or the LicenseCos on Material Suppliers' own volition or as the result of any governmental action or threatened action. There are no actual or, to the Seller Parties' Knowledge, threatened disputes orProceedings currently involving any Material Supplier.

4.25. Related Party Transactions. None of the Sellers', Mission Maryland's andthe LicenseCos' directors, officers, managers, members (including Seller Parent) or employees, orany members of their immediate families, or any Affiliate of the foregoing has, directly or indirectly, (a) borrowed money from or loaned money to the Sellers, Mission Maryland or the LicenseCos which remains unpaid or owed, (b) any interest in any assets owned or used by the Sellers, Mission Maryland or the LicenseCos or (c) engaged in any other material transactions withthe Sellers, Mission Maryland or the LicenseCos.

4.26. Products. All products manufactured, sold, or distributed by or on behalf the Sellers, Mission Maryland and the LicenseCos have conformed in all material respects with Applicable Law, all applicable contractual commitments, all product specifications, and all express and implied warranties, and the Sellers, Mission Maryland and the LicenseCos do not have any Liability for replacement thereof or other damages in connection therewith, except to the extent such Liability or other damages would not exceed $25,000 in the aggregate. The manufacturing and storage practices, preparation, ingredients, composition, and packaging and labeling for eachof the products of the Sellers, Mission Maryland and the LicenseCos, (i) are in material compliancewith all Applicable Laws, including Applicable Laws relating to manufacturing, storage, preparation, packaging and labeling of cannabis products; and (ii) are in compliance with all internal quality management policies and procedures of the Sellers, Mission Maryland and the LicenseCos. All labeling used on such products has been filed or registered with and/or approvedby each applicable Governmental Body that requires such filing, registration and/or approval. The

Sellers and Mission Maryland have made available to Buyers or its advisors copies of all material documents in its possession relating to food safety inspections, investigations, reportable events, recalls, or other corrective actions with respect to the Sellers, Mission Maryland or the LicenseCos. There have been no product recalls, withdrawals or seizures with respect to any products manufactured, sold or distributed by or on behalf of the Sellers, Mission Maryland or theLicenseCos.

4.27. Bank Accounts. Schedule 4.27 contains a true and complete list of all deposit and disbursement accounts maintained by the Sellers, Mission Maryland and the LicenseCos with any bank, brokerage house or other financial institution, including for each suchaccount the name and address of the financial institution, the nature of the account, the account number, and the name of the account holder, the names of each Person with authority to draw on such account or to have access to such account, or to change the persons authorized to draw on theaccount. All such accounts, credit lines, safe deposit boxes and vaults are maintained by the Sellers,Mission Maryland and the LicenseCos for normal business purposes and no such proxy, power ofattorney or other like instrument is irrevocable.

4.28. Regulatory. None of the Sellers, Mission Maryland and the LicenseCos has ever been shut down for longer than one day due to regulatory non-compliance and none of the Sellers, Mission Maryland and the LicenseCos has received any individual fines or sanctions equalto or greater than $500 from the Maryland Medical Cannabis Commission (the "MMCC") or anyother Governmental Body.

4.29. Disclosure. No representation or warranty by the Seller Parties in this Agreement and no statement contained in any certificate or other documents furnished to the Buyers pursuant to the provisions hereof contains any untrue statement of material fact or omits tostate any material fact necessary in order to make the statements made herein or therein not misleading.

4.30. No Other Representations and Warranties. Except for the representations and warranties contained in this Section 4 (including the related Schedules), and any Seller Party Closing Documents, the Seller Parties have not made and do not make any other express or implied representation or warranty, either written or oral, including any representation or warranty as to the accuracy or completeness of any information regarding the business of Sellers, Mission Maryland or the LicenseCos furnished or made available to Buyer and its representatives, or as to the future revenue,profitability or success of the business of the Sellers, Mission Maryland or the LicenseCos, or any representation or warranty arising from statute or otherwise in Applicable Law.

5. Representations and Warranties of the Buyers. Except as set forth in the Schedulesto this Agreement delivered by the Buyers on the date of this Agreement and attached hereto, theBuyers represents and warrants to the Sellers as of the date hereof, and at and as of the Closing Date, as follows:

5.1. Organization And Good Standing. Each of the Buyers is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware, with full power and authority to conduct its business as it is now conducted.

5.2. Enforceability. This Agreement and each other agreement or instrument executed and delivered by the Buyers at the Closing (collectively, the "Buyers Closing Documents") has been or will be by the Closing duly authorized by all requisite action on the partof the Buyers. This Agreements constitutes, and the Buyers Closing Documents will constitute asof the Closing, the legal, valid and binding obligation of the Buyers, enforceable against the Buyersin accordance with its terms, subject to the Enforceability Exceptions.

5.3. Brokers or Finders. Neither the Buyers nor any of their Representatives have incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees oragents' commissions or other similar payment in connection with the transactions contemplated hereby.

5.4. Legal Proceedings. There is no pending or, to the knowledge of the Buyers, threatened Proceeding by or against the Buyers that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, the transactions contemplated hereby.

5.5. No Violation, Consents. The execution and delivery of this Agreement and each Buyer Closing Document by the Buyer, and the performance of its obligations hereunder and thereunder does not and will not (a) violate or conflict with any provision of the organizational documents of the Buyer, (b) violate, or conflict with, or result in a material breach of any provisionof, or constitute a material default or give rise to any right of termination, cancellation or acceleration (with the passage of time, notice or both) under any Contract to which Buyer is a partyor by which Buyer is bound, or (c) violate or conflict with any Legal Requirement to which Buyeror any of its properties or assets are subject. Buyer is not required to give any notice to or obtain any Consent from any Person in connection with the Buyer's execution and delivery of this Agreement or any of the Buyer Closing Documents, or the consummation or performance of the transactions contemplated hereby or thereby.

5.6. Independent Investigation. Buyer has conducted its own independent investigation, review and analysis of the business of the Sellers, Mission Maryland and the LicenseCos,and the Assets, and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of the Sellers, Mission Maryland and the LicenseCos for such purpose. Buyer acknowledges and agrees that: (a) in making itsdecision to enter into this Agreement and to consummate the transactions contemplated hereby, Buyerhas relied solely upon its own investigation and the express representations and warranties of the SellerParties set forth in Section 4 of this Agreement (including the related Schedules) and the Seller Party Closing Documents; and (b) neither any Seller Party nor any other Person has made any representationor warranty as to the Sellers, Mission Maryland, the LicenseCos or the Assets, except as expressly setforth in Section 4 of this Agreement (including the related Schedules), the Seller Party Closing Documents and any certificates or other documents delivered pursuant to this Agreement.

6. Covenants and Other Agreements.

6.1. Conduct of Business by the Sellers. From the date hereof through the earlierof consummation of the Closing and any earlier termination of this Agreement, the Sellers and Mission Maryland shall, and the Seller Parties shall cause each of the LicenseCos and Mission

Maryland to: (a) conduct its business and operations in the Ordinary Course of Business; (b) preserve intact its existence and business organization; (c) use its commercially reasonable efforts to preserve its assets; (d) pay all applicable Taxes as such Taxes become due and payable and file all Tax Returns required to be filed by the Sellers, Mission Maryland and the LicenseCos; and (e) maintain all licenses and Governmental Authorizations applicable to its operations and business. Notwithstanding the foregoing, the Sellers shall be permitted to sweep the cash of the Sellers, the LicenseCos and Mission Maryland at the Closing.

6.2. Access to Information. From the date hereof through the earlier of consummation of the Closing and any earlier termination of this Agreement, the Seller Parties shall, to the extent permitted by Applicable Law, give the Buyers and their Representatives access on reasonable notice during normal business hours to all properties, facilities and offices, and complete and correct copies of all books, Records and Contracts (including customer and supplierContracts) and such financial and operating data and other information with respect to the Seller Parties, the LicenseCos and the Real Property as such persons may reasonably request. Such review shall be at the Buyers' sole cost and shall be conducted in a fashion that does not unreasonably interfere with the ability of each of the Seller Parties and each of the LicenseCos to conduct its day-to-day operations.

6.3. Notice of Developments. During the Term of this Agreement, the Seller Parties shall promptly notify the Buyers in writing of any events, circumstances, facts and occurrences arising subsequent to the date of this Agreement which would result in a breach of a representation, warranty or covenant of any Seller Party in this Agreement, or which would have the effect of making any representation or warranty of any Seller Party in this Agreement untrue in any material respect, or would be reasonably likely to result in a Material Adverse Effect. Anydisclosure by any Seller Party pursuant to this Section 6.3 shall not be deemed to prevent or cure any misrepresentation, breach of representation or warranty or breach of covenant, or limit the rights of the Buyers under Section 7.3 or Section 8.

6.4. Exclusivity. During the Term of this Agreement, each of the Seller Parties agrees, and shall cause its Representatives, not to, directly or indirectly, (i) solicit, facilitate or initiate, or encourage the submission of, proposals, inquiries or offers relating to; (ii) respond to any submissions, proposals, inquires or offers relating to; (iii) participate or engage in any negotiations or discussions with any Person relating to; (iv) otherwise cooperate in any way with or facilitate in any way (including, without limitation, by providing information) with any Person,other than the Buyers, relating to; or (v) enter into any agreement or agreement in principle in connection with, any acquisition, merger, business combination, recapitalization, consolidation, liquidation, dissolution, disposition or similar transaction involving the Sellers, Mission Marylandor the LicenseCos, or any issuance, acquisition, sale or transfer of any securities or any substantialportion of the assets of the Sellers, Mission Maryland or the LicenseCos.

6.5. Filings; Consents.

(a) Buyers and the Seller Parties will (and the Seller Parties will cause the LicenseCos to): (i) promptly make and effect all registrations, filings and submissions requiredto be made or effected by them under Applicable Laws with respect to this Agreement and the

transactions contemplated under this Agreement; and (ii) use commercially reasonable efforts to cause to be taken on a timely basis, all other actions necessary or appropriate for the purpose of consummating and effectuating the transactions contemplated by this Agreement, including the obtaining of all necessary consents, approvals or waivers from third parties. Each Party will reasonably cooperate in efforts to obtain such consents, waivers and approvals.

(b) Prior to Closing, Buyers and the Seller Parties shall use commercially reasonably efforts to (and the Seller Parties shall cause the LicenseCos to) (i) promptly provide all information requested by or required to be submitted to any Governmental Body in connection with this Agreement or any of the other transactions contemplated by this Agreement, and (ii) promptly take, and cause its Affiliates to take, all actions and steps necessaryto obtain any clearance or approval required to be obtained from such Governmental Body in connection with the transactions contemplated by this Agreement. It is expected that the MMCCwill not approve the Notice of Intent to Transfer and/or the Option Agreements prior to Closing, and will likely provide a general rejection of or objection to the Notice to Intent to Transfer and/orthe Option Agreements, based on the timing being premature and/or the requirement to submit additional information in support of a change in ownership of LicenseCos to Buyers.

(c) Prior to Closing, the Seller Parties' receipt of any objection/rejectionof a Notice of Intent to Transfer pursuant to the Option Agreements, whose call can only be exercised at the end of the regulatory holding period for each of the Seller Parties, that Seller Parties submitted to the MMCC on behalf of Buyers, cannot be premised on the impermissibility,invalidity or illegality of the Option Agreements as a method for ultimately transferring ownershipof the LicenseCos to Buyers. It is expected that the MMCC will not approve the Option Agreements prior to Closing, and will likely provide a general rejection, based on the timing beingpremature.

(d) Buyers and the Seller Parties shall: (i) give the other Parties prompt notice of the commencement or threat of any investigation, action or legal proceeding by or beforeany Governmental Body with respect to this Agreement or any of the other transactions contemplated by this Agreement, (ii) keep the other party informed as to the status of any such investigation, action or legal proceeding, and (iii) promptly inform the other party of anycommunication to or from any Governmental Body regarding this Agreement or any of the other transactions contemplated by this Agreement.

6.6. Further Assurances. Subject to the terms and conditions hereof, each of the Parties hereto shall use commercially reasonable efforts (without further consideration being payable) to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable to the extent permitted under Legal Requirements to consummate and give effect to the transactions contemplated hereby. Without limiting the generality of the foregoing, the Sellers shall from time to time when reasonably requested by the Buyers, includingafter the Closing, and without further consideration, promptly take further action or execute and deliver, or cause to be executed and delivered, to the Buyers or their designees all such documentsnecessary or advisable to vest in the Buyers all right, title and interest in and to the Acquired Assets, or to effect the Buyers' assumption of the Assumed Liabilities hereunder, in accordance with this Agreement and the other agreements contemplated hereunder.

6.7. Tax Matters.

(a) Transfer Charges. The Seller Parties, on the one hand, and the Buyers, on the other, shall split 75%/25%, respectively, and shall pay when due, all sales, use, transfer, stamp or similar Taxes, documentary charges, recording fees, or similar Taxes, charges and fees (collectively, "Transfer Charges") imposed with respect to the transactions contemplatedhereby. The Sellers and Mission Maryland shall timely file any Tax Return or other document with respect to such Transfer Charges, and Buyers shall cooperate with respect thereto, as necessary, and reimburse Sellers for any Transfer Charges in excess of their 75% share.

(b) Apportionment. For purposes of this Agreement, in the case of any taxable period that begins on or before and ends after the Closing Date, (i) the amount of all Taxes, other than Taxes computed by reference to profits, income or sales, allocable to a portion of the taxable period ending on the Closing Date shall be equal to the amount of such Taxes for the entire taxable period multiplied by a fraction, the numerator of which is the number of days during the taxable period on or prior to the Closing Date and the denominator of which is the number of daysin the entire taxable period, and (ii) the amount of any Taxes computed by reference to profits, income or sales allocable to the portion of the taxable period ending on the Closing Date shall be computed as if such taxable period ended as of the close of business on the Closing Date.

(c) Filing or Amending Tax Returns for Pre-Closing Tax Periods. The Sellers or their duly authorized agent shall, at the Sellers' cost and expense, prepare the income Tax Returns of the LicenseCos for any period ending on or before the Closing Date. Buyer shall prepare or cause to be prepared all other Tax Returns of the LicenseCos required to be filed after the Closing Date. Buyer shall submit each such Tax Return that relates to a taxable period that ends before or includes the Closing Date to the Sellers not later than sixty (60) days prior to the deadline for filing such Tax Return (taking into account applicable extensions) for Sellers' reviewand comment. Sellers shall provide comments within thirty (30) days after receipt of such Tax Return, and Buyer shall consider in good faith all changes thereto reasonably requested by the Sellers. Buyer will not cause or permit the LicenseCos or Mission Maryland to (i) file or amend or otherwise modify any Tax Return of the LicenseCos or Mission Maryland that relates in wholeor in part to any Tax period that ends on or before the Closing Date; (ii) make or change any election of the LicenseCos or Mission Maryland that has retroactive effect to, any Tax period thatends on or before the Closing Date; (iii) voluntarily approach any Governmental Body with respectto the LicenseCos or Mission Maryland for any Tax period that ends on or before the Closing Dateor Taxes attributable to Tax period that ends on or before the Closing Date, or (iv) extend or waivethe statute of limitations with respect to any Tax Period that ends on or before the Closing Date, in all cases without the prior consent of the Sellers.

(d) Cooperation on Tax Matters. Buyer and Sellers shall cooperate, asand to the extent reasonably requested by the other party, in connection with the preparation, filingand execution of Tax Returns and any action with respect to Taxes. Such cooperation shall includethe retention and (upon the other Party's request) the provision of records and information or portions thereof that are reasonably relevant to any such Tax Return or action and making employees available on a mutually convenient basis to provide additional information andexplanation of any material provided hereunder or, to the extent necessary, to testify at any such

proceeding. The Parties agree to retain all books and records with respect to Tax matters pertinentto pre-Closing Tax periods of the LicenseCos or Mission Maryland until 30 days after the expiration of the statute of limitations applicable to the Tax period for which the books and recordsrelate. Any information obtained under this Section 6.7(d) shall be kept confidential, except as otherwise may be necessary in connection with the filing of Tax Returns or in the conduct of an action with respect to Taxes. The Buyer and the Sellers further agree, upon request, to use their commercially reasonable efforts to obtain any certificate or other document from any Governmental Body or any other Person or take any other action as may be necessary to mitigate,reduce or eliminate any Tax that could be imposed on any party with respect to the LicenseCos orMission Maryland and/or the transactions contemplated by this Agreement.

(e) Tax Contests. The Buyer and the Sellers shall promptly notify each other upon receipt by such Party of written notice of any inquiries, claims, assessments, audits or similar events with respect to Taxes of any LicenseCo or Mission Maryland that relate to a Tax period (or portion thereof) that ends on or before the Closing Date (any such inquiry, claim, assessment, audit or similar event, a "Tax Matter"). The Sellers shall have joint control of the conduct of any Tax Matter relating to Taxes with respect to a Tax period ending on or before the Closing Date. The Buyer shall have control of the conduct of any Tax Matters with respect to a period that begins before and ends after the Closing Date; provided, however, that the Buyer shallkeep the Sellers reasonably informed of the progress of any such Tax Matter and shall not effect any settlement or compromise of any such Tax Matter with respect to which the Sellers are liablewithout obtaining the Sellers' prior written consent thereto.

6.8. Employee Matters.

(a) Intentionally omitted.

(b) Each Seller shall be solely responsible, and Buyers shall have no obligations whatsoever for, any compensation or other amounts payable to any current or former employee, officer, director, independent contractor or consultant of such Seller, including, without limitation, hourly pay, commission, bonus, salary, accrued vacation, fringe, pension or profit sharing benefits or severance pay for any period relating to the service with such Seller at any timeon or prior to the Closing Date and such Seller shall pay all such amounts to all entitled persons on or prior to the Closing Date.

(c) Each Seller shall remain solely responsible for the satisfaction of all claims for medical, dental, life insurance, health accident or disability benefits brought by or in respect of current or former employees, officers, directors, independent contractors or consultantsof such Seller or the spouses, dependents or beneficiaries thereof, which claims relate to events occurring on or prior to the Closing Date. Each Seller also shall remain solely responsible for all worker's compensation claims of any current or former employees, officers, directors, independent contractors or consultants of such Seller which relate to events occurring on or prior to the Closing Date. Each Seller shall pay, or cause to be paid, all such amounts to the appropriate persons as and when due. Seller Parent, Sellers and Mission Maryland agree and acknowledge that the selling group (as defined in Treasury Regulation Section 54.4980B-9, Q&A-3(a)) of which they are a part(the "Selling Group") will continue to offer a group health plan to certain employees after the

Closing Date, and, accordingly, that Seller Parent, Sellers, Mission Maryland and the Selling Group, and not Buyer or the buying group (as defined in Treasury Regulation Section 54.4980B- 9, Q&A-3(b)) of which it is a part (the "Buying Group") will be solely responsible for providing continuation coverage under COBRA, to those individuals who are M&A qualified beneficiaries (as defined in Treasury Regulation Section 54.4980B-9, Q&A-4(a)) with respect to the transactions contemplated by this Agreement (collectively, the "M&A Qualified Beneficiaries"). Seller Parent, Sellers and Mission Maryland further agree and acknowledge that in the event that the Selling Group ceases to provide any group health plan to any employee prior to the expirationof the continuation coverage period for all M&A Qualified Beneficiaries (pursuant to Treasury Regulation Section 54.4980B-9, Q&A-8(c)), then Seller Parent, Sellers, Mission Maryland or a member of the Selling Group shall provide Buyer with (i) written notice of such cessation as far in advance of such cessation as is reasonably practicable (and in any event, at least thirty (30) daysprior to such cessation), and (ii) all information necessary or appropriate to enable Buyer to offer continuation coverage to such M&A Qualified Beneficiaries if Buyer determines it is legally obligated to do so.

6.9. Release. Each Seller Party, on its behalf and, to the extent permitted by Applicable Law, on behalf of any such Person's Affiliates, heirs, executors, successors and assigns and all Persons or entities that might allege a Claim through such Person or Person's behalf (collectively, the "Releasor Parties"), hereby, to the extent permitted by Applicable Law, knowingly, fully, unconditionally and irrevocably acquits, exonerates and irrevocably releases (except as provided below) Buyers, LicenseCos and their respective individual, joint or mutual, past, present and future officers, directors, managers and employees (in their respective capacities as such), subsidiaries, successor and assigns thereof (collectively, the "Released Parties"), effective as of the Closing Date, from any and all claims, demands, inquiries, investigations, counterclaims, arbitrations, proceedings, actions, causes of action, orders, judgments, obligations, contracts, agreements, debts and liabilities whatsoever that such Releasor Party had, may now have, or may hereafter have, against any of the Released Parties, whether asserted or unasserted, known or unknown, contingent or noncontingent, or past or present, arising or resulting from or relating, directly or indirectly, to any act, omission, event or occurrence prior to the Closing relating to the Assets or any rights or interests therein, including without limitation any distributions, dividends, severance, accrued compensation (other than ordinary course compensation which has been accrued as of the Closing Date in accordance with GAAP, and in amounts consistent with the compensation accruals reflected on the Interim Financial Statements,but not yet paid), deferred compensation, purchase options, call options, redemption rights, conversion rights, rights of first refusal, tag-along rights, preemptive rights or similar rights underany of the Seller Parties' governing documents, any consulting agreements, or under any other instrument, agreement or other contract to which any Seller Party and such Releasor Party is or was a party (the "Applicable Claims"). Notwithstanding the foregoing, nothing in this Section 6.9will be deemed to constitute a release by any Person of any right of such Person under this Agreement or any related transaction documents or a release of any rights or claims the Buyer is acquiring pursuant to the transactions contemplated by this Agreement. Each Seller Party, and any other Person claiming through the Seller Parties, will forever refrain and forbear from commencing, instituting or prosecuting any suit, action or other proceeding of any kind whatsoever, by way of action, defense, set-off, cross-complaint or counterclaim, against any Released Party based on any Applicable Claim.

6.10. Restrictive Covenants.

(a) Non-Competition. Each Seller Party agrees that during the two (2)year period following the Closing Date (the "Restricted Period"), other than with respect to the continued ownership of Mission Maryland subject to the terms of the Mission Maryland Management Agreement and the Mission Maryland Option Agreement, it shall not (and it shall cause its affiliates not to), directly or indirectly, either individually, in partnership, jointly, or in conjunction with, or on behalf of, any other Person: (i) engage in the ownership, operation, management or control of any cannabis businesses (or any portion thereof) (the "Restricted Business") within the Territory; or (ii) otherwise obtain any interest in, advise, consult, lend moneyto, guarantee the debts or obligations of, perform services for, or otherwise participate in the ownership, management, or control of any Person engaged in the Restricted Business (or any portion thereof) within the Territory. In addition, each Seller Party agrees that, for the duration ofthe Restricted Period, it shall not (and it shall cause its affiliates not to), directly or indirectly, attempt, or assist any third party in attempting, to cause any adverse interference with the businessrelationship between the Buyers, the LicenseCos, Mission Maryland or any of their respective Affiliates and any of their respective suppliers, vendors, customers, independent contractors, consultants or other business relation thereof in the Territory; provided, that, it will not be deemeda breach of this Section if, following a Significant Transaction, any of the customers of LicenseCos, Mission Maryland, Buyer or any of their Affiliates become customers of a Seller Party, or any of its Affiliates, provided that such Seller Party, or any of its Affiliates, does not directly solicit such customers.

(b) No Solicitation of Employees. Each Seller Party agrees that, for the duration of the Restricted Period, it shall not (and it shall cause its Affiliates not to), directly or indirectly, (i) solicit, request or induce any employee of any LicenseCo, Mission Maryland, Buyersor any of their Affiliates to terminate his or her employment or enter the employ of any other Person or in any way interfere with the relationship between any LicenseCo, Mission Maryland, Buyers or any of their Affiliates, on the one hand, and any employee of any LicenseCo, Mission Maryland, Buyers or any of their respective Affiliates on the other hand or (ii) hire any person whowas an employee of any LicenseCo, Mission Maryland or Buyers or any of their Affiliates at anytime during the six (6) month period immediately prior to the date on which such hiring would take place (it being conclusively presumed by the Parties so as to avoid any disputes under this Section 6.10 that any such hiring is in violation of clause (i) above); provided, however, that general advertisements with respect to a position that are not directed to employees of any LicenseCo, Mission Maryland, Buyers or any of their respective Affiliates will not violate this Section 6.10(b).

(c) Confidential or Proprietary Information. From and at all times following the Closing, each Seller Party shall, and shall cause their respective Affiliates and Representatives to: (i) hold in confidence any and all Confidential Information (as defined below) whether written or oral, (ii) not disclose any Confidential Information to any Person whatsoever, other than to the Buyers or any of their Affiliates or their respective Representatives, or (iii) sell or use any Confidential Information in any manner whatsoever for the direct or indirect benefit ofany Person other than Buyers or their Affiliates. For purposes of this Agreement, "Confidential Information" means the confidential or proprietary business information that is unique and specific

to the Sellers, the LicenseCos, the Business or the Buyers and its Affiliates or their business, whether or not marked as such, including any business plans, technology, plans, blueprints, drawings, models, designs, templates, processes, formulae, computer programs, customer lists, supplier lists, pricing data, financial data, Trade Secrets, operations manuals, standard operating procedures, or other information identified or otherwise treated as confidential or proprietary business information, including the terms and existence of this Agreement and the relatedtransaction documents and the consummation of the transactions contemplated by this Agreement and the related transaction documents; provided, however, that Confidential Information does notinclude such information that is used by the Sellers, Mission Maryland or the LicenseCos which is also used in the operation of the Seller Parties' other businesses. If any Person restricted by this Section 6.10(c) is compelled to disclose any information by judicial or administrative process or by other requirements of Applicable Law, the Seller Parties shall promptly notify Buyers in writing, and shall cause the applicable party to disclose only that portion of such information whichit is advised by its counsel in writing is legally required to be disclosed, provided each such SellerParty, as applicable, shall use reasonable best efforts to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information.

(d) Non-Disparagement. During the Restricted Period, each Seller Party shall not, and shall cause their respective Affiliates and Representatives not to, make any statement, whether direct or indirect, whether true or false, that is intended to become public, or that should reasonably be expected to become public, and that disparages, or is intended to harm the reputation or business of the LicenseCos, Mission Maryland, the Buyers or any of their Affiliates, its Affiliates, or any of their respective employees, officers, directors or stockholders. During the Restricted Period, Buyers agrees to use its commercially reasonable efforts to cause itsAffiliates and Representatives not to make, and to use commercially reasonable efforts to cause other personnel not to make, or cause any other Person to make any statement, whether direct or indirect, whether true or false, that is intended to become public, or that should reasonably be expected to become public, and that disparages, or is intended to harm the reputation or businessesof any Seller Party. Notwithstanding the foregoing, nothing in this Agreement shall preclude anyParty from responding publicly to incorrect statements, from testifying truthfully in any judicial oradministrative proceeding, disclosing any information or acting in compliance with Applicable Laws or regulations or making statements or allegations in legal filings that are based on such Party's reasonable belief and are not made in bad faith.

(e) Acknowledgment; Separate Covenants; Enforcement. Each Seller Party acknowledges that (i) it will receive significant consideration in connection with the Closingof the transactions contemplated by this Agreement, (ii) Buyers have a legitimate business interestin protecting the customer relationships, goodwill, trade secrets and other Confidential Informationof its, Mission Maryland's and the LicenseCos' businesses, (iii) they are agreeing to and making the covenants contained in this Section 6.10, among other things, to induce Buyers to engage in and consummate the transactions contemplated by this Agreement, and (iv) the consideration received by them, directly or indirectly, pursuant to this Agreement constitutes good, valuable, adequate and sufficient consideration for such covenants and each Seller Party's obligations hereunder. The Seller Parties agree that each of the covenants and agreements set forth in this Section 6.10 is and shall be deemed and construed as a separate and independent covenant and agreement. If any such covenant or agreement or any part thereof is held invalid, void or

unenforceable by any court of competent jurisdiction as to a Seller Party, then (x) the covenant or agreement shall be modified to the least extent necessary to make it valid and enforceable, and (y) such invalidity, voidness or unenforceability will in no way render invalid, void or unenforceable any other part of this Agreement. The Seller Parties acknowledge and agree that the restrictions contained herein are reasonable and necessary to protect Buyers' legitimate business interest and,if violated, would cause Buyers irreparable harm for which monetary damages would not be an adequate remedy. Accordingly, each Seller Party agrees that if any portion of this Section 6.10 is breached, then Buyers may at its election in any court of competent jurisdiction, and in addition toany other remedy available to it, obtain specific performance of such provision or enjoin any SellerParty from engaging in the activities proscribed by this Section 6.10, in each case without any requirement to post a bond for such purpose. Notwithstanding anything set forth in this Agreement, after the Closing, Buyers and its Affiliates are expressly permitted to disclose the existence of this Section 6.10 or any obligation set forth in this Section 6.10 to any Person with whom a Seller Party conducts business or proposes to conduct business in a manner that may violate this Section 6.10.

(f) If any Seller Party or any of its Affiliates breaches, or threatens to commit a breach of, any of the covenants set forth in this Section 6.10, Buyers shall have the following rights and remedies, each of which rights and remedies shall be independent of the others and severally enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to Buyers or its Affiliates at law or in equity, the right and remedy to havethe covenants set forth in this Section 6.10 specifically enforced by any court of competent jurisdiction (without the need for a posting of a bond), it being agreed that any such action wouldcause irreparable injury to the Buyers and that money damages would not provide an adequate remedy to the Buyers.

6.11. Books and Records.

(a) In order to facilitate the resolution of any claims made against or incurred by the Sellers prior to the Closing, or for any other reasonable purpose, for a period of six years after the Closing, Buyers shall:

(i) retain the Books and Records (including personnel files) relating to periods prior to the Closing in a manner reasonably consistent with the prior practices of the Sellers; and

(ii) upon reasonable notice, afford the Sellers' Representatives reasonable access (including the right to make, at the Sellers' expense, photocopies), during normal business hours, to such Books and Records.

(b) In order to facilitate the resolution of any claims made by or againstor incurred by Buyers after the Closing, or for any other reasonable purpose, for a period of six years following the Closing, the Seller Parties shall:

(i) retain the books and records (including personnel files) of the Sellers and Mission Maryland that relate to the Business and its operations for periods prior tothe Closing; and

(ii) upon reasonable notice, afford the Buyers' Representatives reasonable access (including the right to make, at Buyers' expense, photocopies), during normal business hours, to such books and records.

(c) Neither Buyers nor Sellers shall be obligated to provide the other party with access to any books or records (including personnel files) pursuant to this Section 6.11where such access would violate any Applicable Law.

6.12. Bulk Sales Laws. The Parties hereby waive compliance with the provisionsof any bulk sales, bulk transfer or similar Laws of any jurisdiction that may otherwise be applicablewith respect to the sale of any or all of the Assets to Buyers; it being understood that any Liabilitiesarising out of the failure of the Seller Parties to comply with the requirements and provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction which would not otherwise constitute Assumed Liabilities shall be treated as Excluded Liabilities.

6.13. Public Announcements. Unless otherwise required by Applicable Law or stock exchange requirements (based upon the reasonable advice of counsel), no Party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed), and the parties shall cooperate as to the timing and contents of any such announcement.

6.14. Receivables. From and after the Closing, if any of the Seller Parties or anyof their Affiliates receives or collects any funds relating to any Accounts Receivable or any otherAsset, such Seller Party or its Affiliate shall remit such funds to Buyers within ten Business Daysafter its receipt thereof. From and after the Closing, if Buyers or any of their Affiliates receives orcollects any funds relating to any Excluded Asset, Buyers or such Affiliates shall remit any such funds to the appropriate Seller within ten Business Days after its receipt thereof.

7. Conditions to Closing; Termination.

7.1. Conditions Precedent to Obligations of the Buyers. The obligation of the Buyers to consummate the transactions contemplated by this Agreement at the Closing shall be subject to the satisfaction, on or before the Closing Date, of each and every one of the following conditions, any or all of which the Buyers may waive in writing, at their sole and absolute discretion:

(a) Representations and Warranties. Each of the representations and warranties made by the Seller Parties in this Agreement shall be true and correct in all material respects as of the Closing Date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all material respects as of that specified date).

(b) Covenants. The Seller Parties shall have duly performed in all material respects all of the covenants, acts and undertakings required to be performed by them prior to the Closing under this Agreement.

(c) No MAE. There shall have been no Material Adverse Effect, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect.

(d) No Injunction, Etc. No action, proceeding, investigation, regulationor legislation shall have been instituted before any Governmental Body to enjoin, restrain, prohibit,or obtain damages in respect of, or which is related to, or arises out of, this Agreement or the consummation of the transactions contemplated hereby.

(e) Consents and Notices. All consents, approvals and waivers of any Person necessary or desirable to the consummation of the Closing and the transactions contemplated hereunder shall have been obtained and all notices to any Person necessary or desirable to the consummation of the Closing and the transactions contemplated hereunder shall have been delivered including, without limitation, those listed on Schedule 7.1(e). A copy of eachsuch consent, approval, waiver or notice shall have been provided to the Buyers and all such consents, approvals, waivers and notices shall be in a form reasonably acceptable to the Buyers.

(f) Regulatory Approval. Without limiting the foregoing, all consents, approvals, rejections and objections as provided for in Section 6.5(c), and waivers of any Governmental Body necessary in order to permit consummation of the Closing and the transactions contemplated hereunder shall have been obtained, and all notices to any Governmental Body necessary in order to permit consummation of the Closing and the transactions contemplated hereunder shall have been delivered including, without limitation, approval by the MMCC of the Management Agreements. A copy of each such consent, approval, waiver or notice shall have been provided to the Buyers and all such consents, approvals, waivers and notices shall be in a form reasonably acceptable to the Buyers.

(g) Pennsylvania Acquisition. The closing of the Pennsylvania Acquisition shall have occurred.

(h) Seller Parties Closing Deliveries. The Seller Parties shall have delivered to the Buyers the items set forth in Section 3.2 and the following:

(i) Officer's Certificate. A certificate from an executive officerof such Seller Party, dated as of the Closing Date, certifying that attached thereto are true and correct copies of such Seller Party's certificate of formation, operating agreement and any amendments thereto to date, as well as the resolutions duly adopted by the members and/or managers of such Seller Party authorizing such Seller Party's execution, delivery and performanceof this Agreement.

(ii) Good Standing Certificate. A certificate of good standing for each Seller Party issued by the Secretary of the State in such Seller Party's jurisdiction of formation, each dated within ten (10) business days prior to the Closing Date.

(iii) Compliance Certificate. A certificate from an executive officer of each of the Seller Parties, dated as of the Closing Date, certifying compliance with Sections 7.1(a), 7.1(b) and 7.1(c) in a form reasonably acceptable to the Buyers.

(iv) Withholding Certificates. A completed and duly executed IRS Form W-9 from each Seller and Mission Maryland, and a certificate from each Seller and Mission Maryland, in a form reasonably acceptable to the Buyers and in accordance with the Code,in each case dated as of the Closing Date and certifying such facts as to establish that the transactions contemplated hereby are exempt from withholding pursuant to Section 1445 of the Code.

(v) LicenseCo Debt. Evidence, reasonably satisfactory to the Buyers, that all Debt of the LicenseCos (other than the Intraparty Obligations) and Mission Maryland owed to the Seller Parties or any of their Affiliates has been repaid, discharged or otherwise satisfied at or prior to the Closing and with respect to the Intraparty Obligations, evidence, reasonably satisfactory to the Buyers, that such Intraparty Obligations have been approved by unanimous written consent of the managers and the members of the LicenseCos. Sellers shall deliver the notes evidencing the Intraparty Obligations, with appropriate transfer powers, to the Buyers, as well as UCC-3 Assignments with respect to the UCC-1s filed in connection with the Intraparty Obligations and the Intraparty Security Agreements. Buyers will file new UCC-1 Financing Statements in connection with the assignment of the IntrapartyObligations and the Intraparty Security Agreements pursuant to this Agreement.

(vi) Encumbrances. All Encumbrances relating to the Assetsshall have been released in full and Sellers shall have delivered to Buyers written evidence, in form reasonably satisfactory to Buyers, of the release of such Encumbrances.

(vii) Management Agreements. Buyer shall enter into, simultaneous with Closing, a new management agreement with Chesapeake in the form attached hereto as Exhibit C (the "Chesapeake Agreement"); MAR in the form attached hereto as Exhibit D (the "MAR Agreement"); and Mission Maryland in the form attached hereto as Exhibit E (the "Mission Maryland Management Agreement" and together with the Chesapeake Agreement and the MAR Agreement, the "Management Agreements"). Each of the foregoing Management Agreements shall have received all necessary regulatory approvals or non-objections as required pursuant to Section 7.1(f).

(viii) Option Agreements. Buyer shall enter into, simultaneous with Closing, a new option agreement with Chesapeake in the form attached hereto as Exhibit F (the "Chesapeake Option Agreement"); MAR in the form attached hereto as Exhibit G (the "MAROption Agreement"); and Mission Maryland in the form attached hereto as Exhibit H (the "MissionMaryland Option Agreement" and together with the Chesapeake Option Agreement and the MAR Option Agreement, the "Option Agreements"). It is anticipated that each of the foregoing OptionAgreements (or Notices of Intent to Transfer pursuant to the Option Agreements) shall have received a response as provided for in Section 6.5(c).

(ix) Amendments to Operating Agreements. The Sellers and Mission Maryland shall cause (A) Chesapeake to amend and restate its operating agreement in form and substance reasonably acceptable to the Buyers, (B), MAR to amend and restate its operating agreement in form and substance reasonably acceptable to the Buyers, and (C) Mission

Maryland to amend and restate its operating agreement in form and substance reasonablyacceptable to the Buyers.

(x) Termination of Existing Agreements. The Seller Parties shall deliver terminations, in form and substance reasonably acceptable to Buyers, of the agreements listed on Schedule 7.1(h)(x).

(xi) Other Agreements. All other agreements, certificates, instruments, or documents reasonably requested by the Buyers in order to fully consummate the transactions contemplated hereby and to carry out the purposes and intent of this Agreement.

7.2. Conditions Precedent to Obligations of the Seller Parties. The obligation ofthe Seller Parties to consummate the transactions contemplated by this Agreement at the Closing shall be subject to the satisfaction, on or before the Closing Date, of each and every one of the following conditions, any or all of which the Seller Parties may waive in writing, at their sole andabsolute discretion:

(a) Representations and Warranties. Each of the representations and warranties made by the Buyers in this Agreement shall be true and correct in all material respectsas of the Closing Date (except those representations and warranties that address matters only as ofa specified date, which shall be true and correct in all material respects as of that specified date).

(b) Covenants of Buyers. The Buyers shall have duly performed in all material respects all of the covenants, acts and undertakings required to be performed by it prior to the Closing.

(c) No Injunction, Etc. No action, proceeding, investigation, regulationor legislation shall have been instituted, threatened or proposed before any Governmental Body to enjoin, restrain, prohibit, or obtain substantial damages in respect of, or which is related to or arisesout of, this Agreement or the consummation of the transactions contemplated hereby.

(d) Buyers Closing Deliveries. The Buyers shall have delivered to the Seller Parties the items set forth in Section 3.3.

7.3. Termination of Agreement. The Parties may terminate this Agreement as provided below:

(a) The Parties may terminate this Agreement by mutual written consent at any time prior to the Closing.

(b) If the Buyers is not then in material breach under this Agreement, the Buyers may terminate this Agreement by giving written notice to the Seller Parties at any timeprior to the Closing in the event any of the Seller Parties has materially breached any of their respective representations, warranties, or covenants contained in this Agreement, provided that Buyers have notified the Seller Parties of the breach and the breach has continued without cure fora period of ten (10) business days after the notice of breach, or upon the occurrence of a MaterialAdverse Effect.

(c) If the Seller Parties are not then in material breach under this Agreement, the Seller Parties may terminate this Agreement by giving written notice to the Buyersat any time prior to the Closing in the event the Buyers has materially breached any of its representations, warranties, or covenants contained in this Agreement, provided that the Seller Parties have notified the Buyers of the breach and the breach has continued without cure for a period of ten (10) business days after the notice of breach.

(d) The Buyers or the Seller Parties may terminate this Agreement in the event that (i) there shall be any law that makes consummation of the transactions contemplatedby this Agreement illegal, unauthorized or otherwise prohibited, (ii) any Governmental Body shallhave issued an order restraining or enjoining the transactions contemplated by this Agreement, andsuch order shall have become final and non-appealable or (iii) the MMCC does not approve or objects to any of the Management Agreements or the MMCC determines that the Option Agreements are an impermissible, invalid or illegal method to transfer ownership of LicenseCos,and after the parties good faith efforts to work with the MMCC and each other to come to an agreement on revised Management Agreements and/or Option Agreements, or other means to accomplish the future transfer of the LicenseCos and Mission Maryland equity in the same spirit of the Option Agreements and disclosed to the MMCC with a mutually satisfactory response consistent with the expectations in Section 6.5(c).

(e) Either the Buyers or the Seller Parties may terminate this Agreementif the Closing does not occur on or before July 31, 2020.

7.4. Effect of Termination. If this Agreement is terminated prior to the Closingfor any reason, all rights and obligations of the Parties hereunder shall terminate without any Liability of any Party to any other Party except for provisions set forth in Sections 6.4, this Section 7.4 and Section 9. No termination of this Agreement shall relieve any Party of liability for its intentional breach or violation of this Agreement.

8. Indemnification.

8.1. Sellers' Obligation to Indemnify. Each Seller Party (the "Seller Indemnifying Parties"), jointly and severally, shall defend, indemnify and hold harmless the Buyers, its Affiliates and their respective Representatives and successors and permitted assigns (collectively, the Buyers Indemnified Parties"), from and against any and all actions, suits, proceedings, claims, demands, debts, liabilities, obligations, losses, diminution in value, damages,costs and expenses (collectively "Adverse Consequences"), arising out of, or in connection with, or caused by, directly or indirectly, any or all of the following:

(a) any misrepresentation or breach of any representation or warranty made by the Seller Parties in this Agreement or in any certificate or schedule delivered by the Seller Parties pursuant hereto;

(b) any breach by the Seller Parties to satisfy or perform any covenant, restriction or agreement applicable to the Seller Parties contained in this Agreement or in any certificate or schedule delivered pursuant hereto;

(c) any Debt of the Sellers and LicenseCos (not including the Intraparty Obligations) and Mission Maryland or Transaction Costs, to the extent not deducted from the Purchase Price pursuant to Section 2.7(a);

(d) any Excluded Asset or any Excluded Liability;

(e) any Third Party Claim based upon, resulting from or arising out of the business, operations, properties, assets or obligations of the Sellers, Mission Maryland, the LicenseCos or any of their Affiliates conducted, existing or arising on or prior to the Closing Date;

(f) any claim that the Closing Report does not reflect the proper allocation and distribution of the Purchase Price; and

(g) any costs of enforcing this Agreement and all actions, suits, proceedings, claims and demands incident to the foregoing or such indemnification.

8.2. Buyers' Obligation to Indemnify. Buyers, jointly and severally, shall defend, indemnify and hold harmless the Seller Parties, their Affiliates and their respective Representatives and successors and permitted assigns (collectively, the Seller Indemnified Parties"), from and against any and all Adverse Consequences arising out of, or in connection with,or caused by, directly or indirectly, any or all of the following:

(a) any misrepresentation or breach of any representation or warranty made by the Buyers in this Agreement or in any certificate or schedule delivered by the Buyers pursuant hereto;

(b) any breach by the Buyers to satisfy or perform any covenant,restriction or agreement applicable to the Buyers contained in this Agreement or in any certificateor schedule delivered pursuant hereto;

(c) any (i) Taxes relating to the ownership, possession or use of the Assets after the Closing; or (ii) Buyer's 25% portion of the Transfer Charges; and

(d) any costs of enforcing this Agreement and all actions, suits, proceedings, claims and demands incident to the foregoing or such indemnification.

8.3. Indemnification Procedures.

(a) The party or parties seeking indemnification hereunder (each, an "Indemnified Party") shall give the party or parties from whom indemnification is sought or to be sought (each, an "Indemnifying Party") prompt written notice of any Adverse Consequences suffered by, affecting or otherwise directed at it. If an indemnification claim involves a claim by a third party (a "Third Party Claim"), the Indemnified Party shall promptly notify the IndemnifyingParty thereof in writing, which notice shall include in reasonable detail a description of the Third Party Claim and copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practical of such Adverse Consequences, that has been or may be sustainedby the Indemnified Party.

(b) The Indemnifying Party will have the right to defend the Indemnified Party against the Third Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party so long as the Indemnifying Party notifies the Indemnified Party in writingwithin fifteen (15) calendar days of its intention to assume the defense of any Third Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense. If the Indemnifying Party elects not to compromise or defend such Third Party Claim or fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, the Indemnified Party may compromise, defend such Third Party Claim and seek indemnification for any and all Adverse Consequences based upon, arising from or relating to such Third Party Claim. Seller and Buyers shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

(c) So long as the Indemnifying Party is conducting the defense of the Third Party Claim in accordance with Section 8.3(b) above, (i) the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third Party Claim, (ii) the Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld) and (iii) the Indemnifying Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld).

(d) Direct Claims. Any action by an Indemnified Party on account of Adverse Consequences which do not result from a Third Party Claim (a "Direct Claim") shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than 30 days after the Indemnified Party becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Adverse Consequences that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 30 days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the applicable premises and personnel and the rightto examine and copy any accounts, documents or records) as the Indemnifying Party or any of itsprofessional advisors may reasonably request. If the Indemnifying Party does not so respond within such 30 day period, the Indemnifying Party shall be deemed to have rejected such claim, inwhich case the Indemnified Party shall be free to pursue such remedies as may be available to theIndemnified Party on the terms and subject to the provisions of this Agreement.

8.4. Survival. The representations and warranties made by the Seller Parties andthe Buyers herein or in any certificate or schedule delivered pursuant hereto or thereto on the Closing Date, shall survive the Closing and continue in full force and effect for a period of eighteen (18) months from and after the Closing Date; provided, however, the representations and warranties set forth in Sections 4.1, 4.2, 4.4(e), 4.5, 4.8, 5.1 and 5.2 shall survive indefinitely, and the representations and warranties set forth in Sections 4.7 and 4.17 shall survive until sixty (60) days after expiration of all applicable statutory limitation periods (collectively, such representations in this proviso, the "Fundamental Representations"). Upon expiration of the representation and warranty limitation periods set forth herein, such representations and warrantiesshall cease to be of any further force or effect. No such expiration shall affect the rights of a Partyhereto in respect of a claim made by such Party in writing received by another Party prior to the expiration of any such period until finally resolved.

8.5. Satisfaction of Losses. Once Adverse Consequences are agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this Section 8, the Indemnifying Party shall satisfy its obligations within fifteen (15) Business Days of such final, non-appealable adjudication by wire transfer of immediately available funds.

8.6. Effect of Investigation. The representations, warranties and covenants of the Indemnifying Party, and the Indemnified Party's right to indemnification with respect thereto, shallnot be affected or deemed waived by reason of any investigation made by or on behalf of the Indemnified Party (including by any of its Representatives) or by reason of the fact that the Indemnified Party or any of its Representatives knew or should have known that any such representation or warranty is, was or might be inaccurate.

8.7. Limitation on Liability.

(a) The aggregate amount of all Adverse Consequences for which the Seller Indemnifying Parties shall be liable pursuant to Section 8.1(a) shall not exceed the sum of: 50% of the Purchase Price (such sum, the "Cap"); provided, however, that the Cap shall not applyto any Adverse Consequences arising from any claims based on a breach of a Fundamental Representations, or any claim based on the fraud or intentional misrepresentation of any Seller Party. Notwithstanding the foregoing, the Seller Parties will not have any liability under this Agreement in excess of the total amount of the Purchase Price, except with respect to any claim based on (i) the fraud or intentional misrepresentation of any Seller Party, (ii) any misrepresentation or breach of any representation or warranty made by the Seller Parties in Sections 4.7(g) and 4.17 or (iii) Excluded Liabilities pursuant to Section 8.1(d) (but only with respect to Excluded Liabilities set forth in Section 2.4(b)).

(b) The aggregate amount of all Adverse Consequences for whichBuyer shall be liable pursuant to Section 8.2(a) shall not exceed the Cap; provided, however, thatthe Cap shall not apply to any Adverse Consequences arising from any claims based on a breach of a Fundamental Representations, or any claim based on the fraud or intentional misrepresentationof the Buyer. Notwithstanding the foregoing, the Buyer will not have any liability under this Agreement in excess of the total amount of the Purchase Price, except with respect to any claim based on the fraud or intentional misrepresentation of the Buyer.

(c) The Seller Parties shall have no liability in respect of their indemnification obligations under Section 8.1(a), and there shall be no claim for indemnification asserted by Buyer pursuant to Section 8.1(a), until the aggregate amount of Adverse Consequences exceeds 0.5% of the Purchase Price (the "Deductible"). Once the aggregate amount of Adverse Consequences exceeds the Deductible, the Seller Parties shall be jointly and severally liable for all such Adverse Consequences, subject to the limitation set forth in Section 8.7(a). The Deductible shallnot apply to any Adverse Consequences arising from any claims based on a breach of a Fundamental Representation, or any claim based on the fraud or intentional misrepresentation of any Seller Party.

(d) Adverse Consequences will be calculated net of actual recoveries under insurance policies. Each Indemnified Party recognizes that it has a common law obligation to mitigate the Losses for which it is entitled to seek indemnification under this Section 8.

(e) No party shall be liable to any other party for (a) punitive or exemplary damages (b) any loss of profits arising out of or resulting from an anticipated, expected,projected or actual increase in profits after the Closing as compared to the historical profits of theSellers and LicenseCos before the Closing; and (c) losses that are not, as of the date of this Agreement, the probable and reasonably foreseeable result of (i) an inaccuracy or breach by the Seller Parties of their representations and warranties under this Agreement or (ii) the other mattersgiving rise to a claim for indemnification under this Agreement, except in each case to the extent that any such damages or losses are required to be paid to a third party pursuant to a third party claim.

(f) Except in the case of fraud, the parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matterof this Agreement, shall be pursuant to the indemnification provisions set forth in this Section 8. Nothing in this Section 8.7(f) shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled pursuant to Section 6.10.

9. Miscellaneous.

9.1. Expenses. Each Party shall pay all of the costs and expenses (including, without limitation, legal fees and expenses) incurred by it in negotiating and preparing this Agreement (and all other agreements, certificates, instruments and documents executed in connection herewith) and in consummating the transactions contemplated hereby.

9.2. Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actualreceipt, or (a) personal delivery to the Party to be notified, (b) when sent, if sent by electronic mailduring normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (c) three (3) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the Parties at the

addresses as set forth on the signature pages hereto, or to such e-mail address or address as subsequently modified by written notice given in accordance with this Section 9.2.

9.3. Entire Understanding; Amendments. This Agreement, together with the exhibits and schedules hereto, and the other documents, certificates, agreements and other instruments delivered in connection with the transactions contemplated hereby, states the entire understanding among the Parties with respect to the subject matter hereof and supersedes all prior oral and written communications and agreements with respect to the subject matter hereof. This Agreement shall not be amended or modified except in a written document signed by all Parties.

9.4. Parties in Interest; Assignment; No Waivers; No Third Party Rights. This Agreement shall bind, benefit, and be enforceable by the Parties hereto and their respective successors, legal representatives and assigns, heirs, executors, administrators and personal representatives. No Party hereto may assign this Agreement or its obligations hereunder without the prior written consent of all other Parties hereto. No waiver with respect to this Agreement shall be enforceable unless in writing and signed by the Party against whom enforcement of suchwaiver is sought. No failure to exercise, delay in exercising or single or partial exercise of any right, power or remedy by any Party, and no course of dealing between or among any of the Parties,shall constitute a waiver of, or shall preclude any other or further exercise of, the same or any otherright, power or remedy. Except as may be expressly set forth in this Agreement, nothing herein will be construed to give any Person other than the Parties to this Agreement any legal or equitableright, remedy or claim under or with respect to this Agreement or any provision of this Agreement.

9.5. Further Assurances. At any time and from time to time after the Closing Date, at the request of a Party and without further consideration, the other Parties shall promptly execute and deliver all such further agreements, certificates, instruments and documents and perform such further actions as such Party may reasonably request, in order to fully consummate the transactions contemplated hereby and carry out the purposes and intent of this Agreement.

9.6. Severability. If any provision of this Agreement is construed to be invalid, illegal or unenforceable, then the remaining provisions hereof shall not be affected thereby and shall be enforceable without regard thereto, and the Parties agree that this Agreement shall be reformed to replace such unenforceable provisions with a valid and enforceable provision that comes as close as possible to expressing the intent of the unenforceable provision.

9.7. Counterparts; Electronic Signatures. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which togethershall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGNAct of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

9.8. Governing Law; Exclusive Jurisdiction.

(a) This Agreement and the respective rights and obligations of the Parties under this Agreement shall be governed by, and shall be determined under, the internal laws of the State of Delaware without regard to choice of law principles.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUTOF OR BASED UPON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY MAY BE INSTITUTED IN THE CHANCERY COURTS OF THE STATE OF DELAWARE, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCHCOURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCHPARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.8(c).

9.9. Specific Enforcement; Remedies. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Notwithstanding the limitationsin Section 8.7(f), it is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, in addition to any other remedy to which they are entitled at law orin equity. Any and all remedies herein expressly conferred upon a Party will be deemed cumulativewith and not exclusive of any other remedy conferred hereby, or by law or equity upon such Party,and the exercise by a Party of any one remedy will not preclude the exercise of any other remedy.

9.10. Interpretation. In this Agreement, unless a clear contrary intention appears: (a) the singular number includes the plural number and vice versa; (b) reference to any Person

includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually; (c) reference to any gender includes each other gender; (d) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof; (e) reference to any "Applicable Law" or "Legal Requirement" means suchApplicable Law or Legal Requirement, as the case may be, as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any Applicable Law or Legal Requirement means that provision of such Applicable Law or Legal Requirement from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision; (f) "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement asa whole and not to any particular Article, Section or other provision hereof; (g) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; (h) references to documents, instruments or agreements shall bedeemed to refer as well to all addenda, exhibits, schedules or amendments thereto; and (i) references to articles, sections, schedules and exhibits means articles and sections of, and schedulesand exhibits attached to, this Agreement. This Agreement shall be construed without regard to anypresumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

* * * *

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date set forth above.

SELLERS:

ADROIT CONSULTING GROUP, LLC

By: /s/ Joshua N. Rosen
Name: Joshua N.Rosen
Title: Manager

Address: 5060 N. 40th Street, Ste 120
Phoenix, AZ 85018
E-mail: legal@4frontventures.com

OLD LINE STATE CONSULTING GROUP, LLC

By: /s/ Joshua N. Rosen
Name: Joshua N.Rosen
Title: Manager

Address: 5060 N. 40th Street, Ste 120
Phoenix, AZ 85018
E-mail: legal@4frontventures.com

MISSION MARYLAND:

MISSION MARYLAND, LLC

By: /s/ Andrew Thut
Name: Andrew Thut
Title: Manager

Address: 5060 N. 40th Street, Ste 120
Phoenix, AZ 85018
E-mail: legal@4frontventures.com

SELLER PARENT:

4FRONT VENTURES CORP.

By:/s/ Joshua N. Rosen
Name: Joshua N. Rosen
Title: Executive Chairman

Address: 5060 N. 40th Street, Suite 120
Phoenix, AZ 85018
E-mail: legal@4frontventures.com

UYER:

MLH MARYLAND OPERATIONS, LLC

By:
Name: David Clapper
Title: Chief Financial Officer and Treasurer

Address: 308 E. Lancaster Avenue, Suite 300,
Wynnewood, PA, 19096

E-mail: david.clapper@EthosCannabis.com

RE BUYER:

MLH H AMPDEN REAL ESTATE, LLC

By
Name: David Clapp e r
Ti tle: Chief Financial Officer and Treasurer

Address: 308 E. Lancaster Avenue , Suite 300,
Wynnewood, PA, 19096

E-rnail: david.clapper@EthosCannabis.com

EXHIBIT A

DEFINITIONS

For purposes of the Agreement, the following terms and variations thereof have the meanings specified or referred to in this Exhibit A:

"Adverse Consequences" shall have the meaning set forth in Section 8.1.

"Affiliate" of a specified Person means each other Person who directly or indirectlycontrols, is controlled by, or is under common control with the specified Person.

"Agreement" shall have the meaning set forth in the preamble to this Agreement.

"Allocation Schedule" shall have the meaning set forth in Section 2.5. "Applicable Claims" shall have the meaning set forth in Section 6.9.

"Applicable Law" means all applicable provisions of any constitution, statute, common law, ordinance, code, rule, regulation, regulatory bulletin or guidance, decision, order, decree, judgment, release, license, permit, stipulation or other official pronouncement enacted or issued by any Governmental Body or arbitrator or arbitration panel (other than any federal law, rule, or regulation that that prohibits the cultivation, processing, sale or possession of cannabis).

"Assignment and Assumption Agreement" shall have the meaning set forth in Section 3.2(b).

"Business" means the assets, liabilities and business operations of the Sellers, Mission Maryland and the LicenseCos.

"Business Data" means all business information and all personally-identifying information and personal data (whether of employees, contractors, consultants, customers, consumers, or other Persons and whether in electronic or any other form or medium) that is accessed, collected, used, processed, stored, shared, distributed, transferred, disclosed, destroyed, or disposed of by the Sellers, Mission Maryland and the LicenseCos.

"Business Day" means a day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are required by Applicable Law to close.

"Buyer" shall have the meaning set forth in the preamble to this Agreement.

"Buyer" shall have the meaning set forth in the preamble to this Agreement.

"Buyers Closing Documents" shall have the meaning set forth in Section 5.2.

"Buyers Indemnified Parties" shall have the meaning set forth in Section 8.1.

"Closing" shall have the meaning set forth in Section 3.1.

"Closing Date" shall have the meaning set forth in Section 3.1.

"Closing Date Payment" shall have the meaning set forth in Section 2.7(a)

"Closing Report" shall have the meaning set forth in Section 2.7(a). "Closing Statement" shall have the meaning set forth in Section 2.7(b).

"COBRA" means the requirements of Part 6 of Subtitle B of Title I of ERISA and Section 4980B of the Code and of any similar state law.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commitments" shall have the meaning set forth in Section 4.20(a).

"Business Contracts" shall have the meaning set forth in Section 4.21(a).

"Business Intellectual Property" means all Owned Intellectual Property, all Licensed Intellectual Property and all Intellectual Property otherwise used in or necessary for the Sellers', Mission Maryland's and the LicenseCos' current or planned business or operations.

"Confidential Information" shall have the meaning set forth in Section 6.10(c).

"Consent" means any approval, consent, ratification, waiver or other authorization.

"Contract" means any agreement, contract, lease, consensual obligation, promise or undertaking (whether written or oral).

"Current Assets" means the consolidated current assets of the Sellers, Mission Maryland and the LicenseCos arising in the ordinary course in accordance with GAAP and in a manner calculated on Schedule 2.7(a), including accounts receivable and Inventory and excluding cash and cash equivalents.

"Current Liabilities" means the consolidated current liabilities of the Sellers, Mission Maryland and the LicenseCos arising in the ordinary course and accrued in accordance with GAAPand in a manner calculated on Schedule 2.7(a).

"Debt" means (a) any indebtedness, whether or not contingent, in respect of borrowed money or evidenced by bonds, notes, debentures or other similar instruments or letters of credit (or reimbursement agreements in respect thereof) or banker's acceptances or representing capitalized lease obligations, (b) any balance deferred and unpaid of the purchase price of any property, (c) all indebtedness of others secured by an Encumbrance on any asset of such Person,
(d) all obligations under capital leases in respect of which such Person is liable as obligor, guarantor or otherwise (e) all obligations associated with hedging or similar arrangements, (f) all obligations in respect of letters of credit or bankers' acceptances, in each case, to the extent drawnor funded, (g) all obligations in respect of deferred rent, (h) unfunded, or under-funded retirementor severance obligations; (i) unpaid annual bonuses relating to any fiscal year prior to the 2020 fiscal year, and obligations arising from deferred compensation arrangements, plus the employer's

share of Taxes attributable to the payment of the amounts referred to in this clause, (j) any Related Party Liabilities, (k) to the extent not otherwise included by clauses (a) through (i), any guaranty by such Person of any indebtedness of any Person; and (k) all principal, interest, fees, prepayment premiums or charges and other amounts payable by such Person in connection with such indebtedness.

"Direct Claim" shall have the meaning set forth in Section 8.3(d) "Dispute

Notice" shall have the meaning set forth in Section 2.7(c). "Disputed

Items" shall have the meaning set forth in Section 2.7(c). "Employee

Plans" shall have the meaning set forth in Section 4.18(c).

"Encumbrance" means any charge, claim, community or other marital property interest, condition, equitable interest, lien, option, pledge, security interest, mortgage deed of trust, right of way, easement, encroachment, servitude, right of first option, right of first or last negotiation or refusal or similar restriction, including any restriction on use, voting (in the case of any security or equity interest), transfer, receipt of income or exercise of any other attribute of ownership; otherthan (i) liens for taxes not yet due and payable, (ii) zoning laws, and (iii) utility easements and other of-record easements that will not impair or prohibit the use of the Real Property as a retail dispensary for cannabis and cannabis-related products; provided, however, that with respect to theLicenseCos, Encumbrance does not include any security interest or other encumbrance on any of the LicenseCo's assets relating to the Intraparty Obligations.

"Enforceability Exceptions" shall have the meaning set forth in Section 4.2. "Environmental

Laws" shall mean any Legal Requirement issued, promulgated or entered
into by or with any Governmental Body relating to pollution, the environment, natural resources, exposure of any Person to Hazardous Substances or the protection of human health or endangeredor threatened species, or the actual or threatened Releases, discharges or emissions into the environment or within structures.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, andany United States Department of Labor regulations thereunder.

"ERISA Affiliate" shall have the meaning set forth in Section 4.18(f)."Escrow

Agent" means Western Alliance Bank.

"Escrow Agreement" means that certain Escrow Agreement by and among the Buyers, the Seller Parties and the Escrow Agent dated as of the date of this Agreement.

"Escrow Amount" shall have the meaning set forth in Section 2.6.

"Estimated Adjustment Amount" shall have the meaning set forth in Section 2.7(a).

"Estimated Closing Date Payment" shall have the meaning set forth in Section 2.7(a).

"Estimated Net Working Capital" shall have the meaning set forth in Section 2.7(a).

"Final Adjustment Amount" shall have the meaning set forth in Section 2.7(d). "Final Closing Date Payment" shall have the meaning set forth in Section 2.7(b) "Final Closing Statement" shall have the meaning set forth in Section 2.7(b). "Financial Statements" shall have the meaning set forth in Section 4.14.

"GAAP" means accounting principles generally accepted in the United States of America.

"Governmental Authorization" means any Consent, license, registration, approval, non-objection, exemption, notification, franchise, certificate, authorization, bond or permit issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

"Governmental Body" means any: (a) nation, state, county, city, town, borough, village, district or other jurisdiction; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental powers); (d) multinational organization or body; (e) body exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or (f) official of any of the foregoing.

"Hazardous Substance" shall have the meaning set forth in Section 4.7(g).

"Improvements" shall have the meaning set forth in Section 4.11(d). "Indemnified Party" shall have the meaning set forth in Section 8.3(a). "Indemnifying Party" shall have the meaning set forth in Section 8.3(a).

"Insurance Policy" means any public liability, product liability, general liability, comprehensive, property damage, vehicle, life, hospital, medical, dental, disability, worker's compensation, key man, fidelity bond, theft, forgery, errors and omissions, directors' and officers' liability, or other insurance policy of any nature.

"Intellectual Property" means any and all patents, patent applications, registered and unregistered trademarks, trademark applications and registered and unregistered service marks; domain names; original works of authorship and related copyrights; trade secrets, whether or not patentable; designs and inventions and related patents; and similar intangible property in which any Person holds proprietary rights, title, interests or protections, however arising, pursuant to thelaws of any jurisdiction throughout the world, all applications, registrations, renewals, issues, reissues, extensions, divisions and continuations in connection with any of the foregoing and the goodwill connected with the use of and symbolized by any of the foregoing; and licenses in, to and under any of the foregoing.

"Intellectual Property Registrations" shall have the meaning set forth in Section 4.23(a).

"Interim Balance Sheet" shall have the meaning set forth in Section 4.14.

"Interim Balance Sheet Date" shall have the meaning set forth in Section 4.14.

"Intraparty Obligations" means the obligations of the LicenseCos to each of Adroit and Old Line represented by (i) that certain Amended and Restated Secured Demand Loan issued by Chesapeake to Adroit in the original principal amount of $1,280,505.54 and dated effective as of March 31, 2020, and (ii) and that certain Amended and Restated Secured Demand Loan issued by MAR to Old Line in the original principal amount of $770,124.60 and dated effective as of March31, 2020.

"Intraparty Security Agreements" means that certain Pledge Agreement dated as of September 12, 2017, by the members of Chesapeake, as pledgers, in favor of Adroit, as secured party; that certain Security Agreement dated as of September 12, 2017, by Chesapeake, as debtor,in favor of Adroit, as secured party; that certain Pledge Agreement dated as of May 31, 2018, by the sole member of MAR, as pledgor, in favor of Old Line, as secured party; that certain Security Agreement dated as of May 31, 2018, by MAR, as debtor, in favor of Old Line, as secured party;and the UCC-1 Financing Statements filed in connection with the foregoing and the Interparty Obligations.

"Inventory" shall have the meaning set forth in Section 4.13.

"IRS" means the United States Internal Revenue Service and, to the extent relevant, the United States Department of the Treasury.

"Judgment" means any order, writ, injunction, citation, award, decree, ruling, assessment or other judgment of any Governmental Body or arbitrator.

"Knowledge" means the actual knowledge of Joe Feltham, Karl Chowscano, Jake Wooten and Tanner Phillips and the knowledge each such individual would have acquired after reasonable inquiry of the subject matter being represented.

"Leased Real Property" shall have the meaning set forth in Section 4.11(b)

"Legal Requirement" means any federal, state, local, municipal, foreign, international, multinational or other constitution, law, ordinance, principle of common law, code, regulation, guideline, standard, regulatory bulletin, order, Governmental Authorization, statute or treaty.

"Liability" means with respect to any Person, any liability or obligation of such Person ofany kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

"Licenses" means any license, certificate, approval, authorization or permit issued by any state, municipal or local governmental agency, authority or entity authorizing the holder of such license to engage in cannabis-related operations and activities, and any host community agreementor similar agreement entered into with a municipality in connection with cannabis-related operations and activities.

"Licensed Provider" means any Person who is required to have a License under Applicable Law or regulation to provide any cannabis or cannabis-related services for which the Sellers, Mission Maryland or the LicenseCos has hired or engaged with such Person.

"Licensed Intellectual Property" means Intellectual Property in which the Sellers, Mission Maryland or the LicenseCos holds exclusive or non-exclusive rights or interests granted by license from other Persons.

"Management Agreements" shall have the meaning set forth in Section 7.1(h)(viii). "Material

Adverse Effect" means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, materially adverse to the business, assets, liabilities, financial condition, prospects or results of operations of the Sellers, Mission Maryland and the LicenseCos taken as a whole; provided that none of the following shall be deemed to constitute and none of the following shall be taken into account in determining whether there has been, a Material Adverse Effect: (a) any adverse change, event, development or effect (whether short-termor long-term) arising from or relating to (1) general business or economic conditions, including such conditions related to the Business, (2) national or international political or social conditions, including the engagement by the United State in hostilities, whether or not pursuant to the declaration of a national emergency or war, the occurrence of any military or terrorist attack uponthe U.S., or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the U.S., (3) national or international emergency resulting from a pandemic or similar naturally occurring disease or event, (4) financial, banking, or securities markets (including any disruption thereof and any decline in the price of any security orany market index), (5) changes in U.S. generally accepted accounting principles, (6) changes in laws, rules, regulations, orders or other binding directives issued by any governmental entity, or
(7) the taking of any action contemplated by this Agreement and the other agreements contemplated hereby, except in connection with obtaining any third party consents or regulatory approvals pursuant to Section 7.1(e) and Section 7.1(f); provided, further, however, that any event,occurrence, fact, condition or change referred to in clauses (1) through (4) immediately above shallbe taken into account in determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur to the extent that such event, occurrence, fact, condition or change has a disproportionate effect on the Business compared to other participants in the industries in which the Business operates.

"Material Suppliers" shall have the meaning set forth in Section 4.24.

"Net Working Capital" means, without giving effect to the transactions contemplated by this Agreement (a) the sum of the Current Assets minus (b) the sum of Current Liabilities, in eachcase, as of the close of business on the day prior to the Closing Date and calculated in accordancewith the methodologies, policies and procedures used in calculating the sample calculation of Net

Working Capital as set forth on Schedule 2.7(a). For purposes of clarification, Inventory will havea value equal to its cost.

"Neutral Accountant" means a nationally or regionally recognized independent accounting firm mutually acceptable to the Buyers and the Seller Parties.

"Ordinary Course of Business" means the ordinary course of business of the Sellers, Mission Maryland or the LicenseCos, as applicable, consistent with the past practices of the Sellers, Mission Maryland or the LicenseCos, as applicable, taken in the ordinary course of the normal, day-to-day operations of the Sellers, Mission Maryland or the LicenseCos, as applicable.

"Owned Intellectual Property" shall have the meaning set forth in Section 4.23(a). "Owned

Real Property" means all land, together with all buildings, structures, improvements, and fixtures located thereon, and all easements, servitudes and other interests and rights appurtenant thereto, owned by the Sellers, Mission Maryland or the LicenseCos.

"Party" or "Parties" shall have the meaning set forth in the preamble to this Agreement.

"PCBs" shall have the meaning set forth in Section 4.7(g).

"Permits" shall have the meaning set forth in Section 4.7(b).

"Person" means any individual, sole proprietorship, joint venture, partnership, corporation, limited liability company, association, cooperative, trust, estate, Governmental Body, administrative agency, regulatory authority, or other entity of any nature whatsoever.

*"*Privacy Agreements" shall have the meaning set forth in Section 4.20(c).

"Privacy and Data Security Program" means the Sellers', Mission Maryland's and the LicenseCos' technological, technical, physical, administrative, organizational and procedural safeguards, including, without limitation, policies, procedures, guidelines, practices, standards, controls, hardware, software and firmware, the function or purpose of which is, in whole or part, to (a) protect the confidentiality, integrity or availability of Business Data, (b) prevent the unauthorized use or unauthorized access to Business Data; (c) prevent the loss, theft or damage ofBusiness Data; (d) prevent a breach, damage or malicious infection of their systems or (e) complywith Privacy and Security Laws.

*"*Privacy and Security Laws" means all international, country-specific, national, federal, state, European Union, and United States state and federal laws and regulations, guidelines, rules, policies, and all standards, guidelines, rules, policies and regulations and procedures, and codes of practice issued by any Governmental Authority, as amended or replaced, applicable to the Sellers and the LicenseCos, which relate to the security, confidentiality, protection, privacy or secrecy of Business Data, applicable to the Sellers, Mission Maryland and the LicenseCos pertaining to the security, confidentiality, protection, privacy or secrecy of Business Data.

"Privacy Policy" shall have the meaning set forth in Section 4.20(d).

"Proceeding" means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

"Proportionate Share" means, with respect to each Seller and Mission Maryland, an amount equal to the percentage set forth next to such Seller's or Mission Maryland's name in the Allocation Schedule.

"Purchase Price" shall have the meaning set forth in Section 2.5. "Real

Property" shall have the meaning set forth in Section 4.11(b).

"RE Buyer" shall have the meaning set forth in the preamble to this Agreement.

"Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

"Released Parties" shall have the meaning set forth in Section 6.9.

"Releasor Parties" shall have the meaning set forth in Section 6.9.

"Representative" means with respect to a particular Person, any director, officer, manager, employee, agent, consultant, advisor, accountant, financial advisor, legal counsel or other representative of that Person.

"Restricted Business" shall have the meaning set forth in Section 6.10(a).

"Restricted Period" shall have the meaning set forth in Section 6.10(a). "Seller

Indemnified Parties" shall have the meaning set forth in Section 8.2. "Seller

Indemnifying Parties" shall have the meaning set forth in Section 8.1.

"Seller Parent" shall have the meaning set forth in the preamble to this Agreement.

"Seller Party" or "Seller Parties" shall have the meaning set forth in the preamble to this Agreement.

"Seller Party Closing Documents" shall have the meaning set forth in Section 4.2.

"Sellers" shall have the meaning set forth in the preamble to this Agreement.

"Significant Transaction" means any transaction, whether structured as a merger, sale of assets, sale or equity, or similar transaction with a third party, in which (i) a 50% or greater interestin a Seller Party's (or any of its Affiliates') business is acquired by such third party, or (ii) a SellerParty or any of its Affiliates acquires a 50% or greater interest in such third party's business; provided, however, that (i) such third party must do business in more than one state in the United

States and (ii) less than fifty percent (50%) of the fair market value of such third party is attributable to such third party's business operations in the State of Maryland.

"Tangible Personal Property" shall mean all furniture, fixtures, leasehold improvements, production equipment, office equipment, accessories, parts, supplies, materials, vehicles, computer hardware, data processing equipment and other equipment owned by the Sellers, Mission Maryland and the LicenseCos and all other tangible personal property of every kind owned or leased by the Sellers and the LicenseCos and all related warranties and similar rights.

"Target Net Working Capital" means $0.

"Tax" or "Taxes" means (a) any and all federal, state, local and foreign (whether imposedby a country or political subdivision or authority thereunder) taxes, assessments and othergovernmental charges, duties, impositions and liabilities relating to taxes, including, without limitation, any federal, state, local or foreign income, earnings, profits, gross receipts, franchise, capital stock, net worth, sales, use, value added, ad valorem, profits, occupancy, general property,real property, personal property, intangible property, transfer, stamp, premium, custom, duty, environmental, fuel, excise, license, lease, service, service use, recapture, parking, employment, occupation, severance, payroll, withholding, unemployment compensation, social security, retirement, imputed underpayment or other tax, fiscal levy or charge of any nature; (b) any federal,state, local or foreign organization fee, qualification fee, annual report fee, filing fee, occupation fee, assessment, other fee or charge of any nature imposed by a Governmental Body or other authority; or (c) any deficiency, interest, penalty or addition imposed with respect to any of the foregoing and any obligations under any agreements or arrangements with any other Person with respect to such amounts, and including any liability for taxes of a predecessor entity and any obligation to indemnify or otherwise assume or succeed to any liability for taxes of any other Person.

"Tax Return" means (a) all returns and reports, amended returns, information returns, statements, declarations, estimates, schedules, notices, notifications, forms, elections, certificates or other documents filed or required to be filed or submitted to any Governmental Body or any Person with respect to the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of, or compliance with, any Tax, and (b) TD F 90-22.1 (and its successor form, FinCEN Form 114), including any amendmentthereto.

"Term" means the period from the date of this Agreement through the consummation of the Closing or earlier termination of this Agreement pursuant to its terms.

"Territory" means the State of Maryland; provided, that upon and following the closing ofa Significant Transaction, for the Seller Party (or its Affiliate) that is party to the Significant Transaction and its subsidiaries, "Territory" shall mean a 3-mile radius around each of the LicenseCos and Mission Maryland's current store locations in the state of Maryland.

"Third Party Claim" shall have the meaning set forth in Section 8.3(a).

"Transfer Charges" shall have the meaning set forth in Section 6.7.

"Treasury Regulation" means a final, temporary or proposed regulation issued by the United States Department of the Treasury and/or the IRS under the Code.

"Transaction Cost" means all out-of-pocket fees, costs and expenses incurred or otherwise payable by the Seller Parties or the LicenseCos in connection with the negotiation, documentationand consummation of the transactions contemplated by this Agreement, whether incurred prior to,on or after the date hereof, including (i) unpaid fees and expenses of attorneys, accountants, investment bankers and other advisors, (ii) change-of-control, retention, success fee, severance, bonus, unit appreciation, phantom equity or profit participation payments or similar obligations, including, without limitation, any change of control payments, bonuses, severance, termination orretention obligations or similar amounts (including amounts that are, or may become, payable to employees who have the right to terminate their employment) that are owed by the Seller Parties or the LicenseCos as of the Closing or that will be triggered, in part or in whole, eitherautomatically or with the passage of time, in connection with the consummation of the transactionscontemplated by this Agreement, including, in each case, the employer's share of Taxes attributable to any of the items referred to in this clause (ii), and (iii) any costs, fees or other expenses incurred in connection with obtaining any consent or terminating any Contract.

"WARN Acts" shall have the meaning set forth in Section 4.19(e)

EXHIBIT B
ALLOCATION SCHEDULE

Name of Seller	**Proportionate Share**
Mission Maryland, LLC	34%
Adroit Consulting Group, LLC	36%
Old Line State Consulting Group, LLC	30%

EXHIBIT C
CHESAPEAKE AGREEMENT

(See attached.)

MANAGEMENT SERVICES AGREEMENT

THIS MANAGEMENT SERVICES AGREEMENT (this "**Agreement**") is made as of_____, 2020 (the "**Effective Date**"), by and among Chesapeake Integrated Health Institute, LLC, a Maryland limited liability company (the "**Company**"), MLH Maryland Operations, LLC, a Delaware limited liabilitycompany (the "**Provider**"), and the members of the Company listed on the signature pages hereto (the "**Company Members**") and, together with the Company and the Provider, the "**Parties**", and each individually, a "**Party**").

RECITALS

WHEREAS, the Company holds a License No. D-19-00005 (the "**License**"), issued by theMaryland Department of Health - Maryland Medical Cannabis Commission (the "**MMCC**"), to operate a medical cannabis dispensary at 3907 Falls Road, Baltimore, MD 21211 (the "**Dispensary**");

WHEREAS, the Provider is engaged in the business of providing certain management services to cannabis businesses;

WHEREAS, the Company, the Company Members and Adroit Consulting Group, LLC, a Delaware limited liability company ("**Adroit**"), previously entered into that certain Management Services Agreement, dated September 12, 2017 (the "**Original Agreement**"), pursuant to which Adroit agreed to provide certain management services to the Company and the Dispensary;

WHEREAS, pursuant to that certain Asset Purchase Agreement, dated as of April 30, 2020 (the "**APA**"), by and among (i) Provider and MLH Hampden Real Estate, LLC, a Delaware limited liability company and a wholly owned subsidiary of Provider ("**RE Buyer**" and together with Provider, the "**Buyers**"), (ii) Mission Maryland, LLC, a Maryland limited liability company ("**Mission Maryland**"), (iii)Adroit and Old Line State Consulting Group, LLC, a Maryland limited liability company ("**Old Line**" andtogether with Adroit, the "**Sellers**" and each, a "**Seller**"), and (iv) 4Front Ventures Corp., a corporation amalgamated under the laws of the Province of British Columbia ("**Seller Parent**" and, together with Sellers and Mission Maryland, the "**Seller Parties**"), Buyers are purchasing substantially all of the assets of the Sellers;

WHEREAS, effective immediately upon the approval of this Agreement by the MMCC, this Agreement will become effective and the Original Agreement will terminate, with no further action by any party thereto, and become null and void; and

WHEREAS, the Parties now desire to enter into this Agreement to reflect the relationship betweenthe parties and describe with specificity the services to be provided by Provider hereunder.

AGREEMENT

NOW THEREFORE, in consideration of the recitals, which are hereby incorporated in and madea part of this Agreement as if set forth in their entirety below, and the respective covenants and agreementsherein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, and intending to be bound, the Parties hereby covenant and agree as follows:

1. Term; Right to Renew; Termination.

(a) Term. This Agreement shall commence on the Effective Date and continue for a period of five (5) years thereafter (the "**Initial Term**"). Immediately following the Initial Term, this Agreement shall automatically renew for additional one-year periods (each, a "**Subsequent Term**", and together with the Initial Term, the "**Term**"), unless Provider provides notice to the Company of its intent to terminate the Agreement at least ninety (90) days prior to the end of the then-current Term.

(b) Termination by the Provider. The Provider shall have the right to terminate this Agreement prior to the end of the Term, by delivering written notice to the Company, stipulating the effective date of termination, upon the occurrence of any one of the following events: (i) the occurrence of a Company Default (as defined in Section 13) that is not cured within the applicable cure period; (ii) any grossly negligent, intentional or willful misconduct by the Company; (iii) any Federal Enforcement Action described in Section 16 against the Company; (iv) any change or revocation of the Maryland Medical Cannabis Law and the rules and regulations promulgated pursuant thereto as they may be amended or modified from time to time ("**Maryland Cannabis Laws**") or any local or municipal rule or regulation which shall have the effect of prohibiting the legal operation of the Dispensary or the performance of this Agreement; or (v) revocation of the License or suspension of the License for a period of more than thirty (30) days.

(c) Termination by the Company. The Company shall have the right to terminate this Agreement prior to the end of the Term, by delivering written notice to the Provider, stipulating the effective date of termination, upon the occurrence of any one of the following events: (i) upon the occurrence of a Provider Default (as defined in Section 14) that is not cured within the applicable cure period; (ii) any grossly negligent, intentional or willful misconduct by the Provider; (iii) any Federal Enforcement Action described in Section 16 against the Provider; (iv) any change or revocation of the Maryland Cannabis Laws or any local or municipal rule or regulation which shall have the effect of prohibiting the legal operation of the Dispensary or the performance of this Agreement; or (v) revocation of the License or suspension of the License for a period of more than thirty (30) days.

(d) Effect of Termination. Upon termination of this Agreement, neither Party shall have any further obligation hereunder except for: (i) any and all obligations accruing prior to the termination (including payment of any earned, but unpaid, Management Fees); (ii) the obligations, promises and covenants that were expressly made to extend beyond termination; (iii) any obligations to repay or reimburse amount(s) advanced by the Provider or its affiliates to the Company or third parties on behalf of the Company; and (iv) any obligations to indemnify a Partypursuant to Section 11.

(e) No Further Obligations. Except as expressly set forth in Section 1(d), the Provider shall not be entitled to any other payments or benefits under this Agreement following terminationof this Agreement.

2. Ownership of Cannabis. The Parties acknowledge and agree that all cannabis products or materials ("**Cannabis**") dispensed, maintained, stored, prepared and/or packaged at the Dispensary shall remain the sole and exclusive property of the Company, as the sole and exclusive holder of the License.

3. Ownership of License. The License is, and shall remain, the exclusive property of the Company and nothing in this Agreement shall be construed as a transfer, assignment, sale or conveyance

of the License to the Provider or any of the Provider's successors, affiliates, agents, volunteers, employeesor independent contractors.

4. Responsibilities, Duties, and Obligations of the Provider.

(a) The Provider acknowledges and agrees it shall provide the Management Servicesin good faith and with reasonable care in a manner generally consistent with the industry standard.

(b) Compliance. The Provider shall use commercially reasonable efforts to ensure thatthe Company remains in material compliance with the Maryland Cannabis Laws.

5. Obligations of the Company.

(a) Maintenance and Renewal of License; Compliance.

(i) The Company shall maintain the License in good standing and eligible for renewal, and shall ensure that the Company remains in full compliance with the Maryland Cannabis Laws. The Company shall duly and timely file such applications as may be necessary to renew and maintain the License. The Company shall also remain in full compliance with all local, municipal and county regulations, including zoning and permitting regulations, as may be applicable to its business and operations.

(ii) The Company shall promptly notify the Provider of any notices, written or verbal, that the Company receives from the MMCC or any other governmental authority regarding the License, the Dispensary or the Company's business or operations, and the Company shall promptly take any corrective or remedial actions required by the MMCC or such other governmental authority in connection with such notices.

(b) Covenants of the Company and the Company Members. During the Term, neitherthe Company nor the Company Members may take any of the following actions without the prior written consent of Provider:

(i) issue any new equity of the Company, transfer any equity of the Company, admit any new member of the Company, or issue or transfer any instrument convertible into any equity of the Company or exercisable for any equity of the Company;

(ii) advances of additional capital contributions to the Company or other loansor other advances to the Company by Company Member (for purposes of clarification, Company Member will have no obligation to make any advances, capital contributions or loans to the Company);

(iii) declare, set aside, or pay any dividend or make any distribution with respect to the equity of the Company or redeem, purchase, or otherwise acquire any of theequity of the Company;

(iv) cause the Company to sell or otherwise transfer any material asset of the Company outside of the ordinary course of business;

(v) cause the Company to incur any material indebtedness outside of the ordinary course of business, or encumber or pledge any assets of the Company or any equity interests of the Company;

(vi) appoint, elect or remove any managers or principal officers of the Company or otherwise amend or violate any of the Company's organizational documents;

(vii) change the business or business plan of the Company;

(viii) adopt or amend the annual budget for the Company;

(ix) approve any Sale of the Company (or similar transaction with respect to any subsidiaries of the Company);

(x) acquire, by the purchase of the capital stock, equity securities or assets, or otherwise, any other business, or enter into a joint venture, partnership or networkaffiliation with any other entity;

(xi) hire or terminate any employee for which the aggregate obligation of the Company (for compensation, bonus, severance and other related benefits) exceeds $75,000in a calendar year;

(xii) make any consulting, advisory, compensatory or other payments to any affiliate of the Company, including to any member or its affiliates;

(xiii) make any investments or sales not in the ordinary course of business, or capital expenditures for the Company or its affiliates of greater than $50,000;

(xiv) incur or guarantee any indebtedness, standby letter of credit or similar loan;

(xv) enter into, execute and/or perform (A) any agreement or related agreements reasonably expected to create obligations for the Company of greater than $100,000 in the aggregate or (B) any agreement, transaction or other arrangement with anaffiliate of the Company, its members or their affiliates;

(xvi) amend or waive any non-competition agreement or obligation of the Company;

(xvii) form or dissolve any subsidiaries of the Company;

(xviii) change accounting firms or the accounting or tax policy of the Company, including tax elections, or file tax returns;

(xix) amend or waive any provision of the Company's operating agreement; or

(xx) enter into any agreement, contract, commitment or arrangement to takeany of the actions set forth above.

For purposes of this Section 5(b), "Sale of the Company" means (a) any consolidation or merger of the Company with or into any other person, any transfer of membership interests, or any other transaction or series of transactions, in each case as a result of which the Persons holding membership interests (directly or indirectly) immediately prior to such consolidation or merger in the aggregate own, directly or indirectly,less than a majority of the voting power or value of the surviving entity immediately after such consolidationor merger; or (b) a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Company, taken as a whole.

6. Management Services.

(a) During the Term, the Provider shall provide services to the Company as set forth on Exhibit A (the "**Management Services**"). The Management Services may be amended from time-to-time in a signed writing by the Parties (and such amendment shall replace Exhibit A). Notwithstanding anything herein to the contrary and for the avoidance of any doubt, the Provider acknowledges and agrees that it will diligently assist the Company in providing the Management Services; provided, however, the Provider acknowledges that the Management Services do not provide the Provider with any right to make decisions in respect of the operation of the Dispensary and, prior to taking any definitive action with respect to the operation of the Dispensary, the Provider must obtain authorization from the board of managers of the Company (which shall not be unreasonably withheld).

(b) In furtherance of the foregoing, as part of the Management Services, Provider will provide all services in connection with the Company's accounting, book keeping, financialreporting and tax preparation requirements. Provider agrees to maintain current and accurate financial books and records for the Company, and prepare all required federal, state and local tax filings by the Company, including the reporting of profit and loss to the Company Member for its income tax reporting obligations.

7. Management Fees and Expenses.

(a) The Parties acknowledge and agree as good and valuable compensation for the Provider providing the Management Services, the Company shall pay to the Provider a "**Management Fee**" equal to one hundred percent (100%) of the Company's total revenues, minusthe Company's total expenses (including, for this purpose, all federal, local and state taxes assessedagainst the Company or any Tax Liability (defined below) of a Company Member in connection with the Company's operations, but excluding the Management Fee) owed by the Company or anyCompany Member as a result of the Company's activities, for the applicable time period. The "**TaxLiability**" as to any Company Member and any fiscal period of the Company shall be an amount of taxable income of the Company allocated to such Company Member for federal income tax purposes with respect to such fiscal period, multiplied by the highest combined marginal federal, state and local income tax rates for such Company Member on each type of income and gain included in such income; provided, however, that the Tax Liability for any fiscal period in which such Company Member was allocated net loss for federal income tax purposes shall be deemed equal to zero. The Management Fee shall be paid in arrears, within thirty (30) days of the end of each calendar month, and shall be accompanied by invoices, payment records or other documentation reasonably acceptable to Provider regarding any direct expenses deducted from theManagement Fee.

(b) In addition, the Company agrees to reimburse the Provider for reasonable and necessary out-of-pocket expenses incurred by the Provider or its affiliates in connection with providing the Management Services, provided the Provider provides the Company with reasonable documentation of such expenses in accordance with the Company's expense reimbursement policy.The Company shall promptly pay such expenses no later than thirty (30) days following the date which the Provider submits to the Company an invoice for such expenses.

8. Independent Contractor Status; Authority; Outside Activities.

(a) Independent Contractor. The relationship of the Provider to the Company is that of an independent contractor and none of the provisions of this Agreement shall be construed to orshall create a relationship of agency, representation, joint venture, ownership, control or employment between the Parties, and it is understood and agreed that the Provider is at all times acting and performing the Management Services pursuant to this Agreement as an independent contractor and not as an employee of the Company, and for all purposes, including federal and statetax purposes, the Provider will not be treated as an employee with respect to the rendering of the Management Services. As such, the Company shall not withhold taxes with respect to theManagement Fee. The Company shall not control or direct the manner or methods by which the Provider performs the Management Services; provided, however, the Provider shall be responsible for performing the Management Services in a manner so as, at all times, to ensure that the Management Services are completed and performed in a competent, efficient and satisfactory manner in accordance with all local and state laws and regulations.

(b) Authority of the Provider. The Company hereby exclusively grants to the Provider such authority and power necessary for the Provider to undertake and perform its responsibilities, duties and obligations hereunder to the fullest extent permitted under applicable laws or regulations.

(c) Outside Activities. The Company hereby acknowledges and agrees that the Provider has had, and from time to time may have, outside activities or interests that conflict or may conflict with the interests of the Company (collectively, "**Outside Activities**"), including investment opportunities or providing services similar to the Management Services to other entities.The Company hereby acknowledges and consents to the Provider engaging in the Outside Activitiesand acknowledges that the Provider does not have any duty to communicate or offer any opportunity or the existence of any Outside Activities to the Company.

9. Representations and Warranties of the Company. The Company represents, warrants and covenants to the Provider that as of the Effective Date:

(a) the Company has been duly organized, and is validly existing as a limited liability company under the laws of the State of Maryland;

(b) the Company is duly qualified to carry on its business, is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities makes such qualification necessary;

(c) the Company has full right, power and authority, and has taken all company action necessary, to enter into this Agreement and be bound by and carry out its obligations thereunder, none of which require the consent of any other person or entity except as provided in Section 24;

(d) the Company has complied with all requirements for the operation of its business and operations in accordance with the laws of the State of Maryland and any other governmental authority or entity having jurisdiction with respect thereto;

(e) the Company is not a party to any agreement with any third party other than Provider regarding any sale, option to purchase, merger, reorganization, pledge, hypothecation or other similar transaction with respect to the equity of the Company;

(f) the execution and delivery of this Agreement, and the performance by the Company of its obligations pursuant hereto, did not and will not constitute a breach of, or a defaultunder, any other agreement or obligation applicable to the Company, including its articles of organization, operating agreement and other governing documents;

(g) upon execution and delivery of it by the Company, this Agreement will constitutethe valid and binding obligation of the Company, enforceable in accordance with its terms, exceptto the extent that such enforcement shall be limited by bankruptcy, insolvency, moratorium and other laws affecting the rights of creditors generally, or Section 24; and

(h) all information supplied by the Company or its agents to the Provider or its agentsas of the date hereof is true, complete and correct and does not fail to state a material fact necessaryto make any of such information not misleading.

10. Representations and Warranties of the Provider. The Provider represents, warrants and covenants to the Company that as of the Effective Date:

(a) the Provider is a limited liability company which was duly organized, and is validly existing under the laws of the state of its organization;

(b) the Provider is duly qualified to carry out its business, and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities makes such qualifications necessary.

(c) the Provider has the full right, power and authority, and has taken all limited liability company action necessary, to enter into this Agreement and be bound by the terms of thisAgreement, none of which require the consent of any other person or entity except as provided in Section 24;

(d) the Provider has complied with all requirements for the operation of its business and operations in accordance with the laws of the state of its organization and any other governmental authority or entity having jurisdiction with respect thereto;

(e) the execution and delivery of this Agreement and the performance by the Providerof its obligations pursuant to this Agreement do not and will not constitute a breach of or a defaultunder any other agreement or obligation applicable to the Provider, including its organizational documents;

(f) upon execution and delivery of this Agreement by the Provider, this Agreement will constitute the valid and binding obligation of the Provider enforceable in accordance with its

terms except to the extent that such enforcement shall be limited by bankruptcy, insolvency, moratorium and other laws affecting the rights of creditors generally, or Section 24; and

(g) all information supplied by the Provider or its agents to the Company or its agentsas of the date hereof is true, complete and correct and does not fail to state a material fact necessaryto make any of such information not misleading.

11. Indemnification.

(a) The Provider hereby agrees, to the fullest extent permitted by law, to defend, indemnify and hold the Company, its officers, members (including the Company Members), affiliates, successors, assigns, employees, and agents, harmless against any and all claims, demands, suits, expenses, fines, penalties, judgments, costs and losses or other forms of liability, including reasonable attorneys' fees and costs (collectively, "Liabilities"), arising out of, resultingfrom or in connection with (i) the Provider's breach of any representation or warranty set forth in Section 10 or (ii) the Provider's failure to fulfill any covenant set forth in this Agreement. The Provider agrees that no Company Member will have any Liability under this Agreement for the operations of the Company after the date hereof at the direction of the Provider under this Agreement, and Provider agrees to indemnify and hold harmless each Company Member from anyLiabilities incurred by such Company Member after the date hereof in connection with the Company's operations after the date hereof at the direction of the Provider, other than any such Liabilities that directly resulted from such Company Member's gross negligence or willful misconduct.

(b) The Company hereby agrees, to the fullest extent permitted by law, to defend, indemnify and hold the Provider, its officers, members, affiliates, successors, assigns, employees and agents, harmless against any and all claims, demands, suits, expenses, fines, penalties,judgments, costs and losses or other forms of liability, including reasonable attorneys' fees and costs, arising out of, resulting from or in connection with (i) the Company's breach of any representation or warranty set forth in Section 9, or (ii) the Company's failure to fulfill any covenantset forth in this Agreement.

(c) NO PARTY OR ANY OF ITS AFFILIATES, MEMBERS, STOCKHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS SHALL BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, EXEMPLARY, PUNITIVE, INDIRECT OR SPECIAL DAMAGES OF ANY NATURE ARISING FROM BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE OR ANY OTHER LEGAL THEORY, WHETHER IN TORT OR CONTRACT, INCLUDING WITHOUT LIMITATION LOST PROFITS, EVEN IF SUCH PARTY HAS BEEN APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES OCCURRING.IN NO EVENT SHALL ANY PARTY OR ANY OF ITS AFFILIATES, MEMBERS, STOCKHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS BE LIABLE FOR ANY DIRECT DAMAGES (INCLUDING INDEMNIFICATION FOR ANY LIABILITIES PURSUANT TO SECTIONS 11(A) AND 11(B)) IN EXCESS OF THE AGGREGATE AMOUNTS PAID BY THE COMPANY TO PROVIDER IN THE TWELVE (12) MONTH PERIOD PRECEDING THE DATE OF THE EVENT GIVING RISE TO THE CLAIM FOR SUCH DIRECT DAMAGES. NOTWITHSTANDING THE FOREGOING, PROVIDER'S OBLIGATION TO INDEMNIFY ANY COMPANY MEMBER FOR TAX LIABILITY (AS

DEFINED IN SECTION 7), OR FROM PROVIDER'S INTENTIONAL MISCONDUCT ORFRAUD, WILL NOT BE SUBJECT TO ANY LIMITATION.

12. Confidential Information. The Parties acknowledge that each Party (the "**Receiving Party**") shall have access to material, records, data and information regarding the other Party (the "**Disclosing Party**") not generally available to the public ("**Confidential Information**"). Accordingly, theReceiving Party shall hold in confidence and will not directly or indirectly disclose, use, copy or make listsof any such Confidential Information except to the extent authorized in writing by the Disclosing Party, asrequired by law or any competent administrative agency, or as otherwise is reasonably necessary or appropriate in connection with the performance pursuant to this Agreement by the Receiving Party. Confidential Information includes: (a) concepts, (b) business plans and theories, (c) employee training materials and programs, (d) processes for packaging and dispensing cannabis, (e) processes for patient education and support, (f) policies and procedures, (g) specifications, calculations, data, notes and memoranda, code books, methods of operation, strategies and plans and contracts, (h) financial information,
(i) professional fee information, (j) salary and compensation information, (k) cost and profit information,
(l) record keeping practices, (m) software, administrative and operational matters and practices, (n) customer and vendor information, (o) development and research work, (p) marketing programs, plans and proposals, (q) other information about internal systems, processes, concepts, practices, and procedures and
(r) other information that is proprietary or confidential to the Disclosing Party.

13. Company Default; the Provider's Remedies. For purposes of this Agreement, a "**Company Default**" shall be defined as a breach by the Company to perform its covenants and obligations under this Agreement, provided the Company shall be provided thirty (30) days after receipt of written notice from the Provider to the Company identifying such failure or non-performance to cure such breach. Notwithstanding the foregoing, (a) no cure period shall be provided if the breach is not curable, and (b) if a cure period is permitted, it shall automatically be reduced in duration to an appropriate period of time if curing such breach in such thirty (30)-day period would cause an adverse effect on the Provider, the Company or the Dispensary. Upon the occurrence of a Company Default (and upon the conclusion of the cure period, if permitted), the Provider may, at its sole option and in its sole discretion, elect to: (a) pursueall remedies available at law and equity (including action for damages and specific performance), providedthe Provider adheres to Section 15; (b) seek resolution and remedies as provided in this Agreement; or (c) terminate this Agreement pursuant to Section 1(b), effective immediately, upon delivery of written notice to the Company. Any action for damages by the Provider may include the Provider's reasonable attorneys' fees, costs, expert fees and any other reasonable, actual out-of-pocket costs of the Provider associated withthe work completed by or on behalf of the Provider in connection with seeking remedy for a Company Default, subject to Section 11.

14. Provider Default; the Company's Remedies. For purposes of this Agreement, a "**Provider Default**" shall be defined as a breach by the Provider to perform its covenants and obligations under this Agreement, provided the Provider shall be provided thirty (30) days after receipt of written notice from the Company to the Provider identifying such failure or non-performance to cure such breach. Notwithstandingthe foregoing, (a) no cure period shall be provided if the breach is not curable, and (b) if a cure period is permitted, it shall be automatically reduced in duration to an appropriate period of time if curing such breachin such thirty (30)-day period would cause an adverse effect on the Company. Upon the occurrence of a Provider Default (and the conclusion of the cure period, if permitted), the Company may, at its sole optionand in its sole discretion, elect to: (a) pursue all remedies available at law and equity (including action for damages and specific performance), provided the Company adheres to Section 15; (b) seek resolution andremedies as provided in this Agreement; or (c) terminate this Agreement pursuant to Section 1(c), effective

immediately, upon delivery of written notice to the Provider. Any action for damages by the Company may include the Company's reasonable attorneys' fees, costs, expert fees and any other reasonable, actual out- of-pockets cost of the Company associated with the work completed by or on behalf of the Company in connection with seeking remedy for a Provider Default, subject to Section 11.

15. Alternative Dispute Resolution. The Parties acknowledge and agree, when elected by the non-defaulting Party pursuant to Section 13 or Section 14, the Parties shall attempt to resolve any such dispute, claim or controversy arising out of or relating to this Agreement by mediation. In the event such dispute cannot be resolved by mediation, the non-defaulting Party may, but is not required to, elect to havethe dispute determined by arbitration using the rules of the American Arbitration Association with three (3)arbitrators selected in accordance with such rules the venue for which will be in the State of Maryland. If the non-defaulting Party elects to proceed with arbitration, the Parties agree the arbitration judgment will be final and binding upon the Parties and may be entered in any court having jurisdiction thereof.

16. Federal Enforcement Actions. The Parties hereby acknowledge that they are aware of and fully understand that despite the laws of the State of Maryland and the terms and conditions of this Agreement, holders of licenses to sell medical or adult-use cannabis may still be arrested by federal officersand prosecuted under federal law. In the event of federal arrest, seizure or prosecution action associated with the Parties' activities described herein (each, a "**Federal Enforcement Action**"), the Parties hereby agree to hold each other harmless and agree to be individually responsible for any attorneys' fees associatedwith defending such actions. The Parties also hereby expressly agree to waive illegality as a defense to anycontract enforcement action.

17. Governing Law and Jurisdiction. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Maryland. Any action or proceeding seeking to enforce any provision of or based on any right arising out of or otherwise relating to this Agreement shall be brought by the Parties in the state courts located in Maryland, and each Party, for itself and its equityholders, as applicable, hereby submits to the non-exclusive jurisdiction of such courts (and of the appropriate appellatecourts) in any such action or proceedings and waives any objection to venue laid therein.

18. Waiver. The failure of a Party to enforce any provision of this Agreement at any time, to exercise any election or option provided herein, or to require at any time the performance of any provisions herein will not in any way constitute a waiver of such provision.

19. Severability. If any provision of this Agreement is held to be invalid or unenforceable for any reason whatsoever, the remaining provisions shall remain valid and unimpaired, and shall continue in full force and effect.

20. Amendment. This Agreement may only be amended by a written amendment, signed by each Party.

21. Assignment. This Agreement may not be assigned by the Company or any Company Member without the Provider's prior written consent. The Provider may assign this Agreement to any partyfor any reason without the consent of the Company.

22. Entire Agreement. This Agreement contains all of the terms and conditions agreed upon by the Parties and this Agreement supersedes all other agreements oral or otherwise regarding the subject matter hereof.

23. Counterparts. This Agreement may be executed in any number of counterparts (by actual, electronic (.PDF) or facsimile delivery), each of which when so executed and delivered shall be taken to bean original; but such counterparts shall together constitute one and the same document.

24. MMCC Approval. Each party agrees to promptly submit the Agreement, and all other required collateral materials such as criminal background checks for individuals owning five percent (5%)or more of Provider, to MMCC for review and approval and that this Agreement will not have any force and effect unless and until this Agreement and all individuals who require approval are approved by the MMCC. The parties understand that this Agreement may need to be amended from time to time in order to comply with the requirements of the MMCC and/or changes to the laws of the State of Maryland, and agree to execute such amendments accordingly. Provider agrees to comply with all suitability or qualification requirements mandated by the MMCC in connection with the performance of Provider's obligations under this Agreement. All information provided to the MMCC by Provider, the Company or the Company Members in connection with this Agreement will be true, complete and correct and will not fail to state a material fact necessary to make any of such information not misleading.

25. Notices. Notices. All notices, requests, demands, claims and other communications hereunder will be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly given (a) when delivered personally to the recipient, (b) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid), (c) one (1) business day afterbeing sent to the recipient by electronic mail or (d) four (4) business days after being mailed to the recipientby certified or registered mail, return receipt requested and postage prepaid, and addressed to the intendedrecipient as set forth below. Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

If to the Provider:

MLH Maryland Operations, LLC

_____

_____

_____

Attention:
E-mail:

If to the Company:

Chesapeake Integrated Health Institute, LLC

_____

_____

_____

Attention:
E-mail:

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties agree to be bound as of the date first written above.

PROVIDER:

MLH MARYLAND OPERATIONS, LLC
A Delaware limited liability company

By:_____
Name:_____
Title: _____

COMPANY:

CHESAPEAKE INTEGRATED HEALTH INSTITUTE, LLC,
a Maryland limited liability company

By:_____
Name:_____
Title: _____

COMPANY MEMBERS:

SALT 2, L.L.C.

By:_____
Name:_____
Title: _____

ARMCO III, LLC

By:_____
Name:_____
Title: _____

JANE KASPUTIN

_____
Jane Kasputin

EXHIBIT A MANAGEMENT

SERVICES

(a) The Provider shall assist the Company with developing and implementing standard operating procedures and best practices related to security, inventory control, quality control, recordkeeping, patient education and services, community impact and involvement as well as any procedures or any amendments thereto.

(b) The Provider shall assist the Company in its selection and supervision of security services, including equipment selection, installation and maintenance as well as onsite security personnel and offsite security monitoring services.

(c) The Provider shall assist the Company with its marketing, including developmentand dissemination of marketing materials and programs to raise awareness of the Company's products and services.

(d) The Provider shall provide information technology ("**IT**") services, including maintenance of IT resources, staffing to support the Company's IT systems, support of information security and communication systems, database support, disaster recovery, support of core systems, support of maintenance contracts, equipment and software and an IT help desk.

(e) The Provider shall assist the Company in overseeing the maintenance of the Dispensary.

(f) The Provider shall assist the Company in its collection efforts and securelydepositing such payments.

(g) The Provider shall provide accounting services, including budget preparation, financial statement preparation, support of resource allocation and accounting support services.

(h) The Provider shall provide tax support services, including tax support and tax compliance services, to the extent necessary to ensure that the Company materially complies with applicable tax laws.

(i) The Provider shall assist the Company with inventory management, regulatory compliance and the payment of expenses.

(j) The Provider shall assist the Company with the following:

(i) Identifying and recruiting individuals (any individuals ultimately hired to work at the Dispensary, the "**Labor Force**") to work at and operate the Dispensary; and

(ii) paying, withholding and transmitting payroll taxes for the Labor Force, providing unemployment insurance and workers' compensation benefits to the Labor Force, and otherwise handling all employment-related issues related to the Labor Force, including any unemployment and workers' compensation claims involving the Labor Force;

provided, that any hiring decisions for individuals identified and recruited to work at and operate the Dispensary shall be made by the Company. If requested by the Company, the Provider may lease certain of its employees to the Company for the purposes of operatingthe Dispensary (the "**Leased Employee Services**"). Each employee of Provider leased tothe Company as part of the Leased Employee Services will be assigned to the Company ona permanent basis. For purposes of clarity, any leased employees are only employees of the Provider and such employees shall not be deemed employees of the Company, nor shallthey be entitled to any holidays, vacation days, insurance, pensions, retirement plans or other employee benefits that the Company provides its employees.

EXHIBIT D MAR AGREEMENT

(See attached.)

MANAGEMENT SERVICES AGREEMENT

THIS MANAGEMENT SERVICES AGREEMENT (this "**Agreement**") is made as of_____, 2020 (the "**Effective Date**"), by and among Maryland Alternative Relief, LLC, a Maryland limited liability company (the "**Company**"), MLH Maryland Operations, LLC, a Delaware limited liability company (the "**Provider**"), and the sole member of the Company listed on the signature page hereto (the "**Company Member**") and, together with the Company and the Provider, the "**Parties**", and each individually, a "**Party**").

RECITALS

WHEREAS, the Company holds a License No. D-19-00007 (the "**License**"), issued by theMaryland Department of Health - Maryland Medical Cannabis Commission (the "**MMCC**"), to operate a medical cannabis dispensary at 4007 Norbeck Road, Unit A, Rockville, MD 20853 (the "**Dispensary**");

WHEREAS, the Provider is engaged in the business of providing certain management services to cannabis businesses;

WHEREAS, Old Line State Consulting Group, LLC, a Delaware limited liability company ("**Old Line**"), and the Company previously entered into that certain Management Services Agreement, dated May31, 2018 (the "**Original Agreement**"), pursuant to which Old Line agreed to provide certain managementservices to the Company and the Dispensary;

WHEREAS, pursuant to that certain Asset Purchase Agreement, dated as of April 30, 2020 (the "**APA**"), by and among (i) Provider and MLH Hampden Real Estate, LLC, a Delaware limited liability company and a wholly owned subsidiary of Provider ("**RE Buyer**" and together with Provider, the "**Buyers**"), (ii) Mission Maryland, LLC, a Maryland limited liability company ("**Mission Maryland**"), (iii)Old Line and Adroit Consulting Group, LLC, a Maryland limited liability company ("**Adroit**" and togetherwith Old Line, the "**Sellers**" and each, a "**Seller**"), and (iv) 4Front Ventures Corp., a corporationamalgamated under the laws of the Province of British Columbia ("**Seller Parent**" and, together with Sellers and Mission Maryland, the "**Seller Parties**"), Buyers are purchasing substantially all of the assets of the Sellers;

WHEREAS, in connection with the APA, the parties are submitting to the Maryland Medical Cannabis Commission (the "**MMCC**") for review and approval, among other things, this Agreement;

WHEREAS, effective immediately upon the approval of this Agreement by the MMCC, this Agreement will become effective and the Original Agreement will terminate, with no further action by any party thereto, and become null and void; and

WHEREAS, the Parties now desire to enter into this Agreement to reflect the relationship betweenthe parties and describe with specificity the services to be provided by Provider hereunder.

AGREEMENT

NOW THEREFORE, in consideration of the recitals, which are hereby incorporated in and madea part of this Agreement as if set forth in their entirety below, and the respective covenants and agreementsherein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, and intending to be bound, the Parties hereby covenant and agree as follows:

1. Term; Right to Renew; Termination.

(a) Term. This Agreement shall commence on the Effective Date and continue for a period of five (5) years thereafter (the "**Initial Term**"). Immediately following the Initial Term, this Agreement shall automatically renew for additional one-year periods (each, a "**Subsequent Term**", and together with the Initial Term, the "**Term**"), unless Provider provides notice to the Company of its intent to terminate the Agreement at least ninety (90) days prior to the end of the then-current Term.

(b) Termination by the Provider. The Provider shall have the right to terminate this Agreement prior to the end of the Term, by delivering written notice to the Company, stipulating the effective date of termination, upon the occurrence of any one of the following events: (i) the occurrence of a Company Default (as defined in Section 13) that is not cured within the applicable cure period; (ii) any grossly negligent, intentional or willful misconduct by the Company; (iii) any Federal Enforcement Action described in Section 16 against the Company; (iv) any change or revocation of the Maryland Medical Cannabis Law and the rules and regulations promulgated pursuant thereto as they may be amended or modified from time to time ("**Maryland Cannabis Laws**") or any local or municipal rule or regulation which shall have the effect of prohibiting the legal operation of the Dispensary or the performance of this Agreement; or (v) revocation of the License or suspension of the License for a period of more than thirty (30) days.

(c) Termination by the Company. The Company shall have the right to terminate this Agreement prior to the end of the Term, by delivering written notice to the Provider, stipulating the effective date of termination, upon the occurrence of any one of the following events: (i) upon the occurrence of a Provider Default (as defined in Section 14) that is not cured within the applicable cure period; (ii) any grossly negligent, intentional or willful misconduct by the Provider; (iii) any Federal Enforcement Action described in Section 16 against the Provider; (iv) any change or revocation of the Maryland Cannabis Laws or any local or municipal rule or regulation which shall have the effect of prohibiting the legal operation of the Dispensary or the performance of this Agreement; or (v) revocation of the License or suspension of the License for a period of more than thirty (30) days.

(d) Effect of Termination. Upon termination of this Agreement, neither Party shall have any further obligation hereunder except for: (i) any and all obligations accruing prior to the termination (including payment of any earned, but unpaid, Management Fees); (ii) the obligations, promises and covenants that were expressly made to extend beyond termination; (iii) any obligations to repay or reimburse amount(s) advanced by the Provider or its affiliates to the Company or third parties on behalf of the Company; and (iv) any obligations to indemnify a Partypursuant to Section 11.

(e) No Further Obligations. Except as expressly set forth in Section 1(d), the Provider shall not be entitled to any other payments or benefits under this Agreement following terminationof this Agreement.

2. Ownership of Cannabis. The Parties acknowledge and agree that all cannabis products or materials ("**Cannabis**") dispensed, maintained, stored, prepared and/or packaged at the Dispensary shall remain the sole and exclusive property of the Company, as the sole and exclusive holder of the License.

3. Ownership of License. The License is, and shall remain, the exclusive property of the Company and nothing in this Agreement shall be construed as a transfer, assignment, sale or conveyance of the License to the Provider or any of the Provider's successors, affiliates, agents, volunteers, employeesor independent contractors.

4. Responsibilities, Duties, and Obligations of the Provider.

(a) The Provider acknowledges and agrees it shall provide the Management Servicesin good faith and with reasonable care in a manner generally consistent with the industry standard.

(b) Compliance. The Provider shall use commercially reasonable efforts to ensure thatthe Company remains in material compliance with the Maryland Cannabis Laws.

5. Obligations of the Company.

(a) Maintenance and Renewal of License; Compliance.

(i) The Company shall maintain the License in good standing and eligible for renewal, and shall ensure that the Company remains in full compliance with the Maryland Cannabis Laws. The Company shall duly and timely file such applications as may be necessary to renew and maintain the License. The Company shall also remain in full compliance with all local, municipal and county regulations, including zoning and permitting regulations, as may be applicable to its business and operations.

(ii) The Company shall promptly notify the Provider of any notices, written or verbal, that the Company receives from the MMCC or any other governmental authority regarding the License, the Dispensary or the Company's business or operations, and the Company shall promptly take any corrective or remedial actions required by the MMCC or such other governmental authority in connection with such notices.

(b) Covenants of the Company and the Company Member. During the Term, neitherthe Company nor the Company Member may take any of the following actions without the prior written consent of Provider:

(i) issue any new equity of the Company, transfer any equity of the Company, admit any new member of the Company, or issue or transfer any instrument convertible into any equity of the Company or exercisable for any equity of the Company;

(ii) advances of additional capital contributions to the Company or other loansor other advances to the Company by Company Member (for purposes of clarification, Company Member will have no obligation to make any advances, capital contributions or loans to the Company);

(iii) declare, set aside, or pay any dividend or make any distribution with respect to the equity of the Company or redeem, purchase, or otherwise acquire any of theequity of the Company;

(iv) cause the Company to sell or otherwise transfer any material asset of the Company outside of the ordinary course of business;

(v) cause the Company to incur any material indebtedness outside of the ordinary course of business, or encumber or pledge any assets of the Company or any equity interests of the Company;

(vi) appoint, elect or remove any managers or principal officers of the Company or otherwise amend or violate any of the Company's organizational documents;

(vii) change the business or business plan of the Company;

(viii) adopt or amend the annual budget for the Company;

(ix) approve any Sale of the Company (or similar transaction with respect to any subsidiaries of the Company);

(x) acquire, by the purchase of the capital stock, equity securities or assets, or otherwise, any other business, or enter into a joint venture, partnership or networkaffiliation with any other entity;

(xi) hire or terminate any employee for which the aggregate obligation of the Company (for compensation, bonus, severance and other related benefits) exceeds $75,000in a calendar year;

(xii) make any consulting, advisory, compensatory or other payments to any affiliate of the Company, including to any member or its affiliates;

(xiii) make any investments or sales not in the ordinary course of business, or capital expenditures for the Company or its affiliates of greater than $50,000;

(xiv) incur or guarantee any indebtedness, standby letter of credit or similar loan;

(xv) enter into, execute and/or perform (A) any agreement or related agreements reasonably expected to create obligations for the Company of greater than $100,000 in the aggregate or (B) any agreement, transaction or other arrangement with anaffiliate of the Company, its members or their affiliates;

(xvi) amend or waive any non-competition agreement or obligation of the Company;

(xvii) form or dissolve any subsidiaries of the Company;

(xviii) change accounting firms or the accounting or tax policy of the Company, including tax elections, or file tax returns;

(xix) amend or waive any provision of the Company's operating agreement; or

(xx) enter into any agreement, contract, commitment or arrangement to takeany of the actions set forth above.

For purposes of this Section 5(b), "Sale of the Company" means (a) any consolidation or merger of the Company with or into any other person, any transfer of membership interests, or any other transaction or series of transactions, in each case as a result of which the Persons holding membership interests (directly or indirectly) immediately prior to such consolidation or merger in the aggregate own, directly or indirectly,less than a majority of the voting power or value of the surviving entity immediately after such consolidationor merger; or (b) a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Company, taken as a whole.

6. Management Services.

(a) During the Term, the Provider shall provide services to the Company as set forth on Exhibit A (the "**Management Services**"). The Management Services may be amended from time-to-time in a signed writing by the Parties (and such amendment shall replace Exhibit A). Notwithstanding anything herein to the contrary and for the avoidance of any doubt, the Provider acknowledges and agrees that it will diligently assist the Company in providing the Management Services; provided, however, the Provider acknowledges that the Management Services do not provide the Provider with any right to make decisions in respect of the operation of the Dispensary and, prior to taking any definitive action with respect to the operation of the Dispensary, the Provider must obtain authorization from the board of managers of the Company (which shall not be unreasonably withheld).

(b) In furtherance of the foregoing, as part of the Management Services, Provider will provide all services in connection with the Company's accounting, book keeping, financialreporting and tax preparation requirements. Provider agrees to maintain current and accurate financial books and records for the Company, and prepare all required federal, state and local tax filings by the Company, including the reporting of profit and loss to the Company Member for its income tax reporting obligations.

7. Management Fees and Expenses.

(a) The Parties acknowledge and agree as good and valuable compensation for the Provider providing the Management Services, the Company shall pay to the Provider a "**Management Fee**" equal to one hundred percent (100%) of the Company's total revenues, minusthe Company's total expenses (including, for this purpose, all federal, local and state taxes assessedagainst the Company or any Tax Liability (defined below) of the Company Member in connectionwith the Company's operations, but excluding the Management Fee) owed by the Company or theCompany Member as a result of the Company's activities, for the applicable time period. The "**TaxLiability**" as to the Company Member and any fiscal period of the Company shall be an amount oftaxable income of the Company allocated to the Company Member for federal income tax purposeswith respect to such fiscal period, multiplied by the highest combined marginal federal, state and local income tax rates for the Company Member on each type of income and gain included in suchincome; provided, however, that the Tax Liability for any fiscal period in which the Company Member was allocated net loss for federal income tax purposes shall be deemed equal to zero. TheManagement Fee shall be paid in arrears, within thirty (30) days of the end of each calendar month,and shall be accompanied by invoices, payment records or other documentation reasonablyacceptable to Provider regarding any direct expenses deducted from the Management Fee.

(b) In addition, the Company agrees to reimburse the Provider for reasonable and necessary out-of-pocket expenses incurred by the Provider or its affiliates in connection with providing the Management Services, provided the Provider provides the Company with reasonable documentation of such expenses in accordance with the Company's expense reimbursement policy.The Company shall promptly pay such expenses no later than thirty (30) days following the date which the Provider submits to the Company an invoice for such expenses.

8. Independent Contractor Status; Authority; Outside Activities.

(a) Independent Contractor. The relationship of the Provider to the Company is that of an independent contractor and none of the provisions of this Agreement shall be construed to orshall create a relationship of agency, representation, joint venture, ownership, control or employment between the Parties, and it is understood and agreed that the Provider is at all times acting and performing the Management Services pursuant to this Agreement as an independent contractor and not as an employee of the Company, and for all purposes, including federal and statetax purposes, the Provider will not be treated as an employee with respect to the rendering of the Management Services. As such, the Company shall not withhold taxes with respect to theManagement Fee. The Company shall not control or direct the manner or methods by which the Provider performs the Management Services; provided, however, the Provider shall be responsible for performing the Management Services in a manner so as, at all times, to ensure that the Management Services are completed and performed in a competent, efficient and satisfactory manner in accordance with all local and state laws and regulations.

(b) Authority of the Provider. The Company hereby exclusively grants to the Provider such authority and power necessary for the Provider to undertake and perform its responsibilities, duties and obligations hereunder to the fullest extent permitted under applicable laws or regulations.

(c) Outside Activities. The Company hereby acknowledges and agrees that the Provider has had, and from time to time may have, outside activities or interests that conflict or may conflict with the interests of the Company (collectively, "**Outside Activities**"), including investment opportunities or providing services similar to the Management Services to other entities.The Company hereby acknowledges and consents to the Provider engaging in the Outside Activitiesand acknowledges that the Provider does not have any duty to communicate or offer any opportunity or the existence of any Outside Activities to the Company.

9. Representations and Warranties of the Company. The Company represents, warrants and covenants to the Provider that as of the Effective Date:

(a) the Company has been duly organized, and is validly existing as a limited liability company under the laws of the State of Maryland;

(b) the Company is duly qualified to carry on its business, is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities makes such qualification necessary;

(c) the Company has full right, power and authority, and has taken all company action necessary, to enter into this Agreement and be bound by and carry out its obligations thereunder, none of which require the consent of any other person or entity except as provided in Section 24;

(d) the Company has complied with all requirements for the operation of its business and operations in accordance with the laws of the State of Maryland and any other governmental authority or entity having jurisdiction with respect thereto;

(e) the Company is not a party to any agreement with any third party other than Provider regarding any sale, option to purchase, merger, reorganization, pledge, hypothecation or other similar transaction with respect to the equity of the Company;

(f) the execution and delivery of this Agreement, and the performance by the Company of its obligations pursuant hereto, did not and will not constitute a breach of, or a defaultunder, any other agreement or obligation applicable to the Company, including its articles of organization, operating agreement and other governing documents;

(g) upon execution and delivery of it by the Company, this Agreement will constitutethe valid and binding obligation of the Company, enforceable in accordance with its terms, exceptto the extent that such enforcement shall be limited by bankruptcy, insolvency, moratorium and other laws affecting the rights of creditors generally, or Section 24; and

(h) all information supplied by the Company or its agents to the Provider or its agentsas of the date hereof is true, complete and correct and does not fail to state a material fact necessaryto make any of such information not misleading.

10. Representations and Warranties of the Provider. The Provider represents, warrants and covenants to the Company that as of the Effective Date:

(a) the Provider is a limited liability company which was duly organized, and is validly existing under the laws of the state of its organization;

(b) the Provider is duly qualified to carry out its business, and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities makes such qualifications necessary.

(c) the Provider has the full right, power and authority, and has taken all limited liability company action necessary, to enter into this Agreement and be bound by the terms of thisAgreement, none of which require the consent of any other person or entity except as provided in Section 24;

(d) the Provider has complied with all requirements for the operation of its business and operations in accordance with the laws of the state of its organization and any other governmental authority or entity having jurisdiction with respect thereto;

(e) the execution and delivery of this Agreement and the performance by the Providerof its obligations pursuant to this Agreement do not and will not constitute a breach of or a defaultunder any other agreement or obligation applicable to the Provider, including its organizational documents;

(f) upon execution and delivery of this Agreement by the Provider, this Agreement will constitute the valid and binding obligation of the Provider enforceable in accordance with its

terms except to the extent that such enforcement shall be limited by bankruptcy, insolvency, moratorium and other laws affecting the rights of creditors generally, or Section 24; and

(g) all information supplied by the Provider or its agents to the Company or its agentsas of the date hereof is true, complete and correct and does not fail to state a material fact necessaryto make any of such information not misleading.

11. Indemnification.

(a) The Provider hereby agrees, to the fullest extent permitted by law, to defend, indemnify and hold the Company, its officers, members (including the Company Member),affiliates, successors, assigns employees, and agents, harmless against any and all claims, demands, suits, expenses, fines, penalties, judgments, costs and losses or other forms of liability, including reasonable attorneys' fees and costs (collectively, "Liabilities"), arising out of, resulting from or inconnection with (i) the Provider's breach of any representation or warranty set forth in Section 10or (ii) the Provider's failure to fulfill any covenant set forth in this Agreement. The Provider agreesthat the Company Member will have no Liability under this Agreement for the operations of the Company after the date hereof at the direction of the Provider under this Agreement, and Provideragrees to indemnify and hold harmless Company Member from any Liabilities incurred by Company Member after the date hereof in connection with the Company's operations after the datehereof at the direction of the Provider, other than any such Liabilities that directly resulted from Company Member's gross negligence or willful misconduct.

(b) The Company hereby agrees, to the fullest extent permitted by law, to defend, indemnify and hold the Provider, its officers, members, affiliates, successors, assigns, employees and agents, harmless against any and all claims, demands, suits, expenses, fines, penalties,judgments, costs and losses or other forms of liability, including reasonable attorneys' fees and costs, arising out of, resulting from or in connection with (i) the Company's breach of any representation or warranty set forth in Section 9, or (ii) the Company's failure to fulfill any covenantset forth in this Agreement.

(c) NEITHER PARTY NOR ANY OF ITS AFFILIATES, MEMBERS, STOCKHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS SHALL BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, EXEMPLARY, PUNITIVE, INDIRECT OR SPECIAL DAMAGES OF ANY NATURE ARISING FROM BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE OR ANY OTHER LEGAL THEORY, WHETHER IN TORT OR CONTRACT, INCLUDING WITHOUT LIMITATION LOST PROFITS, EVEN IF SUCH PARTY HAS BEEN APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES OCCURRING. IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATES, MEMBERS, STOCKHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS BE LIABLE FOR ANY DIRECT DAMAGES (INCLUDING INDEMNIFICATION FOR ANY LIABILITIES PURSUANT TO SECTIONS 11(A) AND 11(B)) IN EXCESS OF THEAGGREGATE AMOUNTS PAID BY THE COMPANY TO PROVIDER IN THE TWELVE (12)MONTH PERIOD PRECEDING THE DATE OF THE EVENT GIVING RISE TO THE CLAIMFOR SUCH DIRECT DAMAGES. NOTWITHSTANDING THE FOREGOING, PROVIDER'S OBLIGATION TO INDEMNIFY COMPANY MEMBER FOR TAX LIABILITY (AS DEFINEDIN SECTION 7), OR FROM PROVIDER'S INTENTIONAL MISCONDUCT OR FRAUD, WILLNOT BE SUBJECT TO ANY LIMITATION.

12. Confidential Information. The Parties acknowledge that each Party (the "**Receiving Party**") shall have access to material, records, data and information regarding the other Party (the "**Disclosing Party**") not generally available to the public ("**Confidential Information**"). Accordingly, theReceiving Party shall hold in confidence and will not directly or indirectly disclose, use, copy or make listsof any such Confidential Information except to the extent authorized in writing by the Disclosing Party, asrequired by law or any competent administrative agency, or as otherwise is reasonably necessary or appropriate in connection with the performance pursuant to this Agreement by the Receiving Party. Confidential Information includes: (a) concepts, (b) business plans and theories, (c) employee training materials and programs, (d) processes for packaging and dispensing cannabis, (e) processes for patient education and support, (f) policies and procedures, (g) specifications, calculations, data, notes and memoranda, code books, methods of operation, strategies and plans and contracts, (h) financial information,
(a) professional fee information, (j) salary and compensation information, (k) cost and profit information,
(l) record keeping practices, (m) software, administrative and operational matters and practices, (n) customer and vendor information, (o) development and research work, (p) marketing programs, plans and proposals, (q) other information about internal systems, processes, concepts, practices, and procedures and
(r) other information that is proprietary or confidential to the Disclosing Party.

13. Company Default; the Provider's Remedies. For purposes of this Agreement, a "**Company Default**" shall be defined as a breach by the Company to perform its covenants and obligations under this Agreement, provided the Company shall be provided thirty (30) days after receipt of written notice from the Provider to the Company identifying such failure or non-performance to cure such breach. Notwithstanding the foregoing, (a) no cure period shall be provided if the breach is not curable, and (b) if a cure period is permitted, it shall automatically be reduced in duration to an appropriate period of time if curing such breach in such thirty (30)-day period would cause an adverse effect on the Provider, the Company or the Dispensary. Upon the occurrence of a Company Default (and upon the conclusion of the cure period, if permitted), the Provider may, at its sole option and in its sole discretion, elect to: (a) pursueall remedies available at law and equity (including action for damages and specific performance), providedthe Provider adheres to Section 15; (b) seek resolution and remedies as provided in this Agreement; or (c) terminate this Agreement pursuant to Section 1(b), effective immediately, upon delivery of written notice to the Company. Any action for damages by the Provider may include the Provider's reasonable attorneys' fees, costs, expert fees and any other reasonable, actual out-of-pocket costs of the Provider associated withthe work completed by or on behalf of the Provider in connection with seeking remedy for a Company Default, subject to Section 11.

14. Provider Default; the Company's Remedies. For purposes of this Agreement, a "**Provider Default**" shall be defined as a breach by the Provider to perform its covenants and obligations under this Agreement, provided the Provider shall be provided thirty (30) days after receipt of written notice from the Company to the Provider identifying such failure or non-performance to cure such breach. Notwithstandingthe foregoing, (a) no cure period shall be provided if the breach is not curable, and (b) if a cure period is permitted, it shall be automatically reduced in duration to an appropriate period of time if curing such breachin such thirty (30)-day period would cause an adverse effect on the Company. Upon the occurrence of a Provider Default (and the conclusion of the cure period, if permitted), the Company may, at its sole optionand in its sole discretion, elect to: (a) pursue all remedies available at law and equity (including action for damages and specific performance), provided the Company adheres to Section 15; (b) seek resolution andremedies as provided in this Agreement; or (c) terminate this Agreement pursuant to Section 1(c), effectiveimmediately, upon delivery of written notice to the Provider. Any action for damages by the Company mayinclude the Company's reasonable attorneys' fees, costs, expert fees and any other reasonable, actual out-

of-pockets cost of the Company associated with the work completed by or on behalf of the Company in connection with seeking remedy for a Provider Default, subject to Section 11.

15. Alternative Dispute Resolution. The Parties acknowledge and agree, when elected by the non-defaulting Party pursuant to Section 13 or Section 14, the Parties shall attempt to resolve any such dispute, claim or controversy arising out of or relating to this Agreement by mediation. In the event such dispute cannot be resolved by mediation, the non-defaulting Party may, but is not required to, elect to havethe dispute determined by arbitration using the rules of the American Arbitration Association with three (3)arbitrators selected in accordance with such rules the venue for which will be in the State of Maryland. If the non-defaulting Party elects to proceed with arbitration, the Parties agree the arbitration judgment will be final and binding upon the Parties and may be entered in any court having jurisdiction thereof.

16. Federal Enforcement Actions. The Parties hereby acknowledge that they are aware of and fully understand that despite the laws of the State of Maryland and the terms and conditions of this Agreement, holders of licenses to sell medical or adult-use cannabis may still be arrested by federal officersand prosecuted under federal law. In the event of federal arrest, seizure or prosecution action associated with the Parties' activities described herein (each, a "**Federal Enforcement Action**"), the Parties hereby agree to hold each other harmless and agree to be individually responsible for any attorneys' fees associatedwith defending such actions. The Parties also hereby expressly agree to waive illegality as a defense to anycontract enforcement action.

17. Governing Law and Jurisdiction. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Maryland. Any action or proceeding seeking to enforce any provision of or based on any right arising out of or otherwise relating to this Agreement shall be brought by the Parties in the state courts located in Maryland, and each Party, for itself and its equityholders, as applicable, hereby submits to the non-exclusive jurisdiction of such courts (and of the appropriate appellatecourts) in any such action or proceedings and waives any objection to venue laid therein.

18. Waiver. The failure of a Party to enforce any provision of this Agreement at any time, to exercise any election or option provided herein, or to require at any time the performance of any provisions herein will not in any way constitute a waiver of such provision.

19. Severability. If any provision of this Agreement is held to be invalid or unenforceable for any reason whatsoever, the remaining provisions shall remain valid and unimpaired, and shall continue in full force and effect.

20. Amendment. This Agreement may only be amended by a written amendment, signed by each Party.

21. Assignment. This Agreement may not be assigned by the Company or the Company Member without the Provider's prior written consent. The Provider may assign this Agreement to any partyfor any reason without the consent of the Company.

22. Entire Agreement. This Agreement contains all of the terms and conditions agreed upon by the Parties and this Agreement supersedes all other agreements oral or otherwise regarding the subject matter hereof.

23. Counterparts. This Agreement may be executed in any number of counterparts (by actual, electronic (.PDF) or facsimile delivery), each of which when so executed and delivered shall be taken to bean original; but such counterparts shall together constitute one and the same document.

24. MMCC Approval. Each party agrees to promptly submit the Agreement, and all other required collateral materials such as criminal background checks for individuals owning five percent (5%)or more of Provider, to MMCC for review and approval and that this Agreement will not have any force and effect unless and until this Agreement and all individuals who require approval are approved by the MMCC. The parties understand that this Agreement may need to be amended from time to time in order to comply with the requirements of the MMCC and/or changes to the laws of the State of Maryland, and agree to execute such amendments accordingly. Provider agrees to comply with all suitability or qualification requirements mandated by the MMCC in connection with the performance of Provider's obligations under this Agreement. All information provided to the MMCC by Provider, the Company or the Company Member in connection with this Agreement will be true, complete and correct and will not fail to state a material fact necessary to make any of such information not misleading.

25. Notices. Notices. All notices, requests, demands, claims and other communications hereunder will be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly given (a) when delivered personally to the recipient, (b) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid), (c) one (1) business day afterbeing sent to the recipient by electronic mail or (d) four (4) business days after being mailed to the recipientby certified or registered mail, return receipt requested and postage prepaid, and addressed to the intendedrecipient as set forth below. Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

If to the Provider:

MLH Maryland Operations, LLC

_____

_____

_____

Attention:
E-mail:

If to the Company:

Maryland Alternative Relief, LLC

_____

_____

_____

Attention:
E-mail:

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties agree to be bound as of the date first written above.

PROVIDER:

MLH MARYLAND OPERATIONS, LLC,
A Delaware limited liability company

By:_____
Name:_____
Title: _____

COMPANY:

MARYLAND ALTERNATIVE RELIEF, LLC,
a Maryland limited liability company

By:_____
Name:_____
Title: _____

COMPANY MEMBER:

MARYLAND ALTERNATIVE HOLDINGS, INC.,
a Maryland limited liability company

By:_____
Name:_____
Title: _____

EXHIBIT A MANAGEMENT

SERVICES

(a) The Provider shall assist the Company with developing and implementing standard operating procedures and best practices related to security, inventory control, quality control, recordkeeping, patient education and services, community impact and involvement as well as any procedures or any amendments thereto.

(b) The Provider shall assist the Company in its selection and supervision of security services, including equipment selection, installation and maintenance as well as onsite security personnel and offsite security monitoring services.

(c) The Provider shall assist the Company with its marketing, including developmentand dissemination of marketing materials and programs to raise awareness of the Company's products and services.

(d) The Provider shall provide information technology ("**IT**") services, including maintenance of IT resources, staffing to support the Company's IT systems, support of information security and communication systems, database support, disaster recovery, support of core systems, support of maintenance contracts, equipment and software and an IT help desk.

(e) The Provider shall assist the Company in overseeing the maintenance of the Dispensary.

(f) The Provider shall assist the Company in its collection efforts and securelydepositing such payments.

(g) The Provider shall provide accounting services, including budget preparation, financial statement preparation, support of resource allocation and accounting support services.

(h) The Provider shall provide tax support services, including tax support and tax compliance services, to the extent necessary to ensure that the Company materially complies with applicable tax laws.

(i) The Provider shall assist the Company with inventory management, regulatory compliance and the payment of expenses.

(j) The Provider shall assist the Company with the following:

(i) Identifying and recruiting individuals (any individuals ultimately hired to work at the Dispensary, the "**Labor Force**") to work at and operate the Dispensary; and

(ii) paying, withholding and transmitting payroll taxes for the Labor Force, providing unemployment insurance and workers' compensation benefits to the Labor Force, and otherwise handling all employment-related issues related to the Labor Force, including any unemployment and workers' compensation claims involving the Labor Force;

provided, that any hiring decisions for individuals identified and recruited to work at and operate the Dispensary shall be made by the Company. If requested by the Company, the Provider may lease certain of its employees to the Company for the purposes of operatingthe Dispensary (the "**Leased Employee Services**"). Each employee of Provider leased tothe Company as part of the Leased Employee Services will be assigned to the Company ona permanent basis. For purposes of clarity, any leased employees are only employees of the Provider and such employees shall not be deemed employees of the Company, nor shallthey be entitled to any holidays, vacation days, insurance, pensions, retirement plans or other employee benefits that the Company provides its employees.

EXHIBIT E
MISSION MARYLAND MANAGEMENT AGREEMENT

(See attached.)

MANAGEMENT SERVICES AGREEMENT

THIS MANAGEMENT SERVICES AGREEMENT (this "**Agreement**") is made as of_____, 2020 (the "**Effective Date**"), by and among Mission Maryland, LLC, a Maryland limited liability company(the "**Company**"), MLH Maryland Operations, LLC, a Delaware limited liability company (the "**Provider**"), and the sole member of the Company listed on the signature page hereto (the "**Company Member**") and, together with the Company and the Provider, the "**Parties**", and each individually, a "**Party**").

RECITALS

WHEREAS, the Company holds a License No. D-19-00014 (the "**License**"), issued by theMaryland Department of Health - Maryland Medical Cannabis Commission (the "**MMCC**"), to operate a medical cannabis dispensary at 6328 Baltimore National Pike, Baltimore, MD 21228 (the "**Dispensary**");

WHEREAS, the Provider is engaged in the business of providing certain management services to cannabis businesses;

WHEREAS, pursuant to that certain Asset Purchase Agreement, dated as of April 30, 2020 (the "**APA**"), by and among (i) Provider and MLH Hampden Real Estate, LLC, a Delaware limited liability company and a wholly owned subsidiary of Provider ("**RE Buyer**" and together with Provider, the "**Buyers**"), (ii) the Company, (iii) Adroit Consulting Group, a Maryland limited liability company ("**Adroit**"), and Old Line State Consulting Group, LLC, a Maryland limited liability company ("**Old Line**"and together with Adroit, the "**Sellers**" and each, a "**Seller**"), and (iv) 4Front Ventures Corp., a corporationamalgamated under the laws of the Province of British Columbia ("**Seller Parent**" and, together with Sellers and Mission Maryland, the "**Seller Parties**"), Buyers are purchasing substantially all of the assets of the Sellers, and entering into this Agreement;

WHEREAS, in connection with the APA, the parties are submitting to the Maryland Medical Cannabis Commission (the "**MMCC**") for review and approval, among other things, this Agreement;

WHEREAS, the Parties now desire to enter into this Agreement to reflect the relationship betweenthe parties and describe with specificity the services to be provided by Provider hereunder.

AGREEMENT

NOW THEREFORE, in consideration of the recitals, which are hereby incorporated in and madea part of this Agreement as if set forth in their entirety below, and the respective covenants and agreementsherein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, and intending to be bound, the Parties hereby covenant and agree as follows:

1. Term; Right to Renew; Termination.

(a) Term. This Agreement shall commence on the Effective Date and continue for a period of five (5) years thereafter (the "**Initial Term**"). Immediately following the Initial Term, this Agreement shall automatically renew for additional one-year periods (each, a "**Subsequent Term**", and together with the Initial Term, the "**Term**"), unless Provider provides notice to the Company of its intent to terminate the Agreement at least ninety (90) days prior to the end of the then-current Term.

(b) Termination by the Provider. The Provider shall have the right to terminate this Agreement prior to the end of the Term, by delivering written notice to the Company, stipulating the effective date of termination, upon the occurrence of any one of the following events: (i) the occurrence of a Company Default (as defined in Section 13) that is not cured within the applicable cure period; (ii) any grossly negligent, intentional or willful misconduct by the Company; (iii) any Federal Enforcement Action described in Section 16 against the Company; (iv) any change or revocation of the Maryland Medical Cannabis Law and the rules and regulations promulgated pursuant thereto as they may be amended or modified from time to time ("**Maryland Cannabis Laws**") or any local or municipal rule or regulation which shall have the effect of prohibiting the legal operation of the Dispensary or the performance of this Agreement; or (v) revocation of the License or suspension of the License for a period of more than thirty (30) days.

(c) Termination by the Company. The Company shall have the right to terminate this Agreement prior to the end of the Term, by delivering written notice to the Provider, stipulating the effective date of termination, upon the occurrence of any one of the following events: (i) upon the occurrence of a Provider Default (as defined in Section 14) that is not cured within the applicable cure period; (ii) any grossly negligent, intentional or willful misconduct by the Provider; (iii) any Federal Enforcement Action described in Section 16 against the Provider; (iv) any change or revocation of the Maryland Cannabis Laws or any local or municipal rule or regulation which shall have the effect of prohibiting the legal operation of the Dispensary or the performance of this Agreement; or (v) revocation of the License or suspension of the License for a period of more than thirty (30) days.

(d) Effect of Termination. Upon termination of this Agreement, no Party shall have any further obligation hereunder except for: (i) any and all obligations accruing prior to the termination (including payment of any earned, but unpaid, Management Fees); (ii) the obligations,promises and covenants that were expressly made to extend beyond termination; (iii) any obligations to repay or reimburse amount(s) advanced by the Provider or its affiliates to the Company or third parties on behalf of the Company; and (iv) any obligations to indemnify a Partypursuant to Section 11.

(e) No Further Obligations. Except as expressly set forth in Section 1(d), the Provider shall not be entitled to any other payments or benefits under this Agreement following terminationof this Agreement.

2. Ownership of Cannabis. The Parties acknowledge and agree that all cannabis products or materials ("**Cannabis**") dispensed, maintained, stored, prepared and/or packaged at the Dispensary shall remain the sole and exclusive property of the Company, as the sole and exclusive holder of the License.

3. Ownership of License. The License is, and shall remain, the exclusive property of the Company and nothing in this Agreement shall be construed as a transfer, assignment, sale or conveyance of the License to the Provider or any of the Provider's successors, affiliates, agents, volunteers, employeesor independent contractors.

4. Responsibilities, Duties, and Obligations of the Provider.

(a) The Provider acknowledges and agrees it shall provide the Management Servicesin good faith and with reasonable care in a manner generally consistent with the industry standard.

(b) Compliance. The Provider shall use commercially reasonable efforts to ensure thatthe Company remains in material compliance with the Maryland Cannabis Laws.

5. Obligations of the Company.

(a) Maintenance and Renewal of License; Compliance.

(i) The Company shall maintain the License in good standing and eligible for renewal, and shall ensure that the Company remains in full compliance with the Maryland Cannabis Laws. The Company shall duly and timely file such applications as may be necessary to renew and maintain the License. The Company shall also remain in full compliance with all local, municipal and county regulations, including zoning and permitting regulations, as may be applicable to its business and operations.

(ii) The Company shall promptly notify the Provider of any notices, written or verbal, that the Company receives from the MMCC or any other governmental authority regarding the License, the Dispensary or the Company's business or operations, and the Company shall promptly take any corrective or remedial actions required by the MMCC or such other governmental authority in connection with such notices.

(b) Covenants of the Company and the Company Member. During the Term, neitherthe Company nor the Company Member may take any of the following actions without the prior written consent of Provider:

(i) issue any new equity of the Company, transfer any equity of the Company, admit any new member of the Company, or issue or transfer any instrument convertible into any equity of the Company or exercisable for any equity of the Company;

(ii) advances of additional capital contributions to the Company or other loansor other advances to the Company by Company Member (for purposes of clarification, Company Member will have no obligation to make any advances, capital contributions or loans to the Company);

(iii) declare, set aside, or pay any dividend or make any distribution with respect to the equity of the Company or redeem, purchase, or otherwise acquire any of theequity of the Company;

(iv) cause the Company to sell or otherwise transfer any material asset of the Company outside of the ordinary course of business;

(v) cause the Company to incur any material indebtedness outside of the ordinary course of business, or encumber or pledge any assets of the Company or any equity interests of the Company;

(vi) appoint, elect or remove any managers or principal officers of the Company or otherwise amend or violate any of the Company's organizational documents;

(vii) change the business or business plan of the Company;

(viii) adopt or amend the annual budget for the Company;

(ix) approve any Sale of the Company (or similar transaction with respect to any subsidiaries of the Company);

(x) acquire, by the purchase of the capital stock, equity securities or assets, or otherwise, any other business, or enter into a joint venture, partnership or networkaffiliation with any other entity;

(xi) hire or terminate any employee for which the aggregate obligation of the Company (for compensation, bonus, severance and other related benefits) exceeds $75,000in a calendar year;

(xii) make any consulting, advisory, compensatory or other payments to any affiliate of the Company, including to any member or its affiliates;

(xiii) make any investments or sales not in the ordinary course of business, or capital expenditures for the Company or its affiliates of greater than $50,000;

(xiv) incur or guarantee any indebtedness, standby letter of credit or similar loan;

(xv) enter into, execute and/or perform (A) any agreement or related agreements reasonably expected to create obligations for the Company of greater than $100,000 in the aggregate or (B) any agreement, transaction or other arrangement with anaffiliate of the Company, its members or their affiliates;

(xvi) amend or waive any non-competition agreement or obligation of the Company;

(xvii) form or dissolve any subsidiaries of the Company;

(xviii) change accounting firms or the accounting or tax policy of the Company, including tax elections, or file tax returns;

(xix) amend or waive any provision of the Company's operating agreement; or

(xx) enter into any agreement, contract, commitment or arrangement to takeany of the actions set forth above.

For purposes of this Section 5(b), "Sale of the Company" means (a) any consolidation or merger of the Company with or into any other person, any transfer of membership interests, or any other transaction or series of transactions, in each case as a result of which the Persons holding membership interests (directly or indirectly) immediately prior to such consolidation or merger in the aggregate own, directly or indirectly,less than a majority of the voting power or value of the surviving entity immediately after such consolidationor merger; or (b) a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Company, taken as a whole.

6. Management Services.

(a) During the Term, the Provider shall provide services to the Company as set forth on Exhibit A (the "**Management Services**"). The Management Services may be amended from time-to-time in a signed writing by the Parties (and such amendment shall replace Exhibit A). Notwithstanding anything herein to the contrary and for the avoidance of any doubt, the Provider acknowledges and agrees that it will diligently assist the Company in providing the Management Services; provided, however, the Provider acknowledges that the Management Services do not provide the Provider with any right to make decisions in respect of the operation of the Dispensary and, prior to taking any definitive action with respect to the operation of the Dispensary, the Provider must obtain authorization from the board of managers of the Company (which shall not be unreasonably withheld).

(b) In furtherance of the foregoing, as part of the Management Services, Provider will provide all services in connection with the Company's accounting, book keeping, financialreporting and tax preparation requirements. Provider agrees to maintain current and accurate financial books and records for the Company, and prepare all required federal, state and local tax filings by the Company, including the reporting of profit and loss to the Company Member for its income tax reporting obligations.

7. Management Fees and Expenses.

(a) The Parties acknowledge and agree as good and valuable compensation for the Provider providing the Management Services, the Company shall pay to the Provider a "**Management Fee**" equal to one hundred percent (100%) of the Company's total revenues, minusthe Company's total expenses (including, for this purpose, all federal, local and state taxes assessedagainst the Company or any Tax Liability (defined below) of the Company Member in connectionwith the Company's operations, but excluding the Management Fee) owed by the Company or theCompany Member as a result of the Company's activities, for the applicable time period. The "**TaxLiability**" as to the Company Member and any fiscal period of the Company shall be an amount oftaxable income of the Company allocated to the Company Member for federal income tax purposeswith respect to such fiscal period, multiplied by the highest combined marginal federal, state and local income tax rates for the Company Member on each type of income and gain included in suchincome; provided, however, that the Tax Liability for any fiscal period in which the Company Member was allocated net loss for federal income tax purposes shall be deemed equal to zero. TheManagement Fee shall be paid in arrears, within thirty (30) days of the end of each calendar month,and shall be accompanied by invoices, payment records or other documentation reasonablyacceptable to Provider regarding any direct expenses deducted from the Management Fee.

(b) In addition, the Company agrees to reimburse the Provider for reasonable and necessary out-of-pocket expenses incurred by the Provider or its affiliates in connection with providing the Management Services, provided the Provider provides the Company with reasonable documentation of such expenses in accordance with the Company's expense reimbursement policy.The Company shall promptly pay such expenses no later than thirty (30) days following the date which the Provider submits to the Company an invoice for such expenses.

8. Independent Contractor Status; Authority; Outside Activities.

(a) Independent Contractor. The relationship of the Provider to the Company is thatof an independent contractor and none of the provisions of this Agreement shall be construed to or

shall create a relationship of agency, representation, joint venture, ownership, control or employment between the Parties, and it is understood and agreed that the Provider is at all times acting and performing the Management Services pursuant to this Agreement as an independent contractor and not as an employee of the Company, and for all purposes, including federal and statetax purposes, the Provider will not be treated as an employee with respect to the rendering of the Management Services. As such, the Company shall not withhold taxes with respect to theManagement Fee. The Company shall not control or direct the manner or methods by which the Provider performs the Management Services; provided, however, the Provider shall be responsible for performing the Management Services in a manner so as, at all times, to ensure that the Management Services are completed and performed in a competent, efficient and satisfactory manner in accordance with all local and state laws and regulations.

(b) Authority of the Provider. The Company hereby exclusively grants to the Provider such authority and power necessary for the Provider to undertake and perform its responsibilities, duties and obligations hereunder to the fullest extent permitted under applicable laws or regulations.

(c) Outside Activities. The Company hereby acknowledges and agrees that the Provider has had, and from time to time may have, outside activities or interests that conflict or may conflict with the interests of the Company (collectively, "**Outside Activities**"), including investment opportunities or providing services similar to the Management Services to other entities.The Company hereby acknowledges and consents to the Provider engaging in the Outside Activitiesand acknowledges that the Provider does not have any duty to communicate or offer any opportunity or the existence of any Outside Activities to the Company.

9. Representations and Warranties of the Company. The Company represents, warrants and covenants to the Provider that as of the Effective Date:

(a) the Company has been duly organized, and is validly existing as a limited liability company under the laws of the State of Maryland;

(b) the Company is duly qualified to carry on its business, is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities makes such qualification necessary;

(c) the Company has full right, power and authority, and has taken all company action necessary, to enter into this Agreement and be bound by and carry out its obligations thereunder, none of which require the consent of any other person or entity except as provided in Section 24;

(d) the Company has complied with all requirements for the operation of its business and operations in accordance with the laws of the State of Maryland and any other governmental authority or entity having jurisdiction with respect thereto;

(e) the Company is not a party to any agreement with any third party other than Provider regarding any sale, option to purchase, merger, reorganization, pledge, hypothecation or other similar transaction with respect to the equity of the Company;

(f) the execution and delivery of this Agreement, and the performance by the Company of its obligations pursuant hereto, did not and will not constitute a breach of, or a default

under, any other agreement or obligation applicable to the Company, including its articles of organization, operating agreement and other governing documents;

(g) upon execution and delivery of it by the Company, this Agreement will constitutethe valid and binding obligation of the Company, enforceable in accordance with its terms, exceptto the extent that such enforcement shall be limited by bankruptcy, insolvency, moratorium and other laws affecting the rights of creditors generally, or Section 24; and

(h) all information supplied by the Company or its agents to the Provider or its agentsas of the date hereof is true, complete and correct and does not fail to state a material fact necessaryto make any of such information not misleading.

10. Representations and Warranties of the Provider. The Provider represents, warrants and covenants to the Company that as of the Effective Date:

(a) the Provider is a limited liability company which was duly organized, and is validly existing under the laws of the state of its organization;

(b) the Provider is duly qualified to carry out its business, and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities makes such qualifications necessary.

(c) the Provider has the full right, power and authority, and has taken all limited liability company action necessary, to enter into this Agreement and be bound by the terms of thisAgreement, none of which require the consent of any other person or entity except as provided in Section 24;

(d) the Provider has complied with all requirements for the operation of its business and operations in accordance with the laws of the state of its organization and any other governmental authority or entity having jurisdiction with respect thereto;

(e) the execution and delivery of this Agreement and the performance by the Providerof its obligations pursuant to this Agreement do not and will not constitute a breach of or a defaultunder any other agreement or obligation applicable to the Provider, including its organizational documents;

(f) upon execution and delivery of this Agreement by the Provider, this Agreement will constitute the valid and binding obligation of the Provider enforceable in accordance with its terms except to the extent that such enforcement shall be limited by bankruptcy, insolvency, moratorium and other laws affecting the rights of creditors generally, or Section 24; and

(g) all information supplied by the Provider or its agents to the Company or its agentsas of the date hereof is true, complete and correct and does not fail to state a material fact necessaryto make any of such information not misleading.

11. Indemnification.

(a) The Provider hereby agrees, to the fullest extent permitted by law, to defend, indemnify and hold the Company, its officers, members (including the Company Member),

affiliates, successors, assigns, employees, and agents, harmless against any and all claims, demands, suits, expenses, fines, penalties, judgments, costs and losses or other forms of liability, including reasonable attorneys' fees and costs (collectively, "Liabilities"), arising out of, resultingfrom or in connection with (i) the Provider's breach of any representation or warranty set forth in Section 10 or (ii) the Provider's failure to fulfill any covenant set forth in this Agreement. The Provider agrees that the Company Member will have no Liability under this Agreement for the operations of the Company after the date hereof at the direction of the Provider under this Agreement, and Provider agrees to indemnify and hold harmless Company Member from any Liabilities incurred by Company Member after the date hereof in connection with the Company's operations after the date hereof at the direction of the Provider, other than any such Liabilities thatdirectly resulted from Company Member's gross negligence or willful misconduct.

(b) The Company hereby agrees, to the fullest extent permitted by law, to defend, indemnify and hold the Provider, its officers, members, affiliates, successors, assigns, employees and agents, harmless against any and all claims, demands, suits, expenses, fines, penalties,judgments, costs and losses or other forms of liability, including reasonable attorneys' fees and costs, arising out of, resulting from or in connection with (i) the Company's breach of any representation or warranty set forth in Section 9, or (ii) the Company's failure to fulfill any covenantset forth in this Agreement.

(c) NEITHER PARTY NOR ANY OF ITS AFFILIATES, MEMBERS, STOCKHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS SHALL BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, EXEMPLARY, PUNITIVE, INDIRECT OR SPECIAL DAMAGES OF ANY NATURE ARISING FROM BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE OR ANY OTHER LEGAL THEORY, WHETHER IN TORT OR CONTRACT, INCLUDING WITHOUT LIMITATION LOST PROFITS, EVEN IF SUCH PARTY HAS BEEN APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES OCCURRING. IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATES, MEMBERS, STOCKHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS BE LIABLE FOR ANY DIRECT DAMAGES (INCLUDING INDEMNIFICATION FOR ANY LIABILITIES PURSUANT TO SECTIONS 11(A) AND 11(B)) IN EXCESS OF THEAGGREGATE AMOUNTS PAID BY THE COMPANY TO PROVIDER IN THE TWELVE (12)MONTH PERIOD PRECEDING THE DATE OF THE EVENT GIVING RISE TO THE CLAIMFOR SUCH DIRECT DAMAGES. NOTWITHSTANDING THE FOREGOING, PROVIDER'S OBLIGATION TO INDEMNIFY COMPANY MEMBER FOR TAX LIABILITY (AS DEFINEDIN SECTION 7), OR FROM PROVIDER'S INTENTIONAL MISCONDUCT OR FRAUD, WILLNOT BE SUBJECT TO ANY LIMITATION.

12. Confidential Information. The Parties acknowledge that each Party (the "**Receiving Party**") shall have access to material, records, data and information regarding the other Party (the "**Disclosing Party**") not generally available to the public ("**Confidential Information**"). Accordingly, theReceiving Party shall hold in confidence and will not directly or indirectly disclose, use, copy or make listsof any such Confidential Information except to the extent authorized in writing by the Disclosing Party, asrequired by law or any competent administrative agency, or as otherwise is reasonably necessary or appropriate in connection with the performance pursuant to this Agreement by the Receiving Party. Confidential Information includes: (a) concepts, (b) business plans and theories, (c) employee training materials and programs, (d) processes for packaging and dispensing cannabis, (e) processes for patient education and support, (f) policies and procedures, (g) specifications, calculations, data, notes and

memoranda, code books, methods of operation, strategies and plans and contracts, (h) financial information, (a) professional fee information, (j) salary and compensation information, (k) cost and profit information, (l) record keeping practices, (m) software, administrative and operational matters and practices, (n) customer and vendor information, (o) development and research work, (p) marketing programs, plans and proposals, (q) other information about internal systems, processes, concepts, practices, and procedures and (r) other information that is proprietary or confidential to the Disclosing Party.

13. Company Default; the Provider's Remedies. For purposes of this Agreement, a "**Company Default**" shall be defined as a breach by the Company to perform its covenants and obligations under this Agreement, provided the Company shall be provided thirty (30) days after receipt of written notice from the Provider to the Company identifying such failure or non-performance to cure such breach. Notwithstanding the foregoing, (a) no cure period shall be provided if the breach is not curable, and (b) if a cure period is permitted, it shall automatically be reduced in duration to an appropriate period of time if curing such breach in such thirty (30)-day period would cause an adverse effect on the Provider, the Company or the Dispensary. Upon the occurrence of a Company Default (and upon the conclusion of the cure period, if permitted), the Provider may, at its sole option and in its sole discretion, elect to: (a) pursueall remedies available at law and equity (including action for damages and specific performance), providedthe Provider adheres to Section 15; (b) seek resolution and remedies as provided in this Agreement; or (c) terminate this Agreement pursuant to Section 1(b), effective immediately, upon delivery of written notice to the Company. Any action for damages by the Provider may include the Provider's reasonable attorneys' fees, costs, expert fees and any other reasonable, actual out-of-pocket costs of the Provider associated withthe work completed by or on behalf of the Provider in connection with seeking remedy for a Company Default, subject to Section 11.

14. Provider Default; the Company's Remedies. For purposes of this Agreement, a "**Provider Default**" shall be defined as a breach by the Provider to perform its covenants and obligations under this Agreement, provided the Provider shall be provided thirty (30) days after receipt of written notice from the Company to the Provider identifying such failure or non-performance to cure such breach. Notwithstandingthe foregoing, (a) no cure period shall be provided if the breach is not curable, and (b) if a cure period is permitted, it shall be automatically reduced in duration to an appropriate period of time if curing such breachin such thirty (30)-day period would cause an adverse effect on the Company. Upon the occurrence of a Provider Default (and the conclusion of the cure period, if permitted), the Company may, at its sole optionand in its sole discretion, elect to: (a) pursue all remedies available at law and equity (including action for damages and specific performance), provided the Company adheres to Section 15; (b) seek resolution andremedies as provided in this Agreement; or (c) terminate this Agreement pursuant to Section 1(c), effectiveimmediately, upon delivery of written notice to the Provider. Any action for damages by the Company mayinclude the Company's reasonable attorneys' fees, costs, expert fees and any other reasonable, actual out- of-pockets cost of the Company associated with the work completed by or on behalf of the Company in connection with seeking remedy for a Provider Default, subject to Section 11.

15. Alternative Dispute Resolution. The Parties acknowledge and agree, when elected by the non-defaulting Party pursuant to Section 13 or Section 14, the Parties shall attempt to resolve any such dispute, claim or controversy arising out of or relating to this Agreement by mediation. In the event such dispute cannot be resolved by mediation, the non-defaulting Party may, but is not required to, elect to havethe dispute determined by arbitration using the rules of the American Arbitration Association with three (3)arbitrators selected in accordance with such rules the venue for which will be in the State of Maryland. If the non-defaulting Party elects to proceed with arbitration, the Parties agree the arbitration judgment will be final and binding upon the Parties and may be entered in any court having jurisdiction thereof.

16. Federal Enforcement Actions. The Parties hereby acknowledge that they are aware of and fully understand that despite the laws of the State of Maryland and the terms and conditions of this Agreement, holders of licenses to sell medical or adult-use cannabis may still be arrested by federal officersand prosecuted under federal law. In the event of federal arrest, seizure or prosecution action associated with the Parties' activities described herein (each, a "**Federal Enforcement Action**"), the Parties hereby agree to hold each other harmless and agree to be individually responsible for any attorneys' fees associatedwith defending such actions. The Parties also hereby expressly agree to waive illegality as a defense to anycontract enforcement action.

17. Governing Law and Jurisdiction. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Maryland. Any action or proceeding seeking to enforce any provision of or based on any right arising out of or otherwise relating to this Agreement shall be brought by the Parties in the state courts located in Maryland, and each Party, for itself and its equityholders, as applicable, hereby submits to the non-exclusive jurisdiction of such courts (and of the appropriate appellatecourts) in any such action or proceedings and waives any objection to venue laid therein.

18. Waiver. The failure of a Party to enforce any provision of this Agreement at any time, to exercise any election or option provided herein, or to require at any time the performance of any provisions herein will not in any way constitute a waiver of such provision.

19. Severability. If any provision of this Agreement is held to be invalid or unenforceable for any reason whatsoever, the remaining provisions shall remain valid and unimpaired, and shall continue in full force and effect.

20. Amendment. This Agreement may only be amended by a written amendment, signed by each Party.

21. Assignment. This Agreement may not be assigned by the Company or Company Member without the Provider's prior written consent. The Provider may assign this Agreement to any party for any reason without the consent of the Company.

22. Entire Agreement. This Agreement contains all of the terms and conditions agreed upon by the Parties and this Agreement supersedes all other agreements oral or otherwise regarding the subject matter hereof.

23. Counterparts. This Agreement may be executed in any number of counterparts (by actual, electronic (.PDF) or facsimile delivery), each of which when so executed and delivered shall be taken to bean original; but such counterparts shall together constitute one and the same document.

24. MMCC Approval. Each Party agrees to promptly submit the Agreement, and all other required collateral materials such as criminal background checks for individuals owning five percent (5%)or more of Provider, to MMCC for review and approval and that this Agreement will not have any force and effect unless and until this Agreement and all individuals who require approval are approved by the MMCC. The Parties understand that this Agreement may need to be amended from time to time in order to comply with the requirements of the MMCC and/or changes to the laws of the State of Maryland, and agree to execute such amendments accordingly. Provider agrees to comply with all suitability or qualification requirements mandated by the MMCC in connection with the performance of Provider's obligations under this Agreement. All information provided to the MMCC by Provider, the Company or

the Company Member in connection with this Agreement will be true, complete and correct and will notfail to state a material fact necessary to make any of such information not misleading.

25. Notices. Notices. All notices, requests, demands, claims and other communications hereunder will be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly given (a) when delivered personally to the recipient, (b) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid), (c) one (1) business day afterbeing sent to the recipient by electronic mail or (d) four (4) business days after being mailed to the recipientby certified or registered mail, return receipt requested and postage prepaid, and addressed to the intendedrecipient as set forth below. Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

If to the Provider:

MLH Maryland Operations, LLC

_____

_____

_____

Attention:
E-mail:

If to the Company:

Mission Maryland, LLC
5060 N. 40th Street, Suite 120
Phoenix, AZ 85018
Attention: Legal
E-mail: legal@4frontventures.com

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties agree to be bound as of the date first written above.

PROVIDER:

MLH MARYLAND OPERATIONS, LLC,
A Delaware limited liability company

By:_____
Name:_____
Title: _____

COMPANY:

MISSION MARYLAND, LLC,
a Maryland limited liability company

By:_____
Name:_____
Title: _____

COMPANY MEMBER:

MISSION PARTNERS USA, LLC,
a Maryland limited liability company

By:_____
Name:_____
Title: _____

EXHIBIT A MANAGEMENT

SERVICES

(a) The Provider shall assist the Company with developing and implementing standard operating procedures and best practices related to security, inventory control, quality control, recordkeeping, patient education and services, community impact and involvement as well as any procedures or any amendments thereto.

(b) The Provider shall assist the Company in its selection and supervision of security services, including equipment selection, installation and maintenance as well as onsite security personnel and offsite security monitoring services.

(c) The Provider shall assist the Company with its marketing, including developmentand dissemination of marketing materials and programs to raise awareness of the Company's products and services.

(d) The Provider shall provide information technology ("**IT**") services, including maintenance of IT resources, staffing to support the Company's IT systems, support of information security and communication systems, database support, disaster recovery, support of core systems, support of maintenance contracts, equipment and software and an IT help desk.

(e) The Provider shall assist the Company in overseeing the maintenance of the Dispensary.

(f) The Provider shall assist the Company in its collection efforts and securelydepositing such payments.

(g) The Provider shall provide accounting services, including budget preparation, financial statement preparation, support of resource allocation and accounting support services.

(h) The Provider shall provide tax support services, including tax support and tax compliance services, to the extent necessary to ensure that the Company materially complies with applicable tax laws.

(i) The Provider shall assist the Company with inventory management, regulatory compliance and the payment of expenses.

(j) The Provider shall assist the Company with the following:

(i) Identifying and recruiting individuals (any individuals ultimately hired to work at the Dispensary, the "**Labor Force**") to work at and operate the Dispensary; and

(ii) paying, withholding and transmitting payroll taxes for the Labor Force, providing unemployment insurance and workers' compensation benefits to the Labor Force, and otherwise handling all employment-related issues related to the Labor Force, including any unemployment and workers' compensation claims involving the Labor Force;

provided, that any hiring decisions for individuals identified and recruited to work at and operate the Dispensary shall be made by the Company. If requested by the Company, the Provider may lease certain of its employees to the Company for the purposes of operatingthe Dispensary (the "**Leased Employee Services**"). Each employee of Provider leased tothe Company as part of the Leased Employee Services will be assigned to the Company ona permanent basis. For purposes of clarity, any leased employees are only employees of the Provider and such employees shall not be deemed employees of the Company, nor shallthey be entitled to any holidays, vacation days, insurance, pensions, retirement plans or other employee benefits that the Company provides its employees.

EXHIBIT F CHESAPEAKE OPTION AGREEMENT

(See attached.)

PURCHASE OPTION AGREEMENT

This Purchase Option Agreement (this "Agreement") is made and entered into as of_____, 2020 ("Effective Date"), by and among Chesapeake Integrated Health Institute, LLC, a Maryland limited liability company (the "Company"), MLH Maryland Operations, LLC, a Delaware limited liability company ("Optionee"), and the members of the Company listed on the signature pages hereto (the "Company Members"). Company, Optionee and the Members are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

BACKGROUND

A. Company holds License No. D-19-00005 (the "License"), issued by the Maryland Departmentof Health - Maryland Medical Cannabis Commission (the "MMCC"), to operate a medical cannabis dispensaryat 3907 Falls Road, Baltimore, MD 21211 (the "Dispensary").

B. The Company, the Company Members and Adroit Consulting Group, LLC ("Adroit") previously entered into that certain Management Services Agreement, dated September 12, 2017 (the "OriginalManagement Agreement"), pursuant to which Adroit agreed to provide certain management services to the Company and the Dispensary.

C. The Company Members own all of the issued and outstanding membership interests of the Company (the "Company Interests").

D. On or about the date hereof, Optionee and MLH Hampden Real Estate, LLC, a Delaware limited liability company ("RE Buyer" and together with Optionee, the "Buyers"), (ii) Mission Maryland, LLC,a Maryland limited liability company ("Mission Maryland"), Optionee, Old Line State Consulting Group, LLC,a Delaware limited liability company ("Old Line" and together with Optionee, the "Sellers" and each, a "Seller"), and (iv) 4Front Ventures Corp., a corporation amalgamated under the laws of the Province of BritishColumbia ("Seller Parent" and together with the Sellers and Mission Maryland, the "Seller Parties") are entering into an Asset Purchase Agreement pursuant to which the Buyers will acquire substantially all of the assets of the Sellers (including the rights and obligations of the Company under this Agreement and the Original Management Agreement) (the "Asset Purchase Agreement").

E. In connection with the transactions contemplated by the Asset Purchase Agreement, the Company and the Company Members have granted Optionee an option to purchase all of the Company Interests pursuant to the terms contained herein, exercisable solely in compliance with the Maryland Medical Cannabis Law and the rules and regulations promulgated pursuant thereto that may be amended or modified from time to time (the "Maryland Cannabis Laws").

F. Contemporaneous with the execution of this Agreement, Optionee, the Company and the Company Members are executing that certain Management Services Agreement (the "Management Agreement"), pursuant to which, upon approval of the Management Agreement by the MMCC, the Original Management Agreement will terminate with no further action by any party thereto, and become null and void,and Optionee will operate the Dispensary in accordance with the Management Agreement.

NOW, THEREFORE, in consideration of the continuing performance of the Original Management Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

Section 1. Option to Purchase. The Parties acknowledge and agree that pursuant to the Maryland Cannabis Laws, no change in control of the Company can occur until three (3) years after the Company has become an active user in METRC, which occurred on April 22, 2019 (the "License Holding Period"). Accordingly, upon the expiration of the License Holding Period, Optionee shall have the right, but not the

obligation, to purchase from the Company Members (or their permitted assigns) one hundred percent (100%) of the Company Interests in exchange for a cash payment of Ten Dollars ($10) (the "Call Option Right"). To the extent that any changes to the Maryland Cannabis Laws have the effect of lengthening or shortening the License Holding Period, this Agreement shall be deemed to be amended to reflect any applicable changes to the License Holding Period. For the avoidance of doubt, in no event may the Call Option Right be exercised by Optionee (nor shall any change in control of the Company occur) prior to such time as a change in control of the Company is permitted under the Maryland Cannabis Laws. This Call Option Right supersedes and replaces any option entered into by the Company and/or the Company Members which would have otherwise effectuated a change in control of the Company including, without limitation, pursuant to that certainMembership Unit Purchase Agreement, date March 25, 2019, by and among SALT 2, L.L.C., Leah Heise, ToddHeise, ARMCO III, LLC, Philip Wiser, Amy Wiser, Jane Kasputin, 4Front CIHI InvestCo, LLC, 4Front Holdings LLC, Optionee and the Company (the "MUPA").

Section 2. Exercise of Option. If Optionee desires to exercise the Call Option Right, it shall deliver notice thereof (the "Call Option Exercise Notice") to the Company Members (or their permitted successors-in-interest). The closing of any sale of Company Interests pursuant to this Section 2 shall take placeno later than ninety (90) days following receipt of the Call Option Notice by the Company Members. Optioneeshall give the Company Members at least ten (10) days' written notice of the closing date. On the closing date,Optionee shall pay the purchase price in cash or by wire transfer of immediately available funds.

Section 3. Representations and Warranties. Each Company Member (or its permitted successor- in-interest) represents and warrants to Optionee that as of the date hereof and at the closing of any purchase of Company Interests pursuant to this Agreement: (i) such Company Member has full right, title and interest in and to the Company Interests held by such Company Member and that such Company Interests, when combinedwith the Company Interests held by all other Company Members party hereto, constitute 100% of the issued and outstanding membership interests of the Company, (ii) such Company Member has all the necessary powerand authority and has taken all necessary action to sell the Company Interests as contemplated by this Agreement, (iii) the Company Interests are free and clear of any and all mortgages, pledges, security interests,options, rights of first offer, encumbrances or other restrictions or limitations of any nature whatsoever other than those arising as a result of this Agreement or the Company's operating agreement; and (iv) such CompanyMember has not entered into any other agreement to pledge, transfer, option, hypothecate or otherwise encumber the Company Interests held by such Company Member. To induce the Optionee to enter into this Agreement and the Management Agreement, the Company and each of the Company Members: (i) hereby makes the representations and warranties set forth in Section 4 of the Asset Purchase Agreement with respect to the Company Interests (except as set forth in the Schedules (as defined in the Asset Purchase Agreement)), to the Optionee and (ii) agrees to make such representations and warranties to the Optionee at the closing of any purchase of Company Interests pursuant to this Agreement.

Section 4. Covenants of the Company and Company Members. Each Company Member shall take all actions as may be reasonably necessary to consummate the sale of Company Interests contemplated bythis Agreement, including, without limitation, entering into agreements and delivering certificates and instruments and consents as may be deemed necessary or appropriate. The Company and each Company Member hereby agree to cooperate fully in such sale of Company Interests and not to take any action prejudicialto or inconsistent with such sale of Company Interests. In furtherance of the foregoing, each Company Memberappoints Optionee (or its designee) as such Company Member's exclusive and irrevocable agent, proxy and attorney-in-fact (and such proxy shall be deemed to be coupled with an interest based on this Agreement), including full power and authority to act on such Company Member's behalf in connection with any of the

actions contemplated to be taken, or agreements, certificates, instruments or consents to be executed or delivered, upon Optionee's exercise of the Call Option Right pursuant to this Agreement.

In addition, during the Term, neither the Company nor the Company Members may take any of the following actions without the prior written consent of Optionee:

(i) issue any new equity of the Company, transfer any equity of the Company, admit any new member of the Company, or issue or transfer any instrument convertible into any equity of the Company or exercisable for any equity of the Company;

(ii) advance additional capital contributions to the Company or make any loans or other advancesto the Company (it is understood, however, that the Company Members will have no obligationto advance additional capital contributions to the Company or make any loans or other advances to the Company);

(iii) declare, set aside, or pay any dividend or make any distribution with respect to the equity of the Company or redeem, purchase, or otherwise acquire any of the equity of the Company;

(iv) cause the Company to sell or otherwise transfer any material asset of the Company outside ofthe ordinary course of business;

(v) cause the Company to incur any material indebtedness outside of the ordinary course of business, or encumber or pledge any assets of the Company or any equity interests of the Company;

(vi) appoint, elect or remove any managers or principal officers of the Company or otherwise amend or violate any of the Company's organizational documents;

(vii) change the business or business plan of the Company;

(viii) adopt or amend the annual budget for the Company;

(ix) approve any Sale of the Company (or similar transaction with respect to any subsidiaries of the Company);

(x) acquire, by the purchase of the capital stock, equity securities or assets, or otherwise, any other business, or enter into a joint venture, partnership or network affiliation with any other entity;

(xi) hire or terminate any employee for which the aggregate obligation of the Company (for compensation, bonus, severance and other related benefits) exceeds $75,000 in a calendar year;

(xii) make any consulting, advisory, compensatory or other payments to any affiliate of theCompany, including to any member or its affiliates;

(xiii) make any investments or sales not in the ordinary course of business, or capital expenditures for the Company or its affiliates of greater than $50,000;

(xiv) incur or guarantee any indebtedness, standby letter of credit or similar loan;

(xv) enter into, execute and/or perform (A) any agreement or related agreements reasonablyexpected to create obligations for the Company of greater than $100,000 in the aggregate or

(B) any agreement, transaction or other arrangement with an affiliate of the Company, its members or their affiliates;

(xvi) amend or waive any non-competition agreement or obligation of the Company;

(xvii) form or dissolve any subsidiaries of the Company;

(xviii) change accounting firms or the accounting or tax policy of the Company, including any tax elections or file any tax returns;

(xix) amend or waive any provision of the Company's operating agreement; or

(xx) enter into any agreement, contract, commitment or arrangement to take any of the actions set forth above.

For purposes of this Section 4, "Sale of the Company" means (a) any consolidation or merger of the Company with or into any other person, any transfer of membership interests, or any other transaction or series of transactions, in each case as a result of which the Persons holding membership interests (directly or indirectly) immediately prior to such consolidation or merger in the aggregate own, directly or indirectly, less than a majority of the voting power or value of the surviving entity immediately after such consolidation or merger; or (b) a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Company,taken as a whole.

Section 5. Closing Deliveries. At the closing of the sale of the Company Interests pursuant to this Agreement, each Company Member shall deliver to Optionee all documents necessary to effect the transferof the Company Interests to Optionee, including a certificate or certificates representing the Company Intereststo be sold (if such exits), accompanied by unit transfer powers with all necessary transfer taxes paid and stampsaffixed, if necessary.

Section 6. Inadequacy of Monetary Damages. The Company and each Company Member acknowledge that a breach of this Agreement would cause Optionee and its members and affiliates irreparableharm, for which an award of damages would not be adequate compensation and agrees that, in the event of such breach or threatened breach, Optionee and its members and affiliates will be entitled to equitable relief, including a restraining order, injunctive relief, specific performance and any other relief that may be availablefrom any court, in addition to any other remedy to which Optionee or any such member or affiliate may be entitled at law or in equity. Such remedies shall not be deemed to be exclusive but shall be in addition to all other remedies available at law or in equity, subject to any express exclusions or limitations in this Agreementto the contrary.

Section 7. MMCC Approval. Once the License Holding Period expires, each Party agrees to promptly submit this Agreement, and any other collaterals materials that may then be required, to MMCC for review and approval, and that Call Option Right will not become effective until the MMCC approves the changein control of the Company as provided for in this Agreement, as well as any individuals who may be required to become affiliated with the Company. The parties understand that this Agreement may need to be amended from time to time in order to comply with the requirements of the MMCC and/or changes to the Maryland Cannabis Laws, and agree to execute such amendments accordingly. Optionee agrees to comply with all suitability or qualification requirements mandated by the MMCC in connection with the exercise of the Call Option Right and the acquisition of the Company Interests.

Section 8. Notices. All notices, requests, demands, claims and other communications hereunder will be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly

given (a) when delivered personally to the recipient, (b) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid), (c) one (1) business day after being sent to the recipient by electronic mail or (d) four (4) business days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below. Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

If to the Optionee:

MLH Maryland Operations, LLC

_____

_____

_____

Attention:
E-mail:

If to the Company:

Chesapeake Integrated Health Institute, LLC

_____

_____

_____

Attention:
E-mail:

If to the Company Members:

At the address set forth under such Company Member's name on the applicable signature page hereto

Section 9. Binding Provisions. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assignees of the respective Parties hereto, except in each case as expressly provided to the contrary in this Agreement.

Section 10. Alternative Dispute Resolution. The Parties shall attempt to resolve any dispute, claimor controversy arising out of or relating to this Agreement by mediation. In the event such dispute cannot be resolved by mediation, either Party may elect to resolve such dispute by arbitration using the rules of the American Arbitration Association with three (3) arbitrators selected in accordance with such rules, the venue for which will be in the State of Maryland. Any such arbitration judgment will be final and binding upon the Parties and may be entered in any state court having jurisdiction thereof.

Section 11. Federal Illegality of Cannabis. The Parties hereby acknowledge that they are aware ofand fully understand that despite the laws of the State of Maryland and the terms and conditions of this Agreement, the possession, manufacture and sale of cannabis remains illegal under federal law. In connectiontherewith, the Parties hereby expressly agree to waive illegality as a defense to any attempt to enforce this Agreement.

Section 12. Governing Law and Jurisdiction. This Agreement shall be governed by and interpretedin accordance with the laws of the State of Maryland. Any action or proceeding seeking to enforce any provisionof or based on any right arising out of or otherwise relating to this Agreement shall be brought by the Parties in the state courts located in Maryland, and each Party, for itself and its equityholders, as applicable, hereby submits to the non-exclusive jurisdiction of such courts (and of the appropriate appellate courts) in any such

action or proceedings and waives any objection to venue laid therein.

Section 13. Waiver. The failure of a Party to enforce any provision of this Agreement at any time,to exercise any election or option provided herein, or to require at any time the performance of any provisionsherein will not in any way constitute a waiver of such provision.

Section 14. Amendment. This Agreement may only be amended by a written amendment, signed by each Party.

Section 15. Assignment. This Agreement may not be assigned by the Company or the Company Members without Optionee's prior written consent. Optionee may assign this Agreement to any party for any reason without the consent of the Company.

Section 16. Entire Agreement. This Agreement contains all of the terms and conditions agreed upon by the Parties and this Agreement supersedes all other previous option agreements, oral or otherwise, among the parties, including the applicable provisions of the MUPA.

Section 17. Counterparts. This Agreement may be executed in any number of counterparts (by actual, electronic (.PDF) or facsimile delivery), each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

Section 18. Further Assurances. Each Party will, at the request of any other Party, execute and deliver such further instruments and take such other action reasonably required to consummate the transactions contemplated by this Agreement. Each Party shall use its good faith efforts and shall execute, acknowledge, and deliver, at its sole cost and expense, all further acts, deeds, conveyances, assignments, financing statements, transfers, documents, agreements, assurances, and such other instruments as the MMCC may reasonably require from time to time in connection with the Option granted hereunder as expeditiously as possible.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth hereinabove.

PROVIDER: **MLH MARYLAND OPERATIONS, LLC**

By:_____
Name:_____
Title: _____

COMPANY: **CHESAPEAKE INTEGRATED HEALTH INSTITUTE, LLC**

By:_____
Name:_____
Title: _____

COMPANY MEMBERS: **SALT 2, L.L.C.**

By:_____
Name:_____
Title: _____

Address: _____
_____
_____
_____

ARMCO III, LLC

By:_____
Name:_____
Title: _____

Address: _____
_____
_____
_____

JANE KASPUTIN

_____
Jane Kasputin

Address: _____
_____
_____
_____

EXHIBIT G
MAR OPTION AGREEMENT

(See attached.)

PURCHASE OPTION AGREEMENT

This Purchase Option Agreement (this "Agreement") is made and entered into as of_____, 2020 ("Effective Date"), by and among Maryland Alternative Relief, LLC, a Maryland limited liability company (the "Company"), MLH Maryland Operations, LLC, a Delaware limited liability company ("Optionee"), and the member of the Company listed on the signature page hereto (the "Company Member"). Company, Optionee and the Members are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

BACKGROUND

A. Company holds License No. D-19-00007 (the "License"), issued by the Maryland Departmentof Health - Maryland Medical Cannabis Commission (the "MMCC"), to operate a medical cannabis dispensaryat 4007 Norbeck Road, Unit A, Rockville, MD 20853 (the "Dispensary").

B. The Company, the Company Member and Old Line State Consulting Group, LLC ("Old Line") previously entered into that certain Management Services Agreement, dated May 31, 2018 (the "Original Management Agreement"), pursuant to which Old Line agreed to provide certain management services to the Company and the Dispensary.

C. The Company Member owns all of the issued and outstanding membership interests of the Company (the "Company Interests").

D. On or about the date hereof, Optionee and MLH Hampden Real Estate, LLC, a Delaware limited liability company ("RE Buyer" and together with Optionee, the "Buyers"), (ii) Mission Maryland, LLC,a Maryland limited liability company ("Mission Maryland"), Adroit Consulting Group, LLC, a Delaware limited liability company ("Adroit"), Old Line (together with Adroit, the "Sellers" and each, a "Seller"), and
(iv) 4Front Ventures Corp., a corporation amalgamated under the laws of the Province of British Columbia ("Seller Parent" and together with the Sellers and Mission Maryland, the "Seller Parties") are entering into an Asset Purchase Agreement pursuant to which the Buyers will acquire substantially all of the assets of the Sellers (including the rights and obligations of the Company under this Agreement and the Original Management Agreement) (the "Asset Purchase Agreement").

E. In connection with the transactions contemplated by the Asset Purchase Agreement, the Company and the Company Member has granted Optionee an option to purchase all of the Company Interests pursuant to the terms contained herein, exercisable solely in compliance with the Maryland Medical Cannabis Law and the rules and regulations promulgated pursuant thereto that may be amended or modified from time to time (the "Maryland Cannabis Laws").

F. Contemporaneous with the execution of this Agreement, Optionee, the Company and the Company Member are executing that certain Management Services Agreement (the "Management Agreement"), pursuant to which, upon approval of the Management Agreement by the MMCC, the Original Management Agreement will terminate with no further action by any party thereto, and become null and void,and Optionee will operate the Dispensary in accordance with the Management Agreement.

NOW, THEREFORE, in consideration of the continuing performance of the Original Management Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

Section 1. Option to Purchase. The Parties acknowledge and agree that pursuant to the Maryland Cannabis Laws, no change in control of the Company can occur until three (3) years after the Company has become an active user in METRC, which occurred on July 24, 2019 (the "License Holding Period").Accordingly, upon the expiration of the License Holding Period, Optionee shall have the right, but not the obligation, to purchase from the Company Member (or its permitted assigns) one hundred percent (100%) of

the Company Interests in exchange for a cash payment of Ten Dollars ($10) (the "Call Option Right"). To the extent that any changes to the Maryland Cannabis Laws have the effect of lengthening or shortening the License Holding Period, this Agreement shall be deemed to be amended to reflect any applicable changes to the License Holding Period. For the avoidance of doubt, in no event may the Call Option Right be exercised by Optionee(nor shall any change in control of the Company occur) prior to such time as a change in control of the Companyis permitted under the Maryland Cannabis Laws. This Call Option Right supersedes and replaces any option entered into by the Company and/or the Company Member which would have otherwise effectuated a changein control of the Company including, without limitation, pursuant to the Original Management Agreement.

Section 2. Exercise of Option. If Optionee desires to exercise the Call Option Right, it shall deliver notice thereof (the "Call Option Exercise Notice") to the Company Member (or its permitted successors-in-interest). The closing of any sale of Company Interests pursuant to this Section 2 shall take place no later than ninety (90) days following receipt of the Call Option Notice by the Company Member. Optionee shall give the Company Member at least ten (10) days' written notice of the closing date. On the closing date, Optionee shall pay the purchase price in cash or by wire transfer of immediately available funds.

Section 3. Representations and Warranties. The Company Member (or its permitted successor- in-interest) represents and warrants to Optionee that as of the date hereof and at the closing of any purchase of Company Interests pursuant to this Agreement: (i) the Company Member has full right, title and interest in andto the Company Interests held by the Company Member and that such Company Interests constitute 100% of the issued and outstanding membership interests of the Company, (ii) the Company Member has all the necessary power and authority and has taken all necessary action to sell the Company Interests as contemplatedby this Agreement, (iii) the Company Interests are free and clear of any and all mortgages, pledges, security interests, options, rights of first offer, encumbrances or other restrictions or limitations of any nature whatsoever other than those arising as a result of this Agreement or the Company's operating agreement; and (iv) the Company Member has not entered into any other agreement to pledge, transfer, option, hypothecate or otherwise encumber the Company Interests held by the Company Member. To induce the Optionee to enter into this Agreement and the Management Agreement, the Company and the Company Member: (i) hereby make the representations and warranties set forth in Section 4 of the Asset Purchase Agreement with respect tothe Company Interests (except as set forth in the Schedules (as defined in the Asset Purchase Agreement)), to the Optionee and (ii) agree to make such representations and warranties to the Optionee at the closing of any purchase of Company Interests pursuant to this Agreement.

Section 4. Covenants of the Company and Company Members. The Company Member shall takeall actions as may be reasonably necessary to consummate the sale of Company Interests contemplated by this Agreement, including, without limitation, entering into agreements and delivering certificates and instruments and consents as may be deemed necessary or appropriate. The Company and the Company Member hereby agree to cooperate fully in such sale of Company Interests and not to take any action prejudicial to or inconsistent with such sale of Company Interests. In furtherance of the foregoing, the Company Member appoints Optionee (or its designee) as the Company Member's exclusive and irrevocable agent, proxy and attorney-in-fact (and such proxy shall be deemed to be coupled with an interest based on this Agreement), including full power and authority to act on the Company Member's behalf in connection with any of the actions contemplated to be taken, or agreements, certificates, instruments or consents to be executed or delivered, upon Optionee's exercise of the Call Option Right pursuant to this Agreement.

In addition, during the Term, neither the Company nor the Company Member may take any of the following actions without the prior written consent of Optionee:

(i) issue any new equity of the Company, transfer any equity of the Company, admit any new member of the Company, or issue or transfer any instrument convertible into any equity of the Company or exercisable for any equity of the Company;

(ii) advance additional capital contributions to the Company or make any loans or other advancesto the Company (it is understood, however, that the Company Member will have no obligationto advance additional capital contributions to the Company or make any loans or other advances to the Company);

(iii) declare, set aside, or pay any dividend or make any distribution with respect to the equity of the Company or redeem, purchase, or otherwise acquire any of the equity of the Company;

(iv) cause the Company to sell or otherwise transfer any material asset of the Company outside ofthe ordinary course of business;

(v) cause the Company to incur any material indebtedness outside of the ordinary course of business, or encumber or pledge any assets of the Company or any equity interests of the Company;

(vi) appoint, elect or remove any managers or principal officers of the Company or otherwise amend or violate any of the Company's organizational documents;

(vii) change the business or business plan of the Company;

(viii) adopt or amend the annual budget for the Company;

(ix) approve any Sale of the Company (or similar transaction with respect to any subsidiaries of the Company);

(x) acquire, by the purchase of the capital stock, equity securities or assets, or otherwise, any other business, or enter into a joint venture, partnership or network affiliation with any other entity;

(xi) hire or terminate any employee for which the aggregate obligation of the Company (for compensation, bonus, severance and other related benefits) exceeds $75,000 in a calendar year;

(xii) make any consulting, advisory, compensatory or other payments to any affiliate of theCompany, including to any member or its affiliates;

(xiii) make any investments or sales not in the ordinary course of business, or capital expenditures for the Company or its affiliates of greater than $50,000;

(xiv) incur or guarantee any indebtedness, standby letter of credit or similar loan;

(xv) enter into, execute and/or perform (A) any agreement or related agreements reasonablyexpected to create obligations for the Company of greater than $100,000 in the aggregate or (B) any agreement, transaction or other arrangement with an affiliate of the Company, its members or their affiliates;

(xvi) amend or waive any non-competition agreement or obligation of the Company;

(xvii) form or dissolve any subsidiaries of the Company;

(xviii) change accounting firms or the accounting or tax policy of the Company, including any tax elections or file any tax returns;

(xix) amend or waive any provision of the Company's operating agreement; or

(xx) enter into any agreement, contract, commitment or arrangement to take any of the actions set forth above.

For purposes of this Section 4, "Sale of the Company" means (a) any consolidation or merger of the Company with or into any other person, any transfer of membership interests, or any other transaction or series of transactions, in each case as a result of which the Persons holding membership interests (directly or indirectly) immediately prior to such consolidation or merger in the aggregate own, directly or indirectly, less than a majority of the voting power or value of the surviving entity immediately after such consolidation or merger; or (b) a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Company,taken as a whole.

Section 5. Closing Deliveries. At the closing of the sale of the Company Interests pursuant to this Agreement, the Company Member shall deliver to Optionee all documents necessary to effect the transferof the Company Interests to Optionee, including a certificate or certificates representing the Company Intereststo be sold (if such exits), accompanied by unit transfer powers with all necessary transfer taxes paid and stampsaffixed, if necessary.

Section 6. Inadequacy of Monetary Damages. The Company and the Company Member acknowledge that a breach of this Agreement would cause Optionee and its members and affiliates irreparableharm, for which an award of damages would not be adequate compensation and agrees that, in the event of such breach or threatened breach, Optionee and its members and affiliates will be entitled to equitable relief, including a restraining order, injunctive relief, specific performance and any other relief that may be availablefrom any court, in addition to any other remedy to which Optionee or any such member or affiliate may be entitled at law or in equity. Such remedies shall not be deemed to be exclusive but shall be in addition to all other remedies available at law or in equity, subject to any express exclusions or limitations in this Agreementto the contrary.

Section 7. MMCC Approval. Once the License Holding Period expires, each Party agrees to promptly submit this Agreement, and any other collaterals materials that may then be required, to MMCC for review and approval, and that Call Option Right will not become effective until the MMCC approves the changein control of the Company as provided for in this Agreement, as well as any individuals who may be required to become affiliated with the Company. The parties understand that this Agreement may need to be amended from time to time in order to comply with the requirements of the MMCC and/or changes to the Maryland Cannabis Laws, and agree to execute such amendments accordingly. Optionee agrees to comply with all suitability or qualification requirements mandated by the MMCC in connection with the exercise of the Call Option Right and the acquisition of the Company Interests.

Section 8. Notices. All notices, requests, demands, claims and other communications hereunder will be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed dulygiven (a) when delivered personally to the recipient, (b) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid), (c) one (1) business day after being sent to the recipient by electronic mail or (d) four (4) business days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below. Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

If to the Optionee:

MLH Maryland Operations, LLC

_____

_____

_____
Attention:
E-mail:

If to the Company:

Maryland Alternative Relief, LLC

_____
_____
_____
Attention:
E-mail:

If to the Company Member:

At the address set forth under the Company Member's name on the applicable signature page hereto

Section 9. Binding Provisions. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assignees of the respective Parties hereto, except in each case as expressly provided to the contrary in this Agreement.

Section 10. Alternative Dispute Resolution. The Parties shall attempt to resolve any dispute, claimor controversy arising out of or relating to this Agreement by mediation. In the event such dispute cannot be resolved by mediation, either Party may elect to resolve such dispute by arbitration using the rules of the American Arbitration Association with three (3) arbitrators selected in accordance with such rules, the venue for which will be in the State of Maryland. Any such arbitration judgment will be final and binding upon the Parties and may be entered in any state court having jurisdiction thereof.

Section 11. Federal Illegality of Cannabis. The Parties hereby acknowledge that they are aware ofand fully understand that despite the laws of the State of Maryland and the terms and conditions of this Agreement, the possession, manufacture and sale of cannabis remains illegal under federal law. In connectiontherewith, the Parties hereby expressly agree to waive illegality as a defense to any attempt to enforce this Agreement.

Section 12. Governing Law and Jurisdiction. This Agreement shall be governed by and interpretedin accordance with the laws of the State of Maryland. Any action or proceeding seeking to enforce any provisionof or based on any right arising out of or otherwise relating to this Agreement shall be brought by the Parties in the state courts located in Maryland, and each Party, for itself and its equityholders, as applicable, hereby submits to the non-exclusive jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceedings and waives any objection to venue laid therein.

Section 13. Waiver. The failure of a Party to enforce any provision of this Agreement at any time,to exercise any election or option provided herein, or to require at any time the performance of any provisionsherein will not in any way constitute a waiver of such provision.

Section 14. Amendment. This Agreement may only be amended by a written amendment, signed by each Party.

Section 15. Assignment. This Agreement may not be assigned by the Company or the Company Member without Optionee's prior written consent. Optionee may assign this Agreement to any party for any reason without the consent of the Company.

Section 16. Entire Agreement. This Agreement contains all of the terms and conditions agreed upon by the Parties and this Agreement supersedes all other previous option agreements, oral or otherwise, among the parties, including the applicable provisions of the Original Management Agreement.

Section 17. Counterparts. This Agreement may be executed in any number of counterparts (by actual, electronic (.PDF) or facsimile delivery), each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

Section 18. Further Assurances. Each Party will, at the request of any other Party, execute and deliver such further instruments and take such other action reasonably required to consummate the transactions contemplated by this Agreement. Each Party shall use its good faith efforts and shall execute, acknowledge, and deliver, at its sole cost and expense, all further acts, deeds, conveyances, assignments, financing statements, transfers, documents, agreements, assurances, and such other instruments as the MMCC may reasonably require from time to time in connection with the Option granted hereunder as expeditiously as possible.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth hereinabove.

PROVIDER: **MLH MARYLAND OPERATIONS, LLC**

By:_____
Name:_____
Title: _____

COMPANY: **MARYLAND ALTERNATIVE RELIEF, LLC**

By:_____
Name:_____
Title: _____

COMPANY MEMBER: **MARYLAND ALTERNATIVE HOLDINGS,INC.**

By:_____
Name:_____
Title: _____

Address: _____
_____
_____
_____

EXHIBIT H
MISSION MARYLAND OPTION AGREEMENT

(See attached.)

PURCHASE OPTION AGREEMENT

This Purchase Option Agreement (this "Agreement") is made and entered into as of_____, 2020 ("Effective Date"), by and among Mission Maryland, LLC, a Maryland limited liability company (the "Company"), MLH Maryland Operations, LLC, a Delaware limited liability company ("Optionee"), and the member of the Company listed on the signature pages hereto (the "Company Member"). Company, Optionee and the Company Member are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

BACKGROUND

A. Company holds License No. D-19-00014 (the "License"), issued by the Maryland Departmentof Health - Maryland Medical Cannabis Commission (the "MMCC"), to operate a medical cannabis dispensaryat 6328 Baltimore National Pike, Baltimore, MD 21228 (the "Dispensary").

B. The Company Member owns all of the issued and outstanding membership interests of the Company (the "Company Interests").

C. On or about the date hereof, Optionee and MLH Hampden Real Estate, LLC, a Delaware limited liability company ("RE Buyer" and together with Optionee, the "Buyers"), (ii) the Company, (iii) AdroitConsulting Group, LLC, a Delaware limited liability company ("Adroit"), Old Line State Consulting Group, LLC, a Delaware limited liability company ("Old Line" and together with Adroit, the "Sellers" and each, a "Seller"), and (iv) 4Front Ventures Corp., a corporation amalgamated under the laws of the Province of BritishColumbia ("Seller Parent" and together with the Sellers and the Company, the "Seller Parties") are entering into an Asset Purchase Agreement pursuant to which the Buyers will acquire substantially all of the assets of the Sellers (the "Asset Purchase Agreement").

D. In connection with the transactions contemplated by the Asset Purchase Agreement, the Company and the Company Member are granting Optionee an option to purchase all of the Company Interests pursuant to the terms contained herein, exercisable solely in compliance with the Maryland Medical Cannabis Law and the rules and regulations promulgated pursuant thereto that may be amended or modified from time to time (the "Maryland Cannabis Laws").

E. Contemporaneous with the execution of this Agreement, Optionee, the Company and the Company Member are executing that certain Management Services Agreement (the "Management Agreement"), pursuant to which, upon approval of the Management Agreement by the MMCC, Optionee willoperate the Dispensary in accordance with the Management Agreement.

NOW, THEREFORE, in consideration of the execution and delivery of the Management Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

Section 1. Option to Purchase. The Parties acknowledge and agree that pursuant to the Maryland Cannabis Laws, no change in control of the Company can occur until three (3) years after the Company has become an active user in METRC, which occurred on October 7, 2019 (the "License Holding Period"). Accordingly, upon the expiration of the License Holding Period, Optionee shall have the right, but not the obligation, to purchase from the Company Member (or its permitted assigns) one hundred percent (100%) of the Company Interests in exchange for a cash payment of Ten Dollars ($10) (the "Call Option Right"). To theextent that any changes to the Maryland Cannabis Laws have the effect of lengthening or shortening the LicenseHolding Period, this Agreement shall be deemed to be amended to reflect any applicable changes to the LicenseHolding Period. For the avoidance of doubt, in no event may the Call Option Right be exercised by Optionee(nor shall any change in control of the Company occur) prior to such time as a change in control of the Companyis permitted under the Maryland Cannabis Laws. This Call Option Right supersedes and replaces any option

entered into by the Company and/or the Company Member which would have otherwise effectuated a changein control of the Company.

Section 2. Exercise of Option. If Optionee desires to exercise the Call Option Right, it shall deliver notice thereof (the "Call Option Exercise Notice") to the Company Member (or its permitted successors-in-interest). The closing of any sale of Company Interests pursuant to this Section 2 shall take place no later than ninety (90) days following receipt of the Call Option Notice by the Company Member. Optionee shall give the Company Member at least ten (10) days' written notice of the closing date. On the closing date, Optionee shall pay the purchase price in cash or by wire transfer of immediately available funds.

Section 3. Representations and Warranties. The Company Member (or its permitted successor- in-interest) represents and warrants to Optionee that as of the date hereof and at the closing of any purchase of Company Interests pursuant to this Agreement: (i) the Company Member has full right, title and interest in andto the Company Interests held by such Company Member and that such Company Interests constitute 100% ofthe issued and outstanding membership interests of the Company, (ii) the Company Member has all the necessary power and authority and has taken all necessary action to sell the Company Interests as contemplatedby this Agreement, (iii) the Company Interests are free and clear of any and all mortgages, pledges, security interests, options, rights of first offer, encumbrances or other restrictions or limitations of any nature whatsoever other than those arising as a result of this Agreement or the Company's operating agreement; and (iv) the Company Member has not entered into any other agreement to pledge, transfer, option, hypothecate or otherwise encumber the Company Interests held by the Company Member. To induce the Optionee to enter into this Agreement and the Management Agreement, the Company and the Company Member: (i) hereby make the representations and warranties set forth in Section 4 of the Asset Purchase Agreement with respect tothe Company Interests (except as set forth in the Schedules (as defined in the Asset Purchase Agreement)), to the Optionee and (ii) agree to make such representations and warranties to the Optionee at the closing of any purchase of Company Interests pursuant to this Agreement.

Section 4. Covenants of the Company and Company Member. The Company Member shall take all actions as may be reasonably necessary to consummate the sale of Company Interests contemplated by this Agreement, including, without limitation, entering into agreements and delivering certificates and instruments and consents as may be deemed necessary or appropriate. The Company and the Company Member hereby agree to cooperate fully in such sale of Company Interests and not to take any action prejudicial to or inconsistent with such sale of Company Interests. In furtherance of the foregoing, the Company Member appoints Optionee (or its designee) as the Company Member's exclusive and irrevocable agent, proxy and attorney-in-fact (and such proxy shall be deemed to be coupled with an interest based on this Agreement), including full power and authority to act on the Company Member's behalf in connection with any of the actions contemplated to be taken, or agreements, certificates, instruments or consents to be executed or delivered, upon Optionee's exercise of the Call Option Right pursuant to this Agreement.

In addition, during the Term, neither the Company nor the Company Member may take any of the following actions without the prior written consent of Optionee:

(i) issue any new equity of the Company, transfer any equity of the Company, admit any new member of the Company, or issue or transfer any instrument convertible into any equity of the Company or exercisable for any equity of the Company;

(ii) advance additional capital contributions to the Company or make any loans or other advancesto the Company (it is understood, however, that the Company Member will have no obligationto advance additional capital contributions to the Company or make any loans or other advances to the Company);

(iii) declare, set aside, or pay any dividend or make any distribution with respect to the equity of the Company or redeem, purchase, or otherwise acquire any of the equity of the Company;

(iv) cause the Company to sell or otherwise transfer any material asset of the Company outside ofthe ordinary course of business;

(v) cause the Company to incur any material indebtedness outside of the ordinary course of business, or encumber or pledge any assets of the Company or any equity interests of the Company;

(vi) appoint, elect or remove any managers or principal officers of the Company or otherwise amend or violate any of the Company's organizational documents;

(vii) change the business or business plan of the Company;

(viii) adopt or amend the annual budget for the Company;

(ix) approve any Sale of the Company (or similar transaction with respect to any subsidiaries of the Company); provided that the Company Member may engage in a merger, sale of assets or saleof equity transaction, which is deemed to be a Sale of the Company, solely in the event that: (i) except that to the extent such transaction requires approval of the MMCC pursuant to the License, the Company Member will obtain has obtained such approval before consummating such transaction; (ii) no assets of the Company are sold or transferred in connection with such deemed Sale of the Company; and (iii) such deemed Sale of the Company will have no effecton the rights and obligations of the Parties under this Agreement, including without limitationthe ability of Optionee to exercise the Call Option Right;

(x) acquire, by the purchase of the capital stock, equity securities or assets, or otherwise, any other business, or enter into a joint venture, partnership or network affiliation with any other entity;

(xi) hire or terminate any employee for which the aggregate obligation of the Company (for compensation, bonus, severance and other related benefits) exceeds $75,000 in a calendar year;

(xii) make any consulting, advisory, compensatory or other payments to any affiliate of theCompany, including to any member or its affiliates;

(xiii) make any investments or sales not in the ordinary course of business, or capital expenditures for the Company or its affiliates of greater than $50,000;

(xiv) incur or guarantee any indebtedness, standby letter of credit or similar loan;

(xv) enter into, execute and/or perform (A) any agreement or related agreements reasonablyexpected to create obligations for the Company of greater than $100,000 in the aggregate or (B) any agreement, transaction or other arrangement with an affiliate of the Company, its members or their affiliates;

(xvi) amend or waive any non-competition agreement or obligation of the Company;

(xvii) form or dissolve any subsidiaries of the Company;

(xviii) change accounting firms or the accounting or tax policy of the Company, including any tax elections or file any tax returns;

(xix) amend or waive any provision of the Company's operating agreement; or

(xx) enter into any agreement, contract, commitment or arrangement to take any of the actions set forth above.

For purposes of this Section 4, "Sale of the Company" means (a) any consolidation or merger of the Company with or into any other person, any transfer of membership interests, or any other transaction or series of transactions, in each case as a result of which the Persons holding membership interests (directly or indirectly) immediately prior to such consolidation or merger in the aggregate own, directly or indirectly, less than a majority of the voting power or value of the surviving entity immediately after such consolidation or merger; or (b) a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Company,taken as a whole.

Section 5. Closing Deliveries. At the closing of the sale of the Company Interests pursuant to this Agreement, the Company Member shall deliver to Optionee all documents necessary to effect the transferof the Company Interests to Optionee, including a certificate or certificates representing the Company Intereststo be sold (if such exits), accompanied by unit transfer powers with all necessary transfer taxes paid and stampsaffixed, if necessary.

Section 6. Inadequacy of Monetary Damages. The Company and the Company Member acknowledge that a breach of this Agreement would cause Optionee and its members and affiliates irreparableharm, for which an award of damages would not be adequate compensation and agrees that, in the event of such breach or threatened breach, Optionee and its members and affiliates will be entitled to equitable relief, including a restraining order, injunctive relief, specific performance and any other relief that may be availablefrom any court, in addition to any other remedy to which Optionee or any such member or affiliate may be entitled at law or in equity. Such remedies shall not be deemed to be exclusive but shall be in addition to all other remedies available at law or in equity, subject to any express exclusions or limitations in this Agreementto the contrary.

Section 7. MMCC Approval. Once the License Holding Period expires, each Party agrees to promptly submit this Agreement, and any other collaterals materials that may then be required, to MMCC for review and approval, and that Call Option Right will not become effective until the MMCC approves the changein control of the Company as provided for in this Agreement, as well as any individuals who may be required to become affiliated with the Company. The Parties understand that this Agreement may need to be amendedfrom time to time in order to comply with the requirements of the MMCC and/or changes to the Maryland Cannabis Laws, and agree to execute such amendments accordingly. Optionee agrees to comply with all suitability or qualification requirements mandated by the MMCC in connection with the exercise of the Call Option Right and the acquisition of the Company Interests.

Section 8. Notices. All notices, requests, demands, claims and other communications hereunder will be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed dulygiven (a) when delivered personally to the recipient, (b) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid), (c) one (1) business day after being sent to the recipient by electronic mail or (d) four (4) business days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below. Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

If to the Optionee:

MLH Maryland Operations, LLC

Attention:
E-mail:

If to the Company:

Mission Maryland, LLC
5060 N. 40th Street, Suite 120
Phoenix, AZ 85018
Attention: Legal
E-mail: legal@4frontventures.comIf

to the Company Member:

At the address set forth under the Company Member's name on the applicable signature page hereto

Section 9. Binding Provisions. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assignees of the respective Parties hereto, except in each case as expressly provided to the contrary in this Agreement.

Section 10. Alternative Dispute Resolution. The Parties shall attempt to resolve any dispute, claimor controversy arising out of or relating to this Agreement by mediation. In the event such dispute cannot be resolved by mediation, either Party may elect to resolve such dispute by arbitration using the rules of the American Arbitration Association with three (3) arbitrators selected in accordance with such rules, the venue for which will be in the State of Maryland. Any such arbitration judgment will be final and binding upon the Parties and may be entered in any state court having jurisdiction thereof.

Section 11. Federal Illegality of Cannabis. The Parties hereby acknowledge that they are aware ofand fully understand that despite the laws of the State of Maryland and the terms and conditions of this Agreement, the possession, manufacture and sale of cannabis remains illegal under federal law. In connectiontherewith, the Parties hereby expressly agree to waive illegality as a defense to any attempt to enforce this Agreement.

Section 12. Governing Law and Jurisdiction. This Agreement shall be governed by and interpretedin accordance with the laws of the State of Maryland. Any action or proceeding seeking to enforce any provisionof or based on any right arising out of or otherwise relating to this Agreement shall be brought by the Parties in the state courts located in Maryland, and each Party, for itself and its equityholders, as applicable, hereby submits to the non-exclusive jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceedings and waives any objection to venue laid therein.

Section 13. Waiver. The failure of a Party to enforce any provision of this Agreement at any time,to exercise any election or option provided herein, or to require at any time the performance of any provisionsherein will not in any way constitute a waiver of such provision.

Section 14. Amendment. This Agreement may only be amended by a written amendment, signed by each Party.

Section 15. Assignment. This Agreement may not be assigned by the Company or Company Member without Optionee's prior written consent. Optionee may assign this Agreement to any party for any reason without the consent of the Company.

Section 16. Entire Agreement. This Agreement contains all of the terms and conditions agreed upon by the Parties and this Agreement supersedes all other previous option agreements, oral or otherwise, among the parties.

Section 17. Counterparts. This Agreement may be executed in any number of counterparts (by actual, electronic (.PDF) or facsimile delivery), each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

Section 18. Further Assurances. Each Party will, at the request of any other Party, execute and deliver such further instruments and take such other action reasonably required to consummate the transactions contemplated by this Agreement. Each Party shall use its good faith efforts and shall execute, acknowledge, and deliver, at its sole cost and expense, all further acts, conveyances, assignments, transfers, documents, agreements, assurances, and such other instruments as the Parties may reasonably require from time to time inconnection with the Option granted hereunder as expeditiously as possible.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth hereinabove.

PROVIDER: **MLH MARYLAND OPERATIONS, LLC**

By:_____
Name:_____
Title: _____

COMPANY: **MISSION MARYLAND, LLC**

By:_____
Name:_____
Title: _____

COMPANY MEMBER: **MISSION PARTNERS USA, LLC**

By:_____
Name:_____
Title: _____

Address: _____
_____
_____
_____

Exhibit 10.23

AMENDED AND RESTATED PROMISSORY NOTE

$45,000,000 December 17, 2020

FOR VALUE RECEIVED, **LINCHPIN INVESTORS, LLC**, a Delaware limited liability company, **401 EAST MAIN STREET LLC**, a Delaware limited liability company, **IL GROWN MEDICINE LLC**, an Illinois limited liability company, **8554 S. COMMERCIAL AVE, LLC**, a Delaware limited liability company, **883 HYDE PARK AVE, LLC**, a Delaware limited liability company, **HEALTHY PHARMS, INC.**, a Massachusetts corporation, and **4FRONT CALIFORNIA CAPITOL HOLDINGS**, a California corporation (each a "Borrower" and referred to collectively as the "Borrowers")hereby promise to pay to the order of **LI LENDING, LLC**, a Delaware limited liability company (together with any and all of its successors and assigns and/or any other holder of this Note, "Lender"), without offset, in immediately available funds in lawful money of the United States of America, at 13037 NE Bel-Red, Suite 150, Bellevue, WA 98005, or at such other place as the holder of this Note may from time to time designate in writing, the principal sum of Forty-Five Million and No/100 Dollars ($45,000,000) ("Loan Amount") (or the unpaid balance of all principal advanced against this Note, if that amount is less), together with interest on the total principal amount of this Amended and Restated Promissory Note ("Note") as hereinafter provided. This Note is issued pursuant to the Amended and Restated Loan and Security Agreement between Lender and Borrowers of even date herewith ("Loan Agreement"). The proceeds of the loan evidenced by this Note shall be disbursed on the terms and conditions set out in the Loan Agreement. Capitalized terms used but not defined herein are defined in the Loan Agreement.

Incorporation by Reference; Definitions.

This Note amends, restates, supersedes and replaces (but in no event shall constitute a novation of) that certain Promissory Note dated May 10, 2019 made by the Borrower to the Lender in the original principal amount of FIFTY MILLION DOLLARS ($50,000,000) as modified and amended on April 30, 2020 (collectively the "Original Note"). This Note, among other things, increases the interest rate charged on amounts advanced under the Loan, including both the Additional Funded Amount (as defined below) and all other amounts advanced under the Loan, by two and one-half percent (2.5%)(the "Rate Increase"), all as more specifically set forth in Section 2 below, effective as of the date of this Note.

Section 1. Payment Schedule and Maturity Date. Interest shall accrue on the outstanding Loan Amount from the date hereof. All interest only payments shall be due and payable monthly, in arrears, on the first day of each month commencing January 1, 2021. Notwithstanding the imposition of the Rate Increase effective as of the date of this Note, Lender agrees that Borrower may temporarily defer payment of the Rate Increase and may continue to pay interest at the interest rates currently in effect under the terms of the Original Note until January 1, 2022 (with the total amount of the deferred interest described in the preceding sentence hereinafter referred to as "Deferred Interest"). Beginning on January 1, 2022, any and all Deferred Interest shall be due and payable in equal monthly payments amortized over the remaining term of the Loan. . The entire principal balance of this Note then unpaid, together with all accrued and unpaid interest and all other amounts payable hereunder and under the other Loan Documents (as hereinafter defined), shall be due and payable in full on May 10, 2024 (the "Maturity Date") subject to any earlier acceleration due to an Event of Default.

Section 2. Interest Rate. Borrower shall pay interest on the last Ten Million and 00/100 Dollars advanced to Borrower ("Additional Funded Amount") hereunder at an interest rate equal to fourteen and three quarters percent (14.75%) per annum ("Additional Interest Rate"). Upon repayment of the Additional

Funded Amount in full (excluding the Additional Payments), the Borrower shall no longer pay interest at the Additional Interest Rate. Borrower shall pay interest on any and all amounts advanced hereunder (excluding the Additional Funded Amount) at an interest rate equal to twelve and three quarters percent (12.75%) per annum ("Interest Rate"). All interest shall be computed for the actual number of days which have elapsed, on the basis of a 360-day year.

Section 3. Security; Loan Documents. The Obligations under this Note are secured pursuant to the Loan Agreement and one or more Security Instruments . This Note the Security Instruments, the Loan Agreement and all other documents now or hereafter securing, guaranteeing or executed in connection with the loan evidenced by this Note (the "Loan"), as the same may from time to time be amended, restated, modified or supplemented, are herein sometimes called individually a "Loan Document" and together the "Loan Documents."

Section 4. Exit Fee. In addition to all other amounts due and payable under this Note and the other Loan Documents, the Borrowers shall pay Lender an exit fee ("Exit Fee") in the amount of Twenty Percent (20%) of the Loan Amount advanced (which is Nine Million No/100 Dollars ($9,000,000), if the full Loan Amount is advanced) due on or before the Maturity Date. Notwithstanding the foregoing, in the event of any prepayment of the Loan by Borrower as provided in Section 5 below, the Exit Fee shall be paid on a prorated sixty (60) month basis, calculated as follows: the month of payment shall be divided by sixty (60), the sum shall be multiplied by twenty percent (20%), with the resulting percentage multiplied by the amount paid by Borrower to Lender. The portion of the Exit Fee attributable to the Two Million and 00/100 dollar ($2,000,000.00) in principal payments paid by Borrower to Lender as of the Effective Date ("Additional Payments") shall be prorated over a sixty (60) month period and payable for a sixteen (16) month period such that the Exit Fee attributable to the Additional Payments shall equal One Hundred Six Thousand Six Hundred Sixty Six and 67/100 Dollars ($106,666.67), which sum was determined by using the formula set forth in the proceeding sentence.

Section 5. Prepayment. Borrowers may prepay the principal balance of this Note, in full or in part, at any time, provided that: (a) Lender shall have actually received from Borrowers prior written notice of (i) Borrowers' intent to prepay, and (ii) the date on which the prepayment will be made; and (b) each prepayment shall include accrued unpaid interest thereon to the date of prepayment, plus any other sums which have become due to Lender under the Loan Documents, including but not limited to the Exit Fee calculated on a prorated sixty (60) month basis as set forth in Section 4. Except as expressly provided in Section 4, upon a partial prepayment of the principal balance of this Note, the portion of the Exit Fee due with such partial prepayment shall be based on the amount of principal prepaid.

Section 6. Late Charges. If Borrowers shall fail to make any payment under the terms of this Note (other than the payment due at maturity) within fifteen (15) days after the date such payment is due, Borrowers shall pay to Lender on demand a late charge equal to five percent (5%) of the amount of such payment. Such fifteen (15) day period shall not be construed as in any way extending the due date of any payment. The "late charge" is imposed for the purpose of defraying the expenses of Lender incident to handling such delinquent payment. This charge shall be in addition to, and not in lieu of, any other remedy Lender may have and is in addition to any fees and charges of any agents or attorneys which Lender may employ upon the occurrence of an Event of Default, whether authorized herein or by Law.

Section 7. Default Rate. After the occurrence of an Event of Default (which continues beyond the expiration of any applicable notice and/or cure period), Lender, in Lender's sole discretion and without notice or demand, may raise the rate of interest accruing on the outstanding principal balance of this Note

by ten percent (10%) above the rate of interest otherwise applicable (the "Default Rate"), independent of whether Lender elects to accelerate the outstanding principal balance of this Note.

Section 10. Certain Provisions Regarding Payments. All payments made under this Note shall be applied, to the extent thereof, to late charges, to accrued but unpaid interest (including interest at the Default Rate), to unpaid principal, and to any other sums due and unpaid to Lender under the Loan Documents, in such manner and order as Lender may elect in its sole discretion, any instructions from any Borrower or anyone else to the contrary notwithstanding. Remittances shall be made without offset, demand, counterclaim, deduction, or recoupment (each of which is hereby waived) and shall be accepted subject to the condition that any check or draft may be handled for collection in accordance with the practice of the collecting bank or banks. Acceptance by Lender of any payment in an amount less than the amount then due on any indebtedness shall be deemed an acceptance on account only, notwithstanding any notation on or accompanying such partial payment to the contrary, and shall not in any way (a) waive or excuse the existence of an Event of Default (as hereinafter defined), (b) waive, impair or extinguish any right or remedy available to Lender hereunder or under the other Loan Documents, or (c) waive the requirement of punctual payment and performance or constitute a novation in any respect. Whenever any payment under this Note or any other Loan Document falls due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day.

Section 11. Reserved. Section 12. Events of Default. The occurrence of any one or more of the following shall constitute an "Event of Default" under this Note:

(a) Any Borrower fails to pay within fifteen (15) days after the date when and as due any amounts payable by Borrowers to Lender under the terms of this Note; provided, however, the foregoing fifteen (15) day grace period shall not apply to amounts due at maturity.

(b) Any covenant, agreement or condition in this Note is not fully and timely performed, observed or kept, subject to any applicable grace or cure period (other than those expressly described in other subsections of this Section 12), and such failure continues uncured for a period of thirty (30) days after notice from Lender to such Borrower, unless (a) such failure, by its nature, is not capable of being cured within such period, and (b) within such period, such Borrower commences to cure such failure and thereafter diligently prosecutes the cure thereof, and (c) such Borrower causes such failure to be cured no later than ninety (90) days after the date of such notice from Lender.

(c) An Event of Default (as defined or otherwise described therein) occurs under any of the Loan Documents other than this Note (subject to any applicable grace or cure period).

Section 13. Remedies. Upon the occurrence of an Event of Default that continues beyond expiration of any applicable notice and/cure period, Lender may at any time thereafter exercise any one or more of the following rights, powers and remedies:

(a) Lender may accelerate the maturity of the Loan and declare the unpaid principal balance and accrued but unpaid interest on this Note, and all other amounts payable hereunder (including but not limited to the Exit Fee) and under the other Loan Documents, at once due and payable, and upon such declaration the same shall at once be due and payable.

(b) Lender may set off the amount owed by Borrowers to Lender, whether or not matured and regardless of the adequacy of any other collateral securing this Note, against any and all accounts, credits,

money, securities or other property now or hereafter on deposit with, held by or in the possession of Lender to the credit or for the account of Borrowers, without notice to or the consent of Borrowers.

(c) Lender may foreclose or otherwise realize upon any liens or security interests securing payment hereof.

(d) Lender may exercise any of its other rights, powers and remedies under the Loan Documents or at law or in equity.

Without limitation of the foregoing, upon the occurrence of an actual or deemed entry of an order for relief with respect to any Borrower under the Bankruptcy Code (Title 11 of the United States Code, as in effect from time to time), any obligation of Lender to make Advances shall automatically terminate, and the unpaid principal amount of the Loan outstanding and all interest and other amounts payable hereunder and under the other Loan Documents shall automatically become due and payable, in each case without further act of Lender.

Section 14. Remedies Cumulative. All of the rights and remedies of Lender under this Note and the other Loan Documents are cumulative of each other and of any and all other rights at law or in equity, and the exercise by Lender of any one or more of such rights and remedies shall not preclude the simultaneous or later exercise by Lender of any or all such other rights and remedies. No single or partial exercise of any right or remedy shall exhaust it or preclude any other or further exercise thereof, and every right and remedy may be exercised at any time and from time to time. No failure by Lender to exercise, nor delay in exercising, any right or remedy, including but not limited to the right to accelerate the maturity of this Note, shall operate as a waiver of such right or remedy or as a waiver of any Event of Default. Without limiting the generality of the foregoing provisions, the acceptance by Lender from time to time of any payment under this Note which is past due or which is less than the payment in full of all amounts due and payable at the time of such payment, shall not (i) constitute a waiver of or impair or extinguish the right of Lender to accelerate the maturity of this Note or to exercise any other right or remedy under this Note and/or any other Loan Document at the time or at any subsequent time, or nullify any prior exercise of any such right or remedy, or (ii) constitute a waiver of the requirement of punctual payment and performance or a novation in any respect.

Section 15. Costs and Expenses of Enforcement. Borrowers agree to pay to Lender on demand all costs and expenses incurred by Lender in seeking to collect this Note or to enforce any of Lender's rights and remedies under the Loan Documents, including court costs and reasonable attorneys' fees and expenses, whether or not suit is filed hereon, or whether in connection with bankruptcy, insolvency or appeal.

Section 16. Service of Process.

(a) Borrowers hereby irrevocably designates and appoints Snell & Wilmer L.L.P., one Arizona Center, 400 E. Van Buren Street, Suite 1900, Phoenix, Arizona 85004, Attn: Jeffrey A. Scudder, as each Borrower's authorized agent to accept and acknowledge on each Borrower's behalf service of any and all process that may be served in any suit, action, or proceeding instituted in connection with this Note in any state or federal court sitting in the State of Washington. If such agent shall cease so to act, Borrowers shall irrevocably designate and appoint without delay another such agent in the State of Washington satisfactory to Lender and shall promptly deliver to Lender evidence in writing of such agent's acceptance of such appointment and its agreement that such appointment shall be irrevocable.

(b) Borrowers hereby consent to process being served in any suit, action, or proceeding instituted in connection with this Note by (a) the mailing of a copy thereof by certified mail, postage prepaid, return receipt requested, to Borrowers and (b) serving a copy thereof upon the agent hereinabove designated and appointed by Borrowers as each Borrower's agent for service of process. Borrowers irrevocably agree that such service shall be deemed to be service of process upon Borrowers in any such suit, action, or proceeding. Nothing in this Note shall affect the right of Lender to serve process in any manner otherwise permitted by law and nothing in this Note will limit the right of Lender otherwise to bring proceedings against the Borrowers or any Borrower in the courts of any jurisdiction or jurisdictions where Property is located.

Section 17. Heirs, Successors and Assigns. The terms of this Note and of the other Loan Documents shall bind and inure to the benefit of the heirs, devisees, representatives, successors and assigns of the parties. The foregoing sentence shall not be construed to permit Borrowers to assign the Loan except as otherwise permitted under the Loan Documents.

Section 18. General Provisions. Time is of the essence with respect to Borrowers' obligations under this Note. The Borrowers shall be jointly and severally liable for payment of the indebtedness evidenced hereby. Borrowers and each party executing this Note as a Borrower hereby severally (a) waive demand, presentment for payment, notice of dishonor and of nonpayment, protest, notice of protest, notice of intent to accelerate, notice of acceleration and all other notices (except any notices which are specifically required by this Note or any other Loan Document), filing of suit and diligence in collecting this Note or enforcing any of the security herefor; (b) agree to any substitution, subordination, exchange or release of any such security or the release of any party primarily or secondarily liable hereon; (c) agree that Lender shall not be required first to institute suit or exhaust its remedies hereon against any Borrower or others liable or to become liable hereon or to perfect or enforce its rights against them or any security herefor; (d) consent to any extensions or postponements of time of payment of this Note for any period or periods of time and to any partial payments, before or after maturity, and to any other indulgences with respect hereto, without notice thereof to any of them; and (e) waive the benefit of all homestead and similar exemptions as to this Note; (f) agree that their liability under this Note shall not be affected or impaired by any determination that any title, security interest or lien taken by Lender to secure this Note is invalid or unperfected; and (g) hereby subordinate to the Loan and the Loan Documents any and all rights against any Borrower and any security for the payment of this Note, whether by subrogation, agreement or otherwise, until this Note is paid in full. A determination that any provision of this Note is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Note to any Person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other Persons or circumstances. This Note may not be amended except in a writing specifically intended for such purpose and executed by the party against whom enforcement of the amendment is sought. An electronic transmission of this Note bearing any person's signature or an electronic signature shall have the same force and effect as the original of this Agreement bearing such person's signature or an original signature, as applicable. Captions and headings in this Note are for convenience only and shall be disregarded in construing it. This Note and its validity, enforcement and interpretation shall be governed by the Laws of the State of Washington (without regard to any principles of conflicts of laws). Whenever a time of day is referred to herein, unless otherwise specified such time shall be the local time of the place where payment of this Note is to be made. The term "Business Day" shall mean a day on which Lender is open for the conduct of substantially all of its banking business at its office in the city in which this Note is payable (excluding Saturdays and Sundays). Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Loan Agreement. The words "include" and "including" shall be interpreted as if followed by the words "without limitation."

Section 19. Notices. Any notice, request, or demand to or upon Borrowers or Lender shall be deemed to have been properly given or made when delivered in accordance with the terms of the Loan Agreement regarding notices.

Section 20. No Usury. It is expressly stipulated and agreed to be the intent of Borrowers and Lender at all times to comply with applicable state Law or applicable United States federal Law (to the extent that it permits Lender to contract for, charge, take, reserve, or receive a greater amount of interest than under state Law) and that this Section shall control every other covenant and agreement in this Note and the other Loan Documents. If applicable state or federal Law should at any time be judicially interpreted so as to render usurious any amount called for under this Note or under any of the other Loan Documents, or contracted for, charged, taken, reserved, or received with respect to the Loan, or if Lender's exercise of the option to accelerate the maturity of the Loan, or if any prepayment by Borrowers results in Borrowers having paid any interest in excess of that permitted by applicable Law, then it is Lender's express intent that all excess amounts theretofore collected by Lender shall be credited on the principal balance of this Note and all other indebtedness secured by the Security Instruments, and the provisions of this Note and the other Loan Documents shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new documents, so as to comply with the applicable Law, but so as to permit the recovery of the fullest amount otherwise called for hereunder or thereunder. All sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the Loan shall, to the extent permitted by applicable Law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan until payment in full so that the rate or amount of interest on account of the Loan does not exceed the maximum lawful rate from time to time in effect and applicable to the Loan for so long as the Loan is outstanding.

Section 21. **WAIVER OF JURY TRIAL**. AS FURTHER PROVIDED IN THE LOAN AGREEMENT, EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING OR ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS NOTE, THE LOAN AGREEMENT, THE SECURITY INSTRUMENTS, OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

EACH PARTY HERETO HEREBY: (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT, OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER; (b) ACKNOWLEDGES THAT THIS WAIVER AND THE PROVISIONS OF THIS SECTION WERE A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THE LOAN DOCUMENTS; (c) CERTIFIES THAT THIS WAIVER IS KNOWINGLY, WILLINGLY, AND VOLUNTARILY MADE; (d) AGREES AND UNDERSTANDS THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH PROCEEDING OR ACTION, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS NOTE, AND FURTHER AGREES THAT SUCH PARTY SHALL NOT SEEK TO CONSOLIDATE ANY SUCH PROCEEDING OR ACTION WITH ANY OTHER PROCEEDING OR ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED; (e) AGREES THAT BORROWERS AND LENDER ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING OR ACTION AS CONCLUSIVE EVIDENCE OF THIS WAIVER OF JURY TRIAL; AND (f) REPRESENTS AND WARRANTS THAT SUCH PARTY HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT

LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

THE LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

WASHINGTON NOTICE: ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

[SIGNATURE PAGE FOLLOWS]

Signature Page to Amended and Restated Promissory Note]

BORROWERS:

LINCHPIN INVESTORS, LLC,
a Delaware limited liability company

By: 4Front Holdings, LLC, a Delaware limited Liability company, its sole member

_____
Name:
Title: Manager

401 EAST MAIN STREET LLC, a Delaware limited liability company

By:_____
Name:
Title: Manager

IL GROWN MEDICINE LLC , an Illinois limited liability company

By:_____
Name:
Title: Manager

8554 S. COMMERCIAL AVE, LLC, a Delaware limited liability company

By:_____
Name:
Title: Manager

LENDER:
LI LENDING, LLC,
a Delaware limited liability company

as Lender

By:
Name:
Title: Manager

[Signature Page to Amended and Restated Promissory Note]

BORROWERS:

LINCHPIN INVESTORS, LLC
a Delaware limited liability company
By: 4Front Holdings LLC, a Delaware limited liability company, its sole member
By: 4Front U.S. Holdings, Inc., a Delaware Corporation, its sole member

/s/ Nicolle Dorsey
Name: Nicolle Dorsey
Title: CFO

401 EAST MAIN STREET LLC, a Delaware limited liability company
By: Linchpin Investors, LLC,
a Delaware limited liability company
By: 4Front Holdings LLC, a Delaware limited liability company, its sole member
By: 4Front U.S. Holdings, Inc., a Delaware Corporation, its sole member

/s/ Nicolle Dorsey
Name: Nicolle Dorsey
Title: CFO

IL GROWN MEDICINE LLC, an Illinois limited liability company

By: /s/ Joshua N. Rosen
Name: Joshua N. Rosen,
Title: President

LENDER:

LI LENDING, LLC,
a Delaware limited liability company
as Lender

By:
Name:
Title:

[Signature Page to Amended and Restated Promissory Note]

4FRONT CALIFORNIA CAPITAL HOLDINGS, INC., a California corporation F/K/A Cannex Holdings (California) Inc.

By: /s/ Nicolle Dorsey
Name: Nicolle Dorsey
Title: Authorized Signor

HEALTHY PHARMS, INC., a Massachusetts corporation

By: /s/ Nicolle Dorsey
Name: Nicolle Dorsey
Title: Authorized Signor

[Signature Page to Amended and Restated Promissory Note]

8554 S. COMMERCIAL AVE, LLC, a Delaware
limited liability company
By: Linchpin Investors, LLC, a Delaware limited liability company
By: 4Front Holdings LLC, a Delaware limited liability company, its sole member
By: 4Front U.S. Holdings, Inc., a Delaware Corporation, its sole member

/s/ Nicolle Dorsey
Name: Nicolle Dorsey
Title: CFO

883 HYDE PARK AVE, LLC, a Delaware
limited liability company
By: Linchpin Investors, LLC, a Delaware limited liability company
By: 4Front Holdings LLC, a Delaware limited liability company, its sole member
By: 4Front U.S. Holdings, Inc., a Delaware Corporation, its sole member

/s/ Nicolle Dorsey
Name: Nicolle Dorsey
Title: CFO

Exhibit 10.24

TERMINATION AGREEMENT

This Termination Agreement (the "***Termination Agreement***"), dated as of August 11, 2020 (the "***Effective Date***"), is by and among Premium Medicine of Maryland, LLC, a Maryland limited liability company ("***Premium***"), Silver Spring Consulting Group, LLC, a Delaware limited liability company ("***SSCG***"), Eric Steenstra, an individual resident in the State of Maryland ("***Mr. Steenstra***"), Dawn Steenstra, an individual resident in the State of Maryland ("***Ms. Steenstra***"), 4Front Advisors, LLC, an Arizona limited liability company ("***4Front Advisors***"), 4Front PM InvestCo, LLC, a Maryland limited liability company ("***4Front InvestCo***"), 4Front Ventures Corp., a corporation amalgamated under the laws of the Province of British Columbia ("***4Front***"), and Bayside Partners, LLC, a Maryland limited liability company ("***Bayside***"). Each of Premium, SSCG, Mr. Steenstra, Ms. Steenstra, 4Front Advisors, 4Front InvestCo and Bayside is referred to herein as a "***Party***" and collectively as the "***Parties***".

WHEREAS, Premium is the holder of a license (the "***License***") to operate a medical cannabis dispensary (the "***Dispensary***") in the State of Maryland, granted by the Maryland Medical Cannabis Commission (the "***MMCC***");

WHEREAS, in connection with its operations, Premium has entered into that certain (i) Management Services Agreement, dated October 20, 2017, by and between Premium, SSCG, and Mr. and Ms. Steenstra relating to the provision of certain management services by SSCG to Premium (the "***MSA***"), and (ii) Advisory Services Agreement, October 20, 2017, by and between Premium and 4Front Advisors relating to the license by 4Front Advisors to Premium of certain of 4Front Advisor's proprietary information and the provision by 4Front Advisors to Premium of certain advisory services (the "***Advisory Agreement***" and together with the MSA, the "***Agreements***")'

WHEREAS, in connection with the MSA, 4Front InvestCo and Bayside formed SSCG and adopted that certain Limited Liability Company Agreement, dated October 20, 2017 (the "***SSCG Agreement***");

WHEREAS, in connection with the initial capitalization of SSCG, 4Front InvestCo contributed funds to SSCG, which used all of such contributions to make intercompany loans to Premium evidenced by that certain Promissory Note, dated October 20, 2017, in the principal amount of $1,050,000.00, to fund the redemption by Premium of the Premium membership units owned by Premium Medicine USA (the "***Redemption Note***");

WHEREAS, since Premium's operating costs have exceeded its revenues, SSCG has been loaning Premium funds on a regular basis pursuant to that certain Amended and Restated Secured Demand Note, dated June 30, 2020, in the principal amount of $1,399,323.95 (the "***Demand Note***" and, together with the Redemption Note, the "***Notes***");

WHEREAS, the 4Front Parties have made loans to SSCG in amounts equal to the balance reflected by the Notes;

WHEREAS, Premium's performance under the Demand Note is secured by a lien on all of Premium's collateral pursuant to that certain Security Agreement, dated October 20, 2017, by and between Premium in favor of SSCG, as secured party (the "***Security Agreement***");

WHEREAS, as further security for the Demand Note, Mr. Steenstra and Ms. Steenstra pledged their units representing membership interests in Premium (the "***Units***") pursuant to that certain Pledge Agreement, dated October 20, 2017, in favor of SSCG (the "***Pledge Agreement***" and together with the Notes and Security Agreement, the "***Loan Documents***");

WHEREAS, 4Front, the common parent of 4Front Advisors and 4Front InvestCo (collectively, 4Front, 4Front Advisors and 4Front InvestCo, are referred to as the "***4Front Parties***"), expressed a desire to exit operations in the State of Maryland;

WHEREAS, in connection with such desired exit, Premium will enter into a new management services agreement, substantially in the form of the attached Exhibit A (the "***New MSA***") with a new management company (the "***ManagerCo***");

WHEREAS, Premium and SSCG have agreed that Premium will repay $1,200,000.00 (the "***Notes Repayment Amount***") in full satisfaction of the Notes;

WHEREAS, under the regulations applicable to the License, the entry by Premium into the New MSA is subject to the prior written approval by the MMCC (the "***MMCC Consent***"); and

WHEREAS, the Parties hereto desire to terminate all of the Agreements (as defined herein) and to cause the Notes to be repaid as provided herein, to be effective upon receipt of the MMCC Consent to the New MSA, on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Definitions**. The following capitalized terms shall have the meanings ascribed herein:

"***Business***" means the assets, liabilities and business operations of Premium.

"***Claims***" means, collectively, any and all actions, causes of action, suits, Losses, liabilities, rights, debts, dues, sums of money, accounts, reckonings, obligations, costs, expenses, liens, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands, of every kind and nature whatsoever, whether now known or unknown, foreseen or unforeseen, matured or unmatured, suspected or unsuspected, in law, admiralty, or equity.

"***Escrow Agent***" means Offit Kurman, P.A.

"***Improvements***" means the improvements upon the Premises.

"***Knowledge***" means the actual knowledge of Joe Feltham, Karl Chowscano, Jake Wooten, and Mark Passerini, after reasonable inquiry, and the knowledge each such individual would have acquired after reasonable inquiry of the subject matter being represented.

"***Liability***" means any liability or obligation of the Business of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements relating to the Business.

"***Losses***" means, collectively, losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees, fees and costs of enforcing any right to indemnification under this Termination Agreement, and the cost of pursuing any insurance providers.

"***Notices***" means all notices, requests, consents, claims, demands, waivers, summons, and other legal process, and other similar types of communications under this Termination Agreement.

"***Premises***" means the premises leased by Premium and located at 2355 Georgia Ave, Silver Spring, MD 20906.

"***Premium Parties***" means collectively Premium, Mr. Steenstra, and Ms. Steenstra.

"***Resignation***" means the resignation of Kris Krane (or his replacement non-member manager designee by SSCG) in the form attached hereto as Exhibit B.

"***Satisfaction and Release***" means the full release of the Loan Documents by SSCG in the form attached hereto as Exhibit C.

"***SSCG Agreement***" means that certain Limited Liability Company Agreement of SSCG, dated October 20, 2017, by and among 4Front InvestCo, Bayside, and the managers of SSCG.

"***Taxes***" means all federal, state, local, foreign, and other income, gross receipts, sales, use, production, ad valorem, transfer, documentary, franchise, registration, profits, license, withholding, payroll, employment, unemployment, excise, severance, stamp, occupation, premium, property (real or personal), customs, duties, or other taxes, fees, assessments, or charges of any kind whatsoever, together with any interest, additions, or penalties with respect thereto.

"***Termination Date***" means the date that is two business days after Premium's receipt of the MMCC Consent.

"***Working Capital***" means the sum of Premium's current assets consisting of (i) the wholesale value of all inventory on hand; (ii) accounts receivable; (iii) expenses prepaid by SSCG on behalf of Premium pursuant to the MSA; and (iv) all cash, wherever located, on the Termination Date; *minus* Premium's current Liabilities consisting of (1) accounts payable; (2) accrued expenses, and (3) accrued income taxes (but excluding any Liabilities owed under the Notes).

2. **Termination of the Agreements**.

(a) ***Termination***. Subject to the terms and conditions of this Termination Agreement, the Agreements are hereby terminated as of 11:59 p.m. on the Termination Date. From and after the Termination Date, the Agreements will be of no further force or

effect, and the rights and obligations of each of the Parties thereunder shall terminate, except (a) for the rights and obligations under this Termination Agreement, (b) with respect to the MSA, the rights and obligations of the Parties under Sections 2, 3(c), 7, 8(a), 8(g) and 8(h), and (c) with respect to the Advisory Agreement, the rights and obligations of the Parties under Sections 2, 3, 7, 8(a), 8(g) and 8(h), shall survive pursuant to their respective terms; *provided, however*, that to the extent that any such rights and obligations surviving the termination of the MSA or Advisory Agreement conflict with the terms or conditions of this Termination Agreement, then the terms of this Termination Agreement shall control.

(b) ***Use of "Mission" Name***. On the Termination Date, Premium shall cease all use of the "Mission" name in connection with the Business and SSCG shall remove all signage with the "Mission" name from the Premises, and leave the Premises in such condition as is required under the lease agreement relating to the Premises.

(c) ***Resignation of Manager***. Contemporaneously with the execution and delivery of this Termination Agreement by the Parties, the 4Front Parties shall cause Kris Krane to deliver to the Escrow Agent the executed, but undated, Resignation. The Escrow Agent shall release the Resignation to Premium on the Termination Date.

3. **Working Capital**. The Parties agree that the Working Capital of Premium should be $0.00. Within ten (10) days of the Termination Date, 4Front InvestCo shall prepare a statement setting forth its calculation of the Working Capital as of the Termination Date (the "***Working Capital Statement***"), calculated consistent with past practices. During the ten (10) days following Premium's receipt of the Working Capital Statement, Premium shall have access to 4Front InvestCo's working papers relating to the Working Capital Statement. The Working Capital Statement will become final on the 10th day following delivery thereof, unless Premium gives written notice to 4Front InvestCo of its disagreement specifying in reasonable detail the nature of any disagreement. If Premium provides such notice of disagreement, the Parties will work together in good faith to resolve their differences. Once the Parties resolve their differences, the Working Capital Statement (as adjusted if applicable) will become final and binding on the Parties. If the Working Capital exceeds $0.00, Premium will pay such excess to 4Front InvestCo within three business days of the Working Capital Statement becoming final. If the Working Capital is less than $0.00, 4Front InvestCo will pay such deficiency to Premium within three business days of the Working Capital Statement becoming final. For the avoidance of doubt, (i) until the Termination Date, the Parties will continue to operate Premium's business as they have before the Effective Date, with all of the same authority and economic and other rights as existed before the Effective Date, and (ii) after the Termination Date, SSCG shall have no authority with respect to any bank accounts in the name of Premium, nor with respect to any funds maintained in such accounts.

4. **SSCG Redemption of Bayside**. Effective as of the 12:01 a.m. on the Termination Date, SSCG will redeem, and Bayside will transfer, assign, and sell, all of Bayside's membership interests in SSCG for an aggregate redemption price of $1.00. Upon consummation of the redemption of Bayside's membership interests in SSCG, Bayside will no longer be a member of SSCG and will not be entitled to any rights (a) with respect to the Notes Repayment Amount, or (b) under the SSCG Agreement, except for any rights to distributions for Taxes with respect to any income allocated to Bayside for its period of ownership of SSCG.

5. **Repayment of the Notes; Termination of Loan Documents**. Contemporaneously with the execution and delivery of this Termination Agreement by the Parties, (a) Premium will pay, or will cause to be paid, to the Escrow Agent, the Notes Repayment Amount in full satisfaction and release by SSCG of the Notes, and (b) SSCG will deliver to the Escrow Agent the fully executed, but undated, Satisfaction and Release. On the Termination Date and subsequent to SSCG's redemption of Bayside, the Escrow Agent will release (i) the Notes Repayment Amount to SSCG and (ii) the Satisfaction and Release to Premium. The Parties acknowledge and agree that the Demand Note will continue to increase in its principal amount and accrued but unpaid interest thereon from the Effective Date though the Termination Date, and that SSCG will not be entitled to any additional sums in addition to the Notes Repayment Amount for the repayment in full of the Demand Note or the any of the other Notes.

6. **Representations and Warranties of the Parties**. Each Party, severally and not jointly, represents to each other Party as of the date hereof and at and as of the Termination Date as follows:

(a) ***Organization***. With respect to each Party that is an entity, such Party is (a) a corporation or limited liability company, duly organized, validly existing, and in good standing under the laws of the state or province of its incorporation or organization; and (b) duly qualified to do business and is in good standing in every jurisdiction in which such qualification is required for purposes of this Termination Agreement, except where the failure to be so qualified, in the aggregate, would not reasonably be expected to adversely affect its ability to perform its obligations under this Termination Agreement.

(b) ***Authority***. With respect to each Party that is an entity, such Party has the full right, corporate or limited liability power, and authority to enter into this Termination Agreement and to perform its obligations hereunder. With respect to each Party who is an individual, such Party has the full capacity, power, and authority to enter into this Termination Agreement and to perform his or her obligations hereunder.

(c) ***Enforceability***. This Termination Agreement and each document and instrument to be delivered hereunder has been duly executed and delivered by such Party, and (assuming due authorization, execution, and delivery by each other Party), this Termination Agreement and the documents and instruments to be delivered hereunder constitute the legal, valid, and binding obligations of the Party, enforceable against such Party in accordance with their respective terms, except as may be limited by any bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other similar laws affecting the enforcement of creditors' rights generally or by general principals of equity.

(d) ***No Conflicts; Consents***. The execution, delivery, and performance by the Party of this Termination Agreement and the documents and instruments to be delivered hereunder, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (i) violate or conflict with any judgement, order, decree, statute, law, ordinance, rule, or regulation applicable to such Party, or (ii) conflict with, or result in (with or without notice or lapse of time or both) any violation of, or default under any organizational document of the Party. Except for the MMCC Consent, no consent,

approval, waiver, or authorization is required to be obtained from any person or entity (including any governmental authority) in connection with the execution, delivery, and performance by the Party of this Termination Agreement and the consummation of the transactions contemplated hereby.

(e) ***Legal Proceedings***. There is no claim, action, suit, action, proceeding, or governmental investigation (a "***Proceeding***") of any nature pending, or to such Party's knowledge, threatened against or by such Party that challenges or seeks to prevent, enjoin, or otherwise delay the transactions contemplated by this Termination Agreement and the documents and instruments delivered hereunder.

(f) ***No Brokers***. The Party has not dealt with any broker, investment banker, agent or other person that may be entitled to any commission or compensation in connection with the transactions contemplated in this Termination Agreement.

7. **Representations and Warranties of the 4Front Parties**. The 4Front Parties, jointly and severally, hereby represent and warrant to the Premium Parties as of the date hereof, and at and as of the and as of the Termination Date, as follows:

(a) ***Compliance With Legal Requirements***. Premium is in material compliance with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards ("***Legal Requirement***") to which its Business may be subject, except with respect to federal laws regarding the manufacture, possession, sale or distribution of cannabis. Premium has not received any written or oral notice from any government or governmental or regulatory body thereof, or political subdivision thereof, whether federal, state, local or foreign, or any agency, instrumentality or authority thereof, or any court or arbitrator (public or private), including without limitation, the MMCC, that alleges that Premium is not in compliance with any Legal Requirement applicable to the Business. To the Knowledge of the 4Front Parties, no event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of the License held by Premium necessary for its cannabis or cannabis-related activities and operations.

(b) ***Financial Statements***. Complete copies of the financial statements of the Business consisting of (i) the unaudited monthly balance sheets for 2019 and the related monthly statements of income for each month of 2019, and (ii) the unaudited balance sheet (the "***Interim Balance Sheet***") as of June 30, 2020 ("***Interim Balance Sheet Date***") and the related monthly statements of income for January through June 2020 (collectively, the "***Financial Statements***") are attached hereto as Schedule 7(b). The Financial Statements are based on the books and records of the Business, and fairly present in all material respects the financial condition of the Business as of the dates they were prepared and the results of the operations of the Business for the periods indicated.

(c) ***Absence of Certain Changes***. Since the Interim Balance Sheet Date, the 4Front Parties have operated the Business in the ordinary course of business and consistent with past practices.

(d) ***Improvements***. To the Knowledge of the 4Front Parties, all of the Improvements upon the Premises have been constructed and installed in accordance with applicable codes, laws, ordinances, rules, regulations, permits and approvals and have been completed in a professional and workmanlike manner and are in good operating condition and repair. To the Knowledge of the 4Front Parties, all of the heating, ventilation and air conditioning systems, plumbing, fire protection, security and other mechanical and electrical systems of the Improvements have been constructed and installed in accordance with applicable codes, laws, ordinances, rules, regulations, permits and approvals, have been completed in a professional and workmanlike manner and are in good operating condition and repair.

(e) ***Contracts; Vendors and Suppliers***. The only material contracts and agreements to which Premium is a party or is bound in connection with the Business and that will continue after the Closing Date are listed on Schedule 7(e) (the "***Included Contracts***"). Neither Premium nor, to the Knowledge of the 4Front Parties, any other party to any such Included Contract is in breach thereunder, or has provided or received any notice of any intention to terminate, any such Included Contract. No event or circumstance has occurred that would constitute an event of default under any Included Contract or result in a termination thereof. Complete and correct copies of each Included Contract (including all modifications, amendments, and supplements thereto and waivers thereunder) have been, or will be on or before the Closing Date, made available to Premium.

(f) ***Taxes***. All Taxes due and owing by Premium and SSCG have been, or will be, timely paid. Extensions have been filed for the 2019 tax year for Premium and SSCG, and the returns will be filed by the extended due date. All returns, declarations, reports, information returns and statements, and other documents relating to Taxes (including amended returns and claims for refund) ("***Tax Returns***") with respect to the Business required to be filed by Premium and/or SSCG for any tax periods prior to Closing Date not subject to an extension have been, or will be, timely filed. Such Tax Returns are, or will be, true, complete, and correct in all respects. Premium has (i) collected all sales, use, value added, goods and services and similar Taxes required to be collected by Premium in connection with the Business, and (ii) remitted, or will remit on a timely basis, such amounts to the appropriate taxing authority in compliance with all applicable laws.

(g) ***Labor and Employment Matters***. All compensation, including wages, commissions and bonuses, that were required to be paid to employees, or independent contractors of Premium since the effective date of the MSA have been paid in full. Premium is not a party to any labor or collective bargaining contract that pertains to its employees. The employment of each employee of Premium is terminable at the will of Premium, and upon termination of the employment of any such employees, no severance or other payments or benefits will become due. Premium does not have any policy, practice, plan or program of paying severance pay or benefits or any form of severance compensation in connection with the termination of employment or services. There are no pending or, to the Knowledge of the 4Front Parties, threatened Proceedings concerning labor matters with respect to Premium. To the Knowledge of the 4Front Parties, Premium is, and since the effective date of the MSA has been, in compliance in all material respects

with all applicable laws and ordinances pertaining to employment and employment practices to the extent they relate to the Premium.

(h) ***Employee Benefits***. Schedule 7(h) lists each material employment, bonus, profit sharing, or other employee benefit plan, agreement, policy or arrangement maintained or contributed to, or required to be contributed to, by Premium for the benefit of any officer, employee, former employee, consultant, independent contractor or other service provider of Premium (collectively referred to herein as the "***Employee Plans***"). To the Knowledge of the 4Front Parties, all material obligations of Premium under the Employee Plans have been satisfied and there are no material defaults or violations by Premium or the 4Front Parties in respect of the Employee Plans. To the Knowledge of the 4Front Parties, Premium is in compliance in all material respects with all applicable laws and ordinances regarding employment and employment practice. There are no pending or, to the Knowledge of the 4Front Parties, threatened Proceedings concerning the Employee Plans. During the term of the MSA, Premium has not maintained any Employee Plan that is subject to Title IV of the Employee Retirement Income Security Act of 1974.

(i) ***Privacy and Data***. To the Knowledge of the 4Front Parties, Premium's use and dissemination of any personally-identifiable information concerning individuals is in compliance in all material respects with all applicable privacy policies, terms of use, applicable laws, and contractual obligations applicable to Premium or to which Premium is bound. Premium maintains policies and procedures regarding data security and privacy and maintains administrative, technical, and physical safeguards that are commercially reasonable and, in any event, to the Knowledge of the 4Front Parties, in compliance in all material respects with all applicable laws and contractual obligations applicable to Premium or to which Premium is bound. To the 4Front Parties' Knowledge, and other than a claim pursuant to the Telephone Consumer Protection Act that has been settled and resolved, there have been no security breaches relating to, or violations of any security policy regarding, or any unauthorized access of, any data or information used or stored by Premium.

(j) ***Insurance***. Schedule 7(j) sets forth a list of all insurance policies currently owned or maintained in connection with the Business. All premiums due to date under such policies have been paid and will be paid through the Closing Date and no material term of any such policy is void or voidable. None of the 4Front Parties has received any written notice of cancellation with respect to any such insurance policies and the 4Front Parties have no Knowledge of any threatened termination of, or premium increase with respect to, any of the insurance policies. There are no Claims that are pending under any of the insurance policies.

(k) ***Products***. To the 4Front Parties' Knowledge, all products sold or distributed by or on behalf of Premium have conformed in all material respects with all applicable Maryland law and regulations. The storage and labeling practices for each of the products sold in the Business (i) are in material compliance with all applicable Maryland law and regulations, including those relating to storage, preparation, packaging and labeling of cannabis products; and (ii) are in compliance with all internal quality management policies and procedures of the Business. To the 4Front Parties' Knowledge,

there have been no product recalls, withdrawals or seizures with respect to any products sold or distributed by or on behalf of Premium.

(l) ***Bank Accounts***. The 4Front Parties do not maintain any deposit and disbursement accounts in which funds from the Business are deposited except for those set forth on Schedule 7(l).

(m) ***No Other Representations and Warranties***. EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS SECTION 7 (A) THE 4FRONT PARTIES HAVE NOT MADE AND DO NOT MAKE ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WHATSOEVER, EITHER ORAL OR WRITTEN, WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE RELATING TO THE BUSIENSS OR PREMIUM, ALL OF WHICH ARE EXPRESSLY DISCLAIMED, AND (B) THE BUYER ACKNOWLEDGES THAT, IN ENTERING INTO THIS AGREEMENT, IT HAS NOT RELIED UPON ANY REPRESENTATION OR WARRANTY RELATING TO THE LOANS, LOAN DOCUMENTS, BUSINESS OR PREMIUM MADE BY THE 4FRONT PARTIES, OR ANY OTHER PERSON OR ENTITY ON THE 4 FRONT PARTIES' BEHALF, EXCEPT AS SPECIFICALLY PROVIDED IN THIS SECTION 7.

8. **Covenants of the Parties**.

(a) ***Operations***. From the date hereof until the Termination Date, the 4Front Parties shall continue to operate the Business consistent with past practices and in accordance with the terms and provisions of the MSA.

(b) ***Books and Records***. All the books of account and other records of Premium relating to the Business and in the possession of the 4Front Parties will be delivered to Premium on or before the Termination Date.

(c) ***Bank Accounts***. The Parties shall cooperate before and after the Termination Date to remove any 4Front Parties who are signatories to any bank accounts owned by Premium. With the exception of accounts at Bulldog Federal Credit Union, the 4Front Parties shall close any and all bank accounts that they have opened in the name of Premium within 5 business days of the Termination Date.

(d) ***Submission of New MSA to MMCC***. Premium will submit the New MSA to the MMCC for approval within 3 business days of the Effective Date. Premium will work in good faith with the MMCC to obtain the MMCC Consent, and will provide such other information and make such updates to the New MSA, as are reasonably requested by the MMCC, to obtain the MMCC Consent.

(e) ***Notice of Developments***. At any time prior to the Termination Date, the 4Front Parties, on the one hand, and the Premium Parties, on the other hand, shall notify the other Parties in writing of any events, circumstances, facts and occurrences arising subsequent to the Effective Date which would result in a breach of a representation,

warranty or covenant of the 4Front Parties (in the case of the 4Front Parties) or the Premium Parties (in the case of the Premium Parties) in this Termination Agreement.

(f) ***Transition Matters***.

(i) The Parties agree that all of the employees of Premium will be permitted to remain employees of Premium after the Termination Date, except for the current general manager who is seconded from another dispensary managed by the 4Front Parties. It is understood that the 4Front Parties have no responsibility for or obligation to such employees after the Termination Date.

(ii) Prior to the Termination Date, certain employees of Premium participated in certain benefit plans sponsored by the 4Front Parties. It is the expectation of the Parties that ManagerCo will put in effect new benefit plans sponsored by it by the first day of the month following the Termination Date; *provided*, that if requested by Premium or ManagerCo, the 4Front Parties will allow such employees to continue to participate in the 4Front Parties' sponsored plans for another month so long as Premium or ManagerCo reimburses the 4Front Parties for the cost of such employees' continued participation.

(iii) The 4Front Parties agree that the standard operating procedures previously approved by the MMCC and in effect at the Dispensary (the "***SOPs***") will remain with Premium. The 4Front Parties agree to deliver the SOPs to Premium following the submission of the New MSA to the MMCC.`

(iv) The Parties anticipate that ManagerCo will use at the Dispensary the same Point of Sale software (the "***POS Software***"), LeafLogix, as the 4Front Parties have used in Maryland. The Parties agree to work together to segregate all information and data related to the Dispensary's customers, historical transactions, and inventory and export the same on the Termination Date or on the day following the Termination Date.

(g) ***Cooperation on Tax Matters***. The 4Front Parties and the Premium Parties acknowledge that SSCG has filed a consolidated tax return for it and Premium and that all net income (and corresponding liability for income Taxes arising therefrom) of Premium up to and including the Termination Date shall be allocated between them in proportion to their ownership of SSCG. As a result, the 4Front Parties further agree to provide the owners of Bayside with all relevant information relating to their tax liability resulting from Premium up to and including the Termination Date and shall distribute to the owners of Bayside all accrued Taxes through the Termination Date within 45 days of the Termination Date. Each Party acknowledges that it has relied on its own Tax advisors in evaluating its respective Tax consequences of entering into this Agreement, and no Party is relying on any other Party for Tax advice related to this Agreement.

(h) ***Updated Financial Information***. Contemporaneously with the delivery of the Working Capital Certificate, the 4Front Parties will deliver to Premium Financial Statements for Premium through the Termination Date.

(i) ***Financing Statements***. Effective upon the Termination Date, SSCG authorizes Premium to prepare and file and/or record, as applicable, a termination of the UCC financing statement no. 171023-1639000.

(j) ***Further Assurances***. Subject to the terms and conditions hereof, each of the Parties hereto shall use commercially reasonable efforts (without further consideration being payable) to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable to consummate and give effect to the transactions contemplated hereby. Each of the Parties further agrees that any document delivery pursuant to this Termination Agreement that is delivered undated may be dated as of the Termination Date by the Escrow Agent without any further consent or action on the part of the Parties or persons signatory thereto.

9. **Mutual Release**. In consideration of the covenants, agreements, and undertakings of the Parties under this Termination Agreement, each Party, on behalf of itself and its respective present and former parents, subsidiaries, affiliates, officers, managers, directors, shareholders, members, successors, and assigns (collectively, "***Releasors***") hereby releases, waives, and forever discharges each other Party and its respective present and former, direct and indirect, parents, subsidiaries, affiliates, employees, officers, directors, shareholders, members, agents, and permitted successors and permitted assigns (collectively, "***Releasees***") of and from any and all Claims, which any of such Releasors ever had, now have, or hereafter can, shall, or may have against any of such Releasees for, upon, or by reason of any matter, cause, or thing whatsoever from the beginning of time through the Effective Date arising out of or relating to the Agreements, and, upon the sale of the Notes to ManagerCo, the Loan Documents, or otherwise relating to their business relationship prior to the Effective Date, except for any Claims relating to rights and obligations preserved by, created by, or otherwise arising out of this Termination Agreement.

10. **Indemnification**.

(a) ***Indemnification Obligation***. Each Party (as "***Indemnifying Party***") shall defend, indemnify and hold harmless the other Parties, and its officers, directors, employees, agents, affiliates, permitted successors and assigns (each, an "***Indemnified Party***"), against any and all Losses, to the extent arising out of or resulting from any claim of a third party or Party alleging: (i) a breach by Indemnifying Party of any representation, warranty, covenant, or other obligations set forth in this Termination Agreement; or (ii) gross negligence or willful misconduct of an Indemnifying Party in connection with the performance of its obligations under this Termination Agreement.

(b) ***Procedure***. An Indemnified Party seeking indemnification under this Section 10 shall give the Indemnifying Party: (i) prompt Notice (as defined below) of the relevant claim; provided, however, that failure to provide such notice shall not relieve the Indemnifying Party from its liability or obligation hereunder except to the extent of any material prejudice directly resulting from such failure; and (ii) reasonable cooperation in the defense of such claim. The Indemnifying Party shall have the right to control the defense and settlement of any such claim; provided, however, that the Indemnifying Party shall not, without the prior written approval of the Indemnified Party, settle or dispose of

any claims in a manner that affects the Indemnified Party's rights or interests. The Indemnified Party shall have the right to participate in the defense at its own expense.

(c) ***Survival***. The representations and warranties made by the Parties in this Termination Agreement shall survive the Termination Date and continue in full force and effect for a period of twelve (12) months from and after the Termination Date; *provided, however*, the representations and warranties set forth in Section 6 shall survive indefinitely. Upon expiration of the representation and warranty limitation periods set forth herein, such representations and warranties shall cease to be of any further force or effect. No such expiration shall affect the rights of a Party hereto in respect of a Claim made by such Party in writing received by another Party prior to the expiration of any such period until finally resolved.

(d) ***Limitations***.

(i) The aggregate amount of all Losses for which any 4Front Party shall be liable pursuant to Section 10(a) shall not exceed $600,000.00 (the "***Cap***"); *provided, however*, that the Cap shall not apply to any Losses arising from any claims based on a breach of a representation in Section 6 of this Termination Agreement or any claim based on the fraud or intentional misrepresentation of any 4Front Party. Notwithstanding the foregoing, the 4Front Parties will not have any liability under this Termination Agreement in excess of the total amount of the Notes Repayment Amount.

(ii) The 4Front Parties shall have no liability in respect of their indemnification obligations under Section 10(a), and there shall be no claim for indemnification asserted by any Indemnified Party against a 4Front Party pursuant to Section 10(a), until the aggregate amount of Losses exceeds $20,000 (the "***Deductible***"). Once the aggregate amount of Losses exceeds the Deductible, the 4Front Parties shall be jointly and severally liable for all such Losses, subject to the limitation set forth in Section 10(d)(i). The Deductible shall not apply to any Losses arising from any claims based on a breach of Section 6 of this Termination Agreement, or any claim based on the fraud or intentional misrepresentation of any 4Front Party.

(iii) Losses will be calculated net of actual recoveries under insurance policies. Each Indemnified Party recognizes that it has a common law obligation to mitigate the Losses for which it is entitled to seek indemnification under this Section 10.

(iv) No Party shall be liable to any other Party for (a) punitive or exemplary damages (b) any loss of profits arising out of or resulting from an anticipated, expected, projected or actual increase in profits after the Termination Date as compared to the historical profits of Premium before the Termination Date; and (c) Losses that are not, as of the date of this Termination Agreement, the probable and reasonably foreseeable result of (i) an inaccuracy or breach by a Party of its representations and warranties under this Termination Agreement or (ii) the

other matters giving rise to a claim for indemnification under this Termination Agreement, except in each case to the extent that any such Losses are required to be paid to a third party pursuant to a third party claim.

(e) ***Entire Liability***. THIS SECTION 10 SETS FORTH THE ENTIRE LIABILITY AND OBLIGATION OF EACH INDEMNIFYING PARTY AND THE SOLE AND EXCLUSIVE REMEDY OF EACH INDEMNIFIED PARTY FOR ANY DAMAGES COVERED BY THIS SECTION 10.

11. **Confidentiality**. Subject to the terms and conditions of Section 12(a), each Party acknowledges the confidential nature of the terms and conditions of this Termination Agreement and the Premium customer list and transaction data (collectively, the "***Confidential Information***") and agrees that it shall not (a) disclose any of such Confidential Information to any person or entity, except to such Party's employees, advisors and other representatives who need to know the Confidential Information to assist such Party, or act on its behalf, to exercise its rights or perform its obligations under this Termination Agreement, or (b) use the Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Termination Agreement. Each Party shall be responsible for any breach of this Section 11 caused by any of its affiliates, employees, advisors, or other representatives. Notwithstanding the foregoing, if any Confidential Information is permissibly disclosed pursuant to Section 12(a), such information will no longer be deemed "Confidential Information" for the purposes of this Section 11.

12. **Publicity and Announcements**.

(a) ***Public Announcements***. No Party shall (orally or in writing) publicly disclose or issue any press release or make any other public statement, or otherwise communicate with the media, concerning the existence of this Termination Agreement or the subject matter hereof, without the prior written approval of the other Party (which shall not be unreasonably withheld or delayed), except to the extent that such Party (based upon the reasonable advice of counsel) is required to make any public disclosure or filing with respect to the subject matter of this Termination Agreement (i) by applicable law, or (ii) pursuant to any rules or regulations of any securities exchange of which the securities of such Party or any of its affiliates are listed or traded.

(b) ***Non-Disparagement***. No Party shall make, publish, or communicate to any person or entity or in any public forum any comments or statements (written or oral) that denigrate or disparage, or are detrimental to, the reputation or stature of the other Party or Parties or its businesses, or any of its employees, managers, directors and officers.

13. **Termination**. The Parties may terminate this Termination Agreement as provided below:

(a) ***Mutual Agreement***. The Parties may terminate this Termination Agreement by mutual written consent at any time prior to the Termination Date.

(b) ***Prohibited Transaction***. The Premium Parties, on the one hand, or the 4Front Parties, on the other hand, may terminate this Termination Agreement in the event

that (i) there shall be any law that makes consummation of the transactions contemplated by this Termination Agreement illegal or otherwise prohibited, or (ii) any governmental body shall have issued an order restraining or enjoining the transactions contemplated by this Termination Agreement, and such order shall have become final and non-appealable.

(c) ***Passage of Time***. The 4Front Parties may terminate this Termination Agreement by delivering a Notice to Premium if the MMCC Consent has not been obtained within 60 days of the Effective Date; *provided, however,* that Premium may extend such 60-day period for up to two additional 30-day periods, in each case, by paying, by wire transfer, $50,000.00 (each, an "***Extension Payment***") to an account directed by the 4Front Parties in writing. For the avoidance of doubt, each Extension Payment, if any, shall be credited against the Notes Repayment Amount. Unless the Parties mutually agree otherwise, this Termination Agreement will terminate by its own terms, without any further action required by any Party, on the 121st day after the date on which the New MSA is submitted to the MMCC, if the MMCC Consent has not been received prior to such date.

(d) ***Effect of Termination***. If this Termination Agreement is terminated prior to the Termination Date for any reason, all rights and obligations of the Parties hereunder shall terminate without any liability of any Party to any other Party except for any liability arising related to a Party's intentional breach or violation of this Termination Agreement.

14. **Miscellaneous**.

(a) ***Notices***. All Notices must be in writing and addressed to the relevant Party at the address set forth on the signature of this Termination Agreement (or to such other address that may be designated by the receiving Party(ies) from time to time in accordance with this Section 14(a)). All Notices must be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), or certified or registered mail (in each case, return receipt requested, postage prepaid). A Notice is effective only (i) upon receipt by the receiving Party and (ii) if the Party giving the Notice has complied with the requirements of this Section 14(a).

(b) ***Governing Law and Jurisdiction***. This Agreement will be deemed to have been made in, and will be construed and governed by, the laws of the State of Maryland. Subject to Section 14(c) below, any action to enforce this Agreement will be brought in the state courts located in Baltimore, Maryland. Each party hereby irrevocably consents and submits to the personal jurisdiction of such courts.

(c) ***Arbitration, Attorneys' Fees***. Except as otherwise provided to the contrary in this Agreement, any controversy or Claim arising out of, or relating to, this Agreement or breach of this Agreement, will be settled by arbitration using the rules of the American Arbitration Association with one (1) arbitrator selected by the mutual agreement of the Parties, the venue for which will be in Baltimore, Maryland. The arbitration judgment will be final and binding upon the Parties and may be entered in any court having the requisite jurisdiction. Except as otherwise set forth to the contrary in this Agreement, should an action, including arbitration, be brought by a Party to enforce any provision of this

Agreement, then the prevailing Party will be entitled to its costs and reasonable attorneys' fees incurred in connection with such action.

(d) ***Amendment***. This Termination Agreement and each of the terms and provisions hereof may only be amended, modified, waived, or supplemented by an agreement in writing signed by each Party.

(e) ***Assignment***. No Party may assign, transfer, or delegate any or all of its rights or obligations under this Termination Agreement without the prior written consent of the other Parties; *provided, however*, that any Party may assign this Termination Agreement to an heir or a successor-in-interest by consolidation, merger, or operation of law or to a purchaser of all or substantially all of the Party's assets. No assignment will relieve the assigning Party of any of its obligations hereunder. Any attempted assignment, transfer, or other conveyance in violation of the foregoing will be null and void. This Termination Agreement will inure to the benefit of and be binding upon each of the Parties and each of their respective permitted successors and permitted assigns.

(f) ***Construction***. The Parties drafted this Termination Agreement without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

(g) ***Severability***. If any term or provision of this Termination Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Termination Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

(h) ***Further Assurances***. Each of the Parties shall, and shall cause its respective affiliates to, from time to time at the request of any other Party, furnish the requesting Party such further information or assurances, execute and deliver such additional documents, instruments and conveyances, and take such other actions and do such other things, as may be reasonably necessary or appropriate to carry out the provisions of this Termination Agreement and give effect to the transactions contemplated hereby.

(i) ***Equitable Remedies***. Each Party acknowledges and agrees that (i) a breach or threatened breach by such Party of any of its obligations under this Termination Agreement would give rise to irreparable harm to the other Party or Parties for which monetary damages would not be an adequate remedy and (ii) in the event of a breach or a threatened breach by such Party of any such obligations, the other Party or Parties will, in addition to any and all other rights and remedies that may be available to such Party or Parties at law, in equity or otherwise in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction, without any requirement to post a bond or other security, and without any requirement to prove actual damages or that monetary damages will not afford an adequate remedy. Each Party agrees that it shall not oppose or otherwise challenge the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in either case, consistent with the terms of this Section 14(i).

(j) ***Entire Agreement***. This Termination Agreement (including its exhibits) constitutes the sole and entire agreement between the Parties with respect to the subject matter contained herein and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.

(k) ***Third-Party Beneficiaries***. Except as expressly set forth in the second sentence of this Section 14(k), this Termination Agreement benefits solely the Parties hereto and their respective permitted successors and permitted assigns, and nothing in this Termination Agreement, express or implied, confers on any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Termination Agreement. The Parties hereby designate all Releasees and Indemnified Parties as third-party beneficiaries of Sections 7 and 10, respectively, having the right to enforce such Sections.

(l) ***Counterparts***. This Termination Agreement may be executed in two or more counterparts, each of which is deemed an original, but all of which constitutes one and the same agreement. Delivery of an executed counterpart of this Termination Agreement electronically or by facsimile shall be effective as delivery of an original executed counterpart of this Termination Agreement.

(m) ***Expenses***. The Premium Parties will bear all of 4Front Parties' reasonable attorney's fees incurred in connection with the negotiation of this Termination Agreement up to an aggregate amount of $20,000.00 (the "***Expenses Cap***"). As of the date hereof, the Premium Parties have made two separate deposits with Saul Ewing Arnstein & Lehr, LP (the 4Front Parties' counsel) in the aggregate of $6,000.00 to cover such costs. If the 4Front Parties incur less than $6,000.00 in connection with the negotiation of this Termination Agreement as of the Termination Date, the 4Front Parties will return the difference to the Premium Parties on the Termination Date. If the 4Front Parties incur more than $6,000.00 in connection with this Termination Agreement as of the Termination Date, upon delivery to the Premium Parties of invoices substantiating such fees, the Premium Parties will pay the difference to the 4Front Parties (or as they direct) on the Termination Date up to the Expenses Cap.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have executed this Termination Agreement as of the date first above written.

PREMIUM MEDICINE OF MARYLAND, LLC

By: /s/ Eric Steenstra
Name: Eric Steenstra
Title: Managing Member

Address: 1749 Algonquin Road
Frederick, Maryland 21701

SILVER SPRING CONSULTING GROUP, LLC

By:_____
Name: Kris Krane
Title: Manager

Address: 5060 N. 40th Street, Ste 120
Phoenix, AZ 85018

4FRONT VENTURES CORP.

By: _____
Name: Joshua N. Rosen
Title: Executive Chairman

Address: 5060 N. 40th Street, Ste 120
Phoenix, AZ 85018

4FRONT ADVISORS, LLC

By:_____
Name: Joshua N. Rosen
Title: Manager

Address: 5060 N. 40th Street, Ste 120
Phoenix, AZ 85018

IN WITNESS WHEREOF, the Parties have executed this Termination Agreement as of the date first above written.

PREMIUM MEDICINE OF MARYLAND, LLC

By:_____
Name: Eric Steenstra
Title: Managing Member

Address: 1749 Algonquin Road
Frederick, Maryland 21701

SILVER SPRING CONSULTING GROUP, LLC

By: /s/ Kris Krane
Name: Kris Krane
Title: Manager

Address: 5060 N. 40th Street, Ste 120
Phoenix, AZ 85018

4FRONT VENTURES CORP.

By:/s/ Joshua N. Rosen
Name: Joshua N. Rosen
Title: Executive Chairman

Address: 5060 N. 40th Street, Ste 120
Phoenix, AZ 85018

4FRONT ADVISORS, LLC

By: /s/ Joshua N. Rosen
Name: Joshua N. Rosen
Title: Manager

Address: 5060 N. 40th Street, Ste 120
Phoenix, AZ 85018

IN WITNESS WHEREOF, the Parties have executed this Termination Agreement as of the date first above written.

4FRONT PM INVESTOCO, LLC

By:/s/ Kris Krane
Name: Kris Krane
Title: Manager

Address: 5060 N. 40th Street, Ste 120
Phoenix, AZ 85018

BAYSIDE PARTNERS, LLC

By:_____
Name: Eric Steenstra
Title: Managing Member

Address: 1749 Algonquin Road
Frederick, Maryland 21701

_____
Eric Steenstra

Address: 1749 Algonquin Road
Frederick, Maryland 21701

_____
Dawn Steenstra

Address: 1749 Algonquin Road
Frederick, Maryland 21701

IN WITNESS WHEREOF, the Parties have executed this Termination Agreement as of the date first above written.

4FRONT PM INVESTOCO, LLC

By:_____
Name: Kris Krane
Title: Manager

Address: 5060 N. 40th Street, Ste 120
Phoenix, AZ 85018

BAYSIDE PARTNERS, LLC

By: /s/ Eric Steenstra
Name: Eric Steenstra
Title: Managing Member

Address: 1749 Algonquin Road
Frederick, Maryland 21701

/s/ Eric Steenstra

Address: 1749 Algonquin Road
Frederick, Maryland 21701

/s/ Dawn Steenstra

Address: 1749 Algonquin Road
Frederick, Maryland 21701

EXHIBIT A

FORM OF NEW MSA

[ATTACHED]

MANAGEMENT SERVICES AGREEMENT

THIS MANAGEMENT SERVICES AGREEMENT (this "Agreement") is entered into as of August __, 2020, by and among [redacted], an [redacted] limited liability company qualified to conduct business in Maryland (the "Manager"), and **PREMIUM MEDICINE OF MARYLAND, LLC**, a Maryland limited liability company (the "Company" and together with Manager, the "Parties").

WHEREAS, the Company is engaged in the operation of a medical cannabis dispensary (the "Business"), for which it has been issued that certain dispensary license #D-18-00044 (the "License") to purchase, package, and sell medical cannabis and its derivatives by the Maryland Medical Cannabis Commission (the "MMCC");

WHEREAS, in furtherance of the foregoing, the Company desires to engage Manager to provide the Management Services, and Manager is willing to provide such Management Services, subject to the terms and conditions set forth in this Agreement; and

WHEREAS, the Parties intend to submit this Agreement to the MMCC for approval in compliance with existing rules and regulations of the MMCC and the State of Maryland. This Agreement shall become effective only upon the approval of this Agreement by the MMCC under applicable laws and regulations. The date of such approval or deemed approval is referred to herein as the "Effective Date".

NOW, THEREFORE, in consideration of the mutual promises, representations, warranties, covenants, conditions and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. Appointment of Manager; Obligations of the Parties.

1.1 The Company hereby engages Manager to provide the Management Services to it as an independent contractor, and Manager hereby accepts such engagement subject to the terms and conditions set forth in this Agreement.

1.2 Manager agrees to undertake in good faith all commercially reasonable steps prudent or necessary to render the Management Services in a professional and workmanlike manner and in accordance with generally recognized industry standards for similar services. Manager shall retain sole and absolute discretion to select the employees and/or independent contractors (collectively, the "Manager Representatives") who will perform the Management Services. The Parties acknowledge and agree that the Manager Representatives may include affiliates of Manager and/or their respective employees and/or independent contractors.

1.3 The Company and its directors and officers agree to cooperate in good faith with Manager in furtherance of Manager's performance of the Management Services.

1.4 The Company shall not take any action in respect of the matters covered by the Management Services, other than at, and in accordance with, the direction of the Manager.

1.5 Subject to Applicable Law, the Company shall take all corporate action as is necessary and fully cooperate with Manager to (i) add Manager's designee as a required signatory to any and all Company bank accounts relating to the Business and remove any existing signatories in Manager's discretion, and (ii) enable the Manager to establish, maintain, and administer bank accounts, for which its designee will be the signatory, for funds relating to the Business. Notwithstanding the foregoing, the Parties acknowledge that subject to the terms of this Agreement, the Company will retain sufficient financial control of the Business.

1.6 Notwithstanding anything to the contrary in this Agreement, Manager's obligation to perform services pursuant to this Agreement is limited to the performance of the Management Services, and the performance by Manager of additional services in furtherance of this Agreement will not obligate Manager to continue the performance of such additional services or otherwise render any services pursuant to this Agreement other than the Management Services; provided, however, that the Parties may, in Manager's discretion, update Schedule A and/or Schedule B from time to time during the Term (as defined below) to, among other things, revise: (i) the list and scope of Management Services provided by Manager; and/or (ii) the Service Fees payable by the Company pursuant to this Agreement; provided such Services and Fees shall only relate to the Business and not to any Excluded Businesses (as defined herein).

1.7 The Parties shall meet and confer on a periodic basis, upon Manager's request, to review the terms and conditions of this Agreement (including, without limitation, the list and scope of Management Services provided by Manager and the Service Fees payable by the Company pursuant to this Agreement) for purposes of identifying any amendments or modifications to such terms or conditions that may be necessary or desirable for purposes of giving continued effect, to the fullest extent practicable, to the Parties' mutual intent for the arrangement contemplated by this Agreement. The Parties acknowledge and agree that such amendments or modifications may be necessary or desirable due to, among other things, changes in applicable federal, state or local laws, regulations, tax policies, general economic conditions, or other relevant facts and circumstances. Company shall: (i) consider in good faith any such amendments or modifications that may be requested or proposed by Manager from time to time during the Term; and (ii) not unreasonably withhold, condition or delay its consent to any such amendment or modification.

1.8 Manager shall devote to the Company such time and effort as reasonably required for the proper performance of the Management Services. Manager, its members, managers and/or each of their respective affiliates, may engage in other business ventures of any nature and description independently or with others.

2. Compensation for Management Services.

2.1 As compensation for the Management Services, the Company shall pay to Manager and/or its designees, as determined by Manager in its sole discretion, the Service Fee, in the amount(s) set forth on Schedule B (as the same may be updated from time to time) in accordance with the terms and conditions set forth therein. Without limiting the generality of the foregoing, the Company shall promptly reimburse Manager for any cost recovery fees or expenses payable to Manager's affiliates or subcontractors if the efforts required of any such party to support the Management Services exceed the scope contemplated by Manager as of the Effective Date.

2.2 Costs and Expenses. Manager shall be responsible for all costs and expenses necessary to operate and manage the Business and perform the Management Services as outlined in Schedule A, including, without limitation, all materials, inventory, equipment, vehicles, phones, computers and labor, including, without limitation, all wages, benefits (if any), taxes, withholding, workers' compensation insurance, payroll processing, uniforms, tools, training and education, and all other employee-related costs. Nothing contained herein shall be construed to be profit sharing or providing the Manager an ownership interest in the Company or any other beneficial interest which would violate the Company's obligations under applicable laws and/or the License. Nothing contained herein shall create, contemplate, or permit recourse against the individual member(s) of the Company for Management Services except as described in Schedule A.

2.3 Advancement Not Required. For clarity purposes, the Parties acknowledge and agree that the Company and its members, directors and officers shall not be required hereunder to advance or provide any funds whatsoever to pay the costs and expenses of providing the Management Services including, without limitation, any sums for the rentals or leases of property, taxes, or losses, if any, of the Company's business; and that Manager shall be required to advance such funds on an as needed basis, as determined by Manager in its sole discretion, from time to time and shall reimburse itself, as aforesaid, solely from the Service Fee. Additionally, the Parties acknowledge and agree that Manager has incurred, and during the Term shall continue to incur, the commercially reasonable costs and expenses (of a capital nature or otherwise) of expanding, upgrading, or further developing the Business, and the operations and/or equipment therein, and that all of such costs and expenses shall be governed by the preceding sentence.

2.4 Books and Records. Manager shall maintain and keep on behalf of the Company books of accounts and such other records as are necessary to reflect the results of the Business' operations and the accurate and timely calculation and payment of amounts owed under this Agreement. The Company shall have the right to review or audit all records kept by Manager for the Company regarding the operations of the Business. Any such review or audit shall be performed during normal hours of operation for the Business upon advanced written notice and without disruption to the business operations of Manager. Each Party will assist and fully cooperate with the other Party in providing access to the necessary data within its possession or control in order to perform any such review or audit.

3. Term and Termination.

3.1 Subject to Section 3.2, the term of this Agreement (the "Term") shall commence on the Effective Date, and shall continue for an initial term of six (6) years and shall automatically renew for an additional six (6) years unless the Manager notifies the Company at least sixty (60) days prior to the end of the initial term. This Agreement may be terminated sooner upon: (i) the Parties' mutual written agreement; (ii) the occurrence of an Event of Default under that certain Membership Interest Pledge and Security Agreement (the "Security Agreement") of even date herewith by and between the Parties and affiliates thereof (as Event of Default is defined in the Security Agreement); or (iii) by Manager, effective immediately upon written notice to the Company, if there is any change in the status of the License, or any law, rule, regulation and/or ordinance that prohibits, prevents or jeopardizes the Company's ability to operate the Business;

provided that the Manager shall have the right to seek amendment to this Agreement and/or the Parties' relationship in a manner that brings this Agreement into compliance with applicable laws, rules and regulations and that is consistent with the Parties' intentions in entering into this Agreement and any other agreements between the Parties and their respective affiliates.

3.2 Notwithstanding the foregoing, the end of the Term shall not relieve: (i) the Company from its payment obligations pursuant to Section 2 for Management Services performed or reimbursable expenses incurred by Manager prior to the end of the Term; (ii) any Party for its actions prior to the end of the Term; (iii) any Party of its confidentiality obligations under Section 7.1; or (iv) any Party from any liability for damages allowed under this Agreement or at law which are incurred by reason of any breach of this Agreement prior to the end of the Term, to the extent provided in this Agreement.

4. Proprietary Information.

4.1 All intellectual property rights, including, without limitation, copyrights, patents, patent disclosures and inventions (whether patentable or not), trademarks, service marks, trade secrets, know-how and other confidential information, trade dress, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith, derivative works and all other rights (collectively, "Intellectual Property Rights") in and to all licensed property, documents, work product and other materials that are delivered to the Company under this Agreement or created, conceived, invented, developed, or prepared by or on behalf of Manager in the course of performing the Management Services (collectively, the "Deliverables") shall be owned by Manager.

4.2 Manager is not granting and will not grant in the future, and the Company has not or will not have in the future, any rights whatsoever to: (i) receive or utilize any confidential or proprietary intellectual property or other information of Manager; (ii) use the Deliverables for any purpose; (iii) except as otherwise expressly provided herein, disclose to, sublicense to or otherwise allow others to use the Deliverables or the underlying Intellectual Property Rights; or (iv) create, reverse engineer or use any derivative works or other property from any aspect of the Deliverables or the underlying Intellectual Property Rights.

5. Representations and Warranties of Manager. Manager represents and warrants to the Company, with the understanding that Company is relying upon such representations and warranties, that: (a) subject to the MMCC's approval of this Agreement, Manager has the full right, power and authority to enter into this Agreement and to perform fully all of its obligations under this Agreement; (b) the execution of this Agreement by Manager's representative whose signature is set forth at the end hereof has been duly authorized by all necessary action; (c) entering into this Agreement and Manager's performance of the Management Services do not and will not conflict with or result in any breach or default under any other agreement to which Manager is subject; (d) Manager will take all steps to procure or maintain all necessary approvals, licenses, permits, or other authorizations to operate the Business (collectively, the "Regulatory Requirements"), or cooperate with respect to the Company's efforts to procure or maintain the same in a timely fashion, (e) Manager will fully cooperate with the Company in all aspects of the provision of the Management Services; and (f) Manager has the required skill, experience, resources, capital, and qualifications to perform the Management Services. MANAGEMENT COMPANY MAKES NO

REPRESENTATIONS OR WARRANTIES EXCEPT FOR THOSE PROVIDED IN THIS SECTION 5. ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, ARE EXPRESSLY DISCLAIMED.

6. Representations and Warranties the Company; Restrictive Covenants.

6.1 The Company represents and warrants to Manager that: (a) subject to the MMCC's approval of this Agreement, Company has the full right, power and authority to enter into this Agreement and to perform its obligations hereunder; (b) the execution of this Agreement by Company's representative whose signature is set forth at the end hereof has been duly authorized by all necessary action; (c) entering into this Agreement, the Company's performance hereunder does not and will not conflict with or result in any breach or default under any other agreement to which the Company is subject; (d) the Company has acted in compliance with all applicable state, local and federal laws, rules, regulations, ordinances, guidelines and interpretations relating to its Business and the License through the Effective Date of this Agreement and will continue to act in compliance through the duration of this Agreement; (e) it will take all steps to procure or maintain all Regulatory Requirements, or cooperate with respect to the Manager's efforts to procure or maintain the same in a timely fashion, and (f) it will fully cooperate with the Manager in all aspects of the provision of the Management Services;

6.2 From the date on which this Agreement is executed by the Parties hereto through the end of the Term:

(a) the Company shall not, directly or indirectly (including, without limitation, through its affiliates, members, shareholders, directors, managers, or other agents), cause or permit the Company to, enter into any agreement, whether verbal or written, with any individual, corporation, limited liability company, partnership, proprietorship, firm, joint venture, trust, or unincorporated, association or business entity of any kind (collectively, a "Person"), to procure any services or any deliverables from such Person that are in any way similar to or like the Management Services, the Deliverables and/or any other services and/or deliverables contemplated to be rendered or furnished by Manager or its affiliates and subcontractors to the Company under this Agreement;

(b) The Company shall not directly or indirectly (including, without limitation, through its affiliates, members, shareholders, directors, managers, or other agents) enter into any contract, agreement or arrangement with any Person which purports to relate to the operation, management or governance of the Company's dispensary business in the State of Maryland.

For the avoidance of doubt, nothing in this Section 6.2 shall be interpreted or construed to limit the ability of Manager or its affiliates and/or subcontractors to engage in the activities described herein.

6.3 The Company acknowledges and agrees that the restrictive covenants set forth in Section 6.2 above are supported by good and adequate consideration, and that such covenants are reasonable and necessary to protect the legitimate business interests of Manager and its affiliates in connection with the transactions contemplated by this Agreement.

7. Miscellaneous Provisions.

7.1 Confidential Information.

(a) The Parties have entered into and will execute additional Confidentiality Agreements upon the execution of documents ratifying this Agreement upon MMCC approval of this Agreement. Said Confidentiality Agreements are an integral part of this Agreement and are incorporated by reference herein.

(b) For purposes of this Section 7.1, "Confidential Information" means all non-public, proprietary and/or confidential information of Disclosing Party, in oral, visual, written, electronic or other tangible or intangible form, whether or not marked or designated as "confidential," and all notes, analyses, summaries and other materials prepared by Recipient or any of its Representatives that contain, are based on or otherwise reflect, to any degree, any of the foregoing ("Notes"); provided, however, that Confidential Information does not include any information that: (A) is or becomes generally available to the public other than as a result of Recipient's or its Representatives' breach of this Agreement; (B) is obtained by Recipient or its Representatives on a non-confidential basis from a third-party that was not legally or contractually restricted from disclosing such information; (C) was in Recipient's or its Representatives' possession prior to Disclosing Party's disclosure hereunder; or (D) was or is independently developed by Recipient or its Representatives without using any Confidential Information.

(c) If Recipient or any of its Representatives is required by applicable law or a valid legal order to disclose any Confidential Information, Recipient shall, as soon as reasonably possible, notify Disclosing Party of such requirements so that Disclosing Party may seek, at Disclosing Party's expense, a protective order or other remedy, and Recipient shall reasonably assist Disclosing Party therewith. If Recipient remains legally compelled to make such disclosure, it shall: (A) only disclose that portion of the Confidential Information that it is required to disclose; and (B) use reasonable efforts to ensure that such Confidential Information is afforded confidential treatment.

7.2 Independent Contractor Relationship.

(a) Subject to the other provisions of this Agreement, Manager acknowledges and agrees that it alone is responsible for and will pay: (i) all gross wages and salaries relating to the Business; (ii) associated federal, state and local payroll taxes, including, without limitation, any sales and use taxes on wages and benefits relating to the Business; (iii) fringe benefits relating to the Business; (iv) Social Security relating to the Business; (v) workers' compensation insurance relating to the Business; and (vi) any other direct payroll costs related to or associated with the employment or engagement of the Manager Representatives (other than such Manager Representatives that are independent contractors or subcontractors) during the Term, and Manager will timely pay such amounts directly to the Manager Representatives (other than such Manager Representatives that are independent contractors or subcontractors) or the appropriate agency, division or department as applicable.

(b) During the Term, Manager shall maintain any required or desirable (in Manager's sole discretion) employee healthcare benefits (medical and dental), life insurance,

long-term disability and accidental death and dismemberment insurance and provide eligible Manager Representatives (other than such Manager Representatives that are independent contractors or subcontractors) with such employee benefits and fringe benefits as authorized and provided pursuant to those benefit plans, programs and arrangements as are in effect from time to time.

(c) During the Term, Manager shall use commercially reasonable efforts to obtain and maintain such commercial general liability insurance (and administration of all aspects relating to such insurance) and other insurance coverages in such amounts as are customary for similarly situated businesses in connection with the operation of the Business and the performance of the Management Services under this Agreement, but in any event such insurance coverages and in such amounts as is required under that certain Lease Agreement, dated July 22, 2017, by and between the Company, as tenant, and Heller Brother Realty, LLC, as landlord.

(d) Manager shall maintain workers' compensation coverage (and administration of such coverage) related to or associated with the employment of the Manager Representatives during the Term in such amounts as is required by applicable law.

(e) For purposes of federal and state employee income and related tax filings (such as the reporting of amounts withheld from wages for income and employment taxes), Manager shall accurately report and remit such taxes to federal and state authorities as are due and payable for the Manager Representatives (other than such Manager Representatives that are independent contractors or subcontractors). All compensation paid during the Term by the Manager shall be reported, and related taxes remitted, to the tax authorities by Manager under its Federal Employer Identification Number.

(f) Nothing herein shall be construed to create a joint venture or partnership between the parties hereto or an ownership, agency or employee/employer relationship. The Manager shall be an independent contractor pursuant to this Agreement. The Manager and the Company further acknowledge and agree that the Company: (a) does not require the Manager to perform work exclusively for the Company; (b) does not provide the Manager with any business registrations or licenses, if any, required to perform the Services set forth in this Agreement; (c) does not provide tools to the Manager and the Manager shall provide all materials, equipment, vehicles, phones, computers and any other items necessary to provide the Management Services and carry out the terms of this Agreement; (d) has not established the specific methods of how the Manager should perform the Management Services pursuant to this Agreement; (e) does not dictate the time of performance of the Management Services except for general timelines, if any, as set forth in Exhibit A and as may be amended from time to time; (f) shall pay the Manager in the name appearing in this Agreement; and (g) will not combine business operations with the Manager and will continue to maintain its operations separate from those of the Manager.

7.3 Costs and Expenses. Except as contemplated by Section 8.9 below, each Party shall bear its own costs and expenses in connection with the execution and delivery of this Agreement and the performance hereof.

7.4 Third Parties. It is agreed that none of the obligations of any party will run to or be enforceable by any third party.

7.5 Captions. The article, section and paragraph headings contained in this Agreement are for the convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Agreement.

7.6 No Manager Ownership or Change of Control. In complete compliance with applicable law, nothing contained herein shall be construed to be an actual, effective, or deemed grant of ownership or any other beneficial interest in, or change in control over, the License to the Manager. Regardless of any other provision of this Agreement, nothing herein shall be deemed or construed as a transfer, assignment, sale, or conveyance of the License to Manager or any of the Manager's successors, affiliates, agents, volunteers, employees, owners or contractors.

7.7 Change of Control of Manager. The Manager will promptly notify the Company and the MMCC as soon as practicable prior to a change of ownership of fifty percent (50%) or more of the membership interests of the Manager, but in any event at least ten (10) business days prior to the effective date of any change of ownership.

7.8 Amendment, Severability; Blue-Penciling. This Agreement cannot be changed or modified except by a writing signed by Manager and the Company; provided that the Company will not unreasonably withhold its consent to any change, amendment or modification proposed by the Manager. If any term, provision, or part of a provision of this Agreement is determined to be invalid or unenforceable by a court or arbitrator of competent jurisdiction, then Parties desire and agree that the remaining terms, provisions, and parts of a provision, as applicable, of this Agreement will nevertheless continue to be valid and enforceable. If any term, provision, or part of a provision of this Agreement is held by a court with competent jurisdiction to be unenforceable, or unreasonable, as to time, geographic area or business limitation, the parties hereto agree that such provisions shall be and are hereby reformed to the maximum time, geographic area and/or business limitation permitted by applicable law.

7.9 Governing Law. This Agreement will be deemed to have been made in, and will be construed and governed by, the laws of the State of Maryland, without regard to principles of conflicts of laws that would direct the application of the laws of any other jurisdiction.

7.10 WAIVER OF JURY TRIAL. EACH PARTY TO THIS AGREEMENT HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO HAVE A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND ANY DOCUMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS AGREEMENT.

7.11 Arbitration, Attorneys' Fees. Any dispute, controversy or claim arising out of or relating to this Agreement or any of the transactions contemplated herein will be finally settled by binding arbitration in the State of Maryland in accordance with the then-current Commercial Arbitration Rules of the American Arbitration Association by one arbitrator appointed

in accordance with said rules. The arbitrator shall apply Maryland law to the resolution of any dispute, without reference to rules of conflicts of law or rules of statutory arbitration. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, the Parties may apply to any court of competent jurisdiction for preliminary or interim equitable relief, or to compel arbitration in accordance with this paragraph. The expenses of the arbitration, including the arbitrator's fees and expert witness fees, incurred by the Parties to the arbitration, may be awarded to the prevailing Party, in the discretion of the arbitrator, or may be apportioned between the Parties in any manner deemed appropriate by the arbitrator. Unless and until the arbitrator decides that one Party is to pay for all (or a share) of such expenses, both parties shall share equally in the payment of the arbitrator's fees as and when billed by the arbitrator. The term "prevailing party" means the party in whose favor final judgment by the arbitrator is rendered with respect to the dispute, controversy or claim asserted.

7.12 Assignment. This Agreement may not be assigned by the Company without the prior written consent of Manager, which consent may be granted or withheld in the sole and absolute discretion of Manager. For the avoidance of doubt, subject to any required regulatory approval, Manager may freely assign this Agreement and its rights hereunder, including, without limitation, in connection with a sale of substantially all of Manager's assets or membership interests to a third party. This Agreement will inure to the benefit of and be binding on the Parties, their respective heirs, legal representatives, successors and assigns.

7.13 Time. Time is of the essence for this Agreement and each provision contained in this Agreement. Any extension of time granted for the performance of any obligation under this Agreement will not be considered an extension of time for the performance of any other obligation under this Agreement.

7.14 Waiver. No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision, whether or not similar, nor will any waiver be a continuing waiver except as expressly provided in this Agreement. No waiver will be binding unless executed by the Party in writing making the waiver. Any Party may waive any provision of this Agreement intended for its benefit; provided, however, such waiver is in writing and will in no way excuse any other party from the performance of any of its other obligations under this Agreement.

7.15 Further Acts. Each Party to this Agreement agrees to perform any further acts and execute and deliver any documents that may be necessary or appropriate to fully carry out the provisions, intent, and purposes of this Agreement.

7.16 Notices. Any notice by either Party to this Agreement to the other will be in writing and will be delivered by: (A) personal delivery; or (B) registered or certified mail with return receipt service; or (C) nationally recognized overnight delivery service, addressed as set forth under the signature of the recipient party on the signature page to this Agreement. Notices delivered by personal delivery will be deemed delivered on the date of delivery, and all other notices will be deemed delivered on the third (3rd) calendar day following the day of the first attempt to deliver, as reflected in the records of the postal or delivery service. Either Party may at any time change its address for notices by written notification to the other Parties in accordance with the provisions of this Section 7.16.

7.17 Force Majeure. Manager shall not be liable or responsible to the Company, nor be deemed to have defaulted or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement when and to the extent such failure or delay is caused by or results from acts or circumstances beyond the reasonable control of Manager including, without limitation, acts of God, flood, fire, earthquake, explosion, governmental actions, war, invasion or hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest, national emergency, revolution, insurrection, pandemic, epidemic, lock-outs, strikes or other labor disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials, materials or telecommunication breakdown or power outage.

7.18 Interpretation; Absence of Presumption. This Agreement will be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted. In the event an ambiguity or question of intent or interpretation arises under any provision of this Agreement, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of authoring any of the provisions of this Agreement. The Parties have been represented in the negotiations for and in the preparation of this Agreement by counsel of their own choosing or have had the opportunity to consult with counsel concerning the legal consequences of this Agreement; they have reviewed and understand the provisions of this Agreement; they have had this Agreement fully explained to them by their counsel or have had the opportunity to consult with counsel but declined to do so; and they are fully aware of and understand this Agreement's contents and its legal effect and consequences. Each of the parties acknowledges it enters into this Agreement freely and voluntarily and is not acting under coercion, duress, economic compulsion, nor is entering into this Agreement because of any supposed disparity in bargaining power; rather, each Party is freely and voluntarily signing this Agreement for his or its own benefit.

7.19 Counterparts. This Agreement may be executed in multiple counterparts and by facsimile signature, each of which shall be deemed an original and all of which together shall constitute a single instrument.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties have executed this Agreement (or caused this Agreement to be executed by their duly authorized representatives), effective as of the Effective Date.

MANAGER:

[redacted]

By:_____

[redacted]

Email: [redacted]

Address for Notice: [redacted]

COMPANY:

PREMIUM MEDICINE OF MARYLAND, LLC

By:_____
Name: Eric Steenstra, Managing Member

Email: ericsteenstra@gmail.com

Address for Notice: 1749 Algonquin Road
Frederick, MD 21701

SCHEDULE A

Management Services Provided by Manager

The Management Services shall include, but not be limited to, the following services relating to the Business.

A. Human Resources

1. Hire, terminate and otherwise manage the employment of employees and engagement of independent contractors by the Company relating to the Business.

2. Supervise all facility staff (including managerial and operational staff) on behalf of the Company relating to the Business.

3. Oversee and disburse payroll for eligible employees of the Company relating to the Business out of the Company's general funds, including, without limitation, preparing employee end-of-year tax documentation.

4. Track and maintain employee benefits, including, without limitation, health insurance, paid time off/sick leave accrual, and retirement contributions, in respect of the Company relating to the Business.

B. Administrative Management; Advisory; Branding

1. Provide ongoing advice and support in maintaining state and local relations through proactive, transparent and consistent communications and outreach relating to the Business.

2. Provide ongoing advice and support in soliciting patient feedback and generating information to educate patients on medical cannabis, medical cannabis products, appropriate use cases, as well as potential for misuse, relating to the Business.

3. Provide or arrange for the provision of bookkeeping and accounting services required for the operation of the dispensary business, including, without limitation, the following: (a) the maintenance, custody and supervision of all business records, ledgers and reports; (b) the establishment, administration and implementation of accounting procedures, controls and systems; (c) the preparation of the financial and management reports; and (d) the implementation and management of computer-based management information systems.

4. Provide ongoing advice and support in ensuring full compliance with all applicable tax rules, including Internal Revenue Code section 280E, relating to the Business.

5. Prepare and file or cause to be filed all tax returns for the Company under Company's supervision, and make any payments relating thereto, solely to the extent related to the Business.

6. Prepare, file, or cause to be filed, and pay, or cause to be paid, any and all Maryland gross sales tax relating to the Business.

7. Identify potential depository relationships to ensure safe cash protocols and secure back-office payment services, including for payroll and taxes, relating to the Business.

8. Continuously evaluate insurance needs and obtain all necessary insurance coverages, negotiate with brokers and carriers, and purchase on behalf of the Business, the range of policies and coverages suitable for the Business, provided that such insurance shall include, at minimum, business liability, property casualty, and workers' compensation insurance policies on all regular employees, in commercially reasonable amounts sufficient to cover any foreseeable civil claims, property damage, or personal injury and to replace the applicable assets of the Business, and that Manager and Company shall each be either the insured party or an additional named insured, as appropriate, under all such policies, and Manager shall provide Company with current copies of all such insurance documentation;

9. Manage all brand development, advertising, and outreach to target markets relating to the Business.

10. Manage and direct the: (i) defense of claims, actions, proceedings or investigations against either Company and/or any of its officers, directors, managers, members, or other employees in their capacity as such with respect to the cannabis dispensary business of the Company; and (ii) initiation and prosecution of claims, actions or proceedings brought by the Company against any person other than Manager and its affiliates, employees or representatives relating to the Business.

11. Provide key advisory support services, on an as-needed basis, including corporate counsel, compliance, strategic and other advisory functions, relating to the Business.

12. Supervise, direct, and control the development of name, logo and look-and-feel relating to the Business.

13. Provide ongoing advice and support in strict and full adherence to all applicable state and local laws, regulations and ordinances, to ensure safety and business continuity for employees, patients and communities, relating to the Business.

14. Manage the Company's capital requirements, including incurring debt when reasonably necessary.

C. <u>Dispensary Management and Operations</u>

1. Oversee the dispensary facility and manage vendors.

2. Source and order all furniture, fixtures and equipment and operating supplies and equipment on an ongoing basis with such costs paid for by the Manager.

3. Arrange for utilities, janitorial and maintenance services to be provided for the Business.

4. Engage necessary vendors to ensure compliance with all laws and regulations relating to the Business.

5. Work with security vendors to install and/or maintain required security systems and protocols of the Business.

6. Develop and implement manuals, standard operating procedures, and training materials, if necessary, relating to the Business.

7. Coordinate and deliver cannabis products to requisite independent testing facilities and coordinate with the testing facilities regarding the products.

8. Manage all inventory control procedures relating to the Business.

9. Lead continuous improvement of all regulatory compliance efforts relating to the Business.

10. Determine product mix, select vendor products, interface with suppliers, and set pricing for products at the Business.

11. Provide ongoing advice on products, pricing, and operations at the Business.

12. Select vendors and IT specialist to provide and maintain technology for compliance, efficiency and informed management decision-making relating to the Business.

13. Manage the bank accounts of the Company, a list of which has been made available to the Manager, the opening and closing thereof, and the administration of funds therefrom.

14. Arrange for the payment by Company of all costs and expenses attendant to the operations of the Business of the Company, including, without limitation, rent, utilities, and real estate property taxes (if applicable).

15. Arrange for the financing of any capital needs and/or other improvements as may be necessary from time to time relating to the Business.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS SCHEDULE A OR ELSEHWERE IN THIS AGREEMENT, AND FOR THE AVOIDANCE OF DOUBT,

COMPANY AND MANAGEMENT COMPANY WILL COLLECTIVELY MAINTAIN JOINT RESPONSIBILITY, FOR THE FOLLOWING:

D. <u>License Maintenance</u>

1. Taking any and all actions necessary in furtherance of, in compliance with, or otherwise in any way related to any change whatsoever in any applicable state or local law, regulation, MMCC guidance or order relative to the procurement, entitlement, compliance, development, operation, or management of the Business that comes into being, occurs, accrues, becomes effective, or otherwise becomes applicable or required after the Effective Date;

2. Preparing and filing as and when due or required all documents and compliance forms reasonably requested by Manager, whether or not they are required or requested by governmental authorities, including tax forms and documentation as it relates to the Business, and license renewal forms, and shall respond to such requests within three (3) days or otherwise as agreed by the Parties; and

3. Refrain from engaging in acts or omissions which, by their nature, or given the passage of time, will or reasonably might result in the revocation and/or non-renewal of the License.

SCHEDULE B

Services Fees

In consideration for the Management Services, the Company shall pay the Manager a Service Fee (as described herein, the "Service Fee") equal to the following, on a quarterly basis in arrears:

A. Fee Calculation Election The compensation for the Management Services to be provided hereunder shall be calculated either on a time and materials basis, or on the basis of Company's Net Profit (as defined below), at the election of Manager. Prior to the first day of each calendar quarter, Manager shall deliver to Company a notice of election (the "Notice of Election") detailing the manner in which the fees shall be calculated for the following calendar quarter, provided that such calculation is consistent with the provisions of this Schedule B. If Manager fails to provide a Notice of Election prior to any calendar quarter, the fees for the Management Services provided in such calendar quarter shall be calculated in the same manner as the fees were calculated for the prior calendar quarter. Notwithstanding the foregoing, if the MMCC or any other governmental or regulatory body indicates that payment for Management Services based on Net Profit is impermissible under the Maryland regulatory regime governing the activities described herein, then the fees shall be calculated on a time and materials basis unless and until payment of Net Profit is permitted under such regime.

B. Time and Materials If Manager elects (or the regulatory regime requires Manager) to charge Company on a time and materials basis, the Notice of Election shall include a list of rates for the various Management Services to be provided, the estimated costs of materials expected to be provided and the hourly rates for any Manager employees whose labor will be billed to Company at an hourly rate. The aforementioned rates and costs provided shall be reasonable for the industry and for the Management Services to be provided and shall be based on the actual costs of such time and materials to Manager, plus a standard mark-up not to exceed 35%.

C. Net Profit

1. If Manager elects to charge Company based on Net Profit, Company shall pay to Manager an amount equal to the gross revenue of Company for the applicable calendar quarter, less all salaries, operating expenses, taxes (including, without limitation, all sales, excise, gross receipts and other taxes attributable to Company and payable to any taxing authority having jurisdiction), interest, depreciation, chargebacks, returns, allowances, customer credits, bad debt and other reasonable third-party charges applicable to the conduct of Company's business (as calculated the "Net Profit"). If Manager elects to be paid the Net Profit in exchange for the Management Services, all costs and expenses of Manager, including all costs and expenses (of a capital nature or otherwise) of expanding, upgrading, or further developing the facilities, operations or equipment of Company, shall be payable or reimbursable by Company to the Manager solely by the payment of the Net Profit. In providing the Management Services, all costs and expenses incurred by the Manager and paid to independent third parties for goods or services other than the Management Services shall be payable or reimbursable by Company at Manager's actual out of pocket cost for each such item, to the extent

such payment is on commercially reasonable terms to an independent third party. Nothing contained herein shall be construed to be providing the Manager an ownership interest in Company or any other beneficial interest which would violate Company's obligations under the Laws and/or Company's good standing with the MMCC.

2. The Service Fees to be paid by the Company to Manager may be increased or decreased by written agreement between Manager and the Company.

3. Manager shall have full access to all books and records of the Company to verify its costs and sales and net revenue.

EXHIBIT B

RESIGNATION

To the Board of Managers of Premium Medicine of Maryland, LLC:

I hereby resign from all positions I hold with Premium Medicine of Maryland, LLC, a Maryland limited liability company (the "***Company***") including as a Non-Member Manager and an officer of the Company effective on the date hereof.

Dated this____day of _ _____ 2020.

_____
Kris Krane

EXHIBIT C

SATISFICATION AND RELEASE

SATISFACTION AND RELEASE OF PROMISSORY NOTES AND SECURITY INTERESTS

Witnesseth: That Silver Spring Consulting Group, LLC ("***SSCG***"), the owner and holder of various promissory notes and security agreements (collectively, the "***Instruments***") issued or made by Premium Medicine of Maryland, LLC (the "***Issuer***"), Eric Steenstra, and Dawn Steenstra, f/k/a as Dawn Merrill including but not limited to:

1. Promissory Note, dated October 20, 2017, in the principal amount of $1,050,000.00 executed by Issuer in favor of SSCG.

2. Amended and Restated Secured Demand Note, dated June 30, 2020, in the principal amount of $1,399,323.95 executed by the Issuer in favor of SSCG.

3. Security Agreement, dated as of October 20, 2017, by Issuer in favor of SSCG as secured party.

4. Pledge Agreement, dated as of October 20, 2017, by and among Eric Steenstra and Dawn Steenstra (f/k/a Dawn Merrill), and SSCG.

Hereby acknowledges full release and satisfaction of said Instruments and agrees to surrender the same as cancelled.

In Witness Whereof, the said corporation has caused these presents to be executed in its name, and its corporate seal to be hereunto affixed, by its proper officer(s) thereunto duly authorized, on_____, 2020. Signed, sealed and delivered in our presence:

SILVER SPRING CONSULTING GROUP, LLC

By:_____

Name: Kris Krane
Title: Manager

Schedule 7(b)

Financial Statements

See attached.

Premium Medicine of Maryland, LLC
Profit & Loss
January through December 2019

	Jan 19	Feb 19	Mar 19	Apr 19
Ordinary Income/Expense				
Income				
41000 · Mission Sales				
47900 · Sales - Cannabis				
47901 · Sales Cannabis	76,820.79	99,234.08	112,085.04	100,826.09
Total 47900 · Sales - Cannabis	76,820.79	99,234.08	112,085.04	100,826.09
47905 · Sales - Other Merchandise				
47907 · Sales - Other Merchandise	1,620.00	1,326.00	885.00	1,055.50
Total 47905 · Sales - Other Merchandise	1,620.00	1,326.00	885.00	1,055.50
Total 41000 · Mission Sales	78,440.79	100,560.08	112,970.04	101,881.59
41500 · Mission Discounts				
47908 · Discounts on Other Merchandise	-788.97	-653.67	-406.28	-493.32
41500 · Mission Discounts - Other	-9,760.11	-20,927.29	-27,929.18	-27,826.93
Total 41500 · Mission Discounts	-10,549.08	-21,580.96	-28,335.46	-28,320.25
Total Income	67,891.71	78,979.12	84,634.58	73,561.34
Cost of Goods Sold				
51000 · Mission COGS				
50100 · COGS - Cannabis	39,220.40	50,280.04	56,485.02	45,989.47
50200 · COGS - Other Merchandise	0.00	0.00	0.00	354.17
51000 · Mission COGS - Other	0.00	0.00	0.00	0.00
Total 51000 · Mission COGS	39,220.40	50,280.04	56,485.02	46,343.64
Total COGS	39,220.40	50,280.04	56,485.02	46,343.64
Gross Profit	28,671.31	28,699.08	28,149.56	27,217.70
Expense				
61000 · SG&A Expenses				
61100 · Labor				
61140 · Payroll Taxes	0.00	0.00	0.00	0.00
66000 · Payroll Expenses	23,416.58	27,128.84	33,226.52	32,234.82
Total 61100 · Labor	23,416.58	27,128.84	33,226.52	32,234.82
61200 · Travel				
61210 · Meals & Entertainment	0.00	0.00	0.00	0.00
61230 · Air Transportation	0.00	0.00	0.00	0.00
Total 61200 · Travel	0.00	0.00	0.00	0.00
61300 · Marketing				
6000 · Advertising and Promotion	0.00	0.00	0.00	349.00
61300 · Marketing - Other	0.00	0.00	0.00	0.00
Total 61300 · Marketing	0.00	0.00	0.00	349.00
61400 · Professional Services				
61410 · Legal	0.00	0.00	0.00	2,602.00
61490 · Other	0.00	0.00	0.00	0.00
Total 61400 · Professional Services	0.00	0.00	0.00	2,602.00
61500 · Facilities				
61510 · Rent	0.00	0.00	0.00	0.00
61520 · Telephone/Internet	0.00	0.00	0.00	0.00
61530 · Gas/Electric	0.00	205.00	0.00	116.38

Premium Medicine of Maryland, LLC
Profit & Loss
January through December 2019

	Jan 19	Feb 19	Mar 19	Apr 19
61535 · Water/Sewer	0.00	0.00	0.00	0.00
61540 · Security	16,209.17	6,789.19	10,641.89	12,569.00
61550 · Repairs & Maintenance	2,475.75	248.00	2,511.61	4,078.00
61570 · Business Licenses & Permits	103.68	0.00	0.00	0.00
Total 61500 · Facilities	18,788.60	7,242.19	13,153.50	16,763.38
61600 · Supplies				
61610 · Office Supplies	3,192.53	1,308.00	1,561.73	1,261.18
61620 · Postage & Delivery	0.00	50.00	0.00	0.00
Total 61600 · Supplies	3,192.53	1,358.00	1,561.73	1,261.18
61700 · IT				
61710 · Hardware	4,846.67	0.00	718.00	6,212.07
61720 · Software	0.00	0.00	0.00	0.00
61740 · Maintenance Contracts	0.00	0.00	0.00	0.00
Total 61700 · IT	4,846.67	0.00	718.00	6,212.07
61800 · Other SG&A				
6180 · Conferences and Seminars	0.00	0.00	0.00	0.00
61810 · Bank Fees	1,984.48	1,911.40	518.98	3,535.86
61820 · Dues & Subscriptions	0.00	0.00	143.34	95.56
61840 · Insurance Expense	0.00	0.00	0.00	0.00
61850 · Expenses to be Allocated (DC)	0.00	0.00	0.00	0.00
61890 · Misc. Expense	0.00	0.00	0.00	0.00
Total 61800 · Other SG&A	1,984.48	1,911.40	662.32	3,631.42
Total 61000 · SG&A Expenses	52,228.86	37,640.43	49,322.07	63,053.87
Total Expense	52,228.86	37,640.43	49,322.07	63,053.87
Net Ordinary Income	-23,557.55	-8,941.35	-21,172.51	-35,836.17
Other Income/Expense				
Other Expense				
75000 · Other Expense				
75100 · Interest Expense	8,266.66	7,466.66	8,266.66	8,000.00
Total 75000 · Other Expense	8,266.66	7,466.66	8,266.66	8,000.00
Total Other Expense	8,266.66	7,466.66	8,266.66	8,000.00
Net Other Income	-8,266.66	-7,466.66	-8,266.66	-8,000.00
Net Income	**-31,824.21**	**-16,408.01**	**-29,439.17**	**-43,836.17**

Premium Medicine of Maryland, LLC
Profit & Loss
January through December 2019

	May 19	Jun 19	Jul 19	Aug 19
Ordinary Income/Expense				
Income				
41000 · Mission Sales				
47900 · Sales - Cannabis				
47901 · Sales Cannabis	96,158.05	96,193.21	103,512.12	109,899.87
Total 47900 · Sales - Cannabis	96,158.05	96,193.21	103,512.12	109,899.87
47905 · Sales - Other Merchandise				
47907 · Sales - Other Merchandise	791.00	891.00	1,238.50	2,314.06
Total 47905 · Sales - Other Merchandise	791.00	891.00	1,238.50	2,314.06
Total 41000 · Mission Sales	96,949.05	97,084.21	104,750.62	112,213.93
41500 · Mission Discounts				
47908 · Discounts on Other Merchandise	-346.22	-551.91	-1,153.31	0.00
41500 · Mission Discounts - Other	-23,893.62	-26,053.02	-29,523.93	-33,397.18
Total 41500 · Mission Discounts	-24,239.84	-26,604.93	-30,677.24	-33,397.18
Total Income	72,709.21	70,479.28	74,073.38	78,816.75
Cost of Goods Sold				
51000 · Mission COGS				
50100 · COGS - Cannabis	96,771.17	39,349.36	57,567.79	72,186.67
50200 · COGS - Other Merchandise	280.21	213.63	780.25	1,457.86
51000 · Mission COGS - Other	0.00	0.00	0.00	0.00
Total 51000 · Mission COGS	97,051.38	39,562.99	58,348.04	73,644.53
Total COGS	97,051.38	39,562.99	58,348.04	73,644.53
Gross Profit	-24,342.17	30,916.29	15,725.34	5,172.22
Expense				
61000 · SG&A Expenses				
61100 · Labor				
61140 · Payroll Taxes	0.00	0.00	0.00	0.00
66000 · Payroll Expenses	52,838.36	44,183.42	40,925.31	46,697.61
Total 61100 · Labor	52,838.36	44,183.42	40,925.31	46,697.61
61200 · Travel				
61210 · Meals & Entertainment	0.00	0.00	0.00	0.00
61230 · Air Transportation	0.00	0.00	0.00	0.00
Total 61200 · Travel	0.00	0.00	0.00	0.00
61300 · Marketing				
6000 · Advertising and Promotion	3,845.00	0.00	845.00	1,845.00
61300 · Marketing - Other	0.00	0.00	0.00	0.00
Total 61300 · Marketing	3,845.00	0.00	845.00	1,845.00
61400 · Professional Services				
61410 · Legal	0.00	0.00	0.00	0.00
61490 · Other	0.00	0.00	864.48	1,167.12
Total 61400 · Professional Services	0.00	0.00	864.48	1,167.12
61500 · Facilities				
61510 · Rent	0.00	0.00	0.00	0.00
61520 · Telephone/Internet	0.00	0.00	0.00	0.00
61530 · Gas/Electric	62.34	0.00	20.57	41.14

Premium Medicine of Maryland, LLC
Profit & Loss
January through December 2019

	May 19	Jun 19	Jul 19	Aug 19
61535 · Water/Sewer	0.00	0.00	0.00	0.00
61540 · Security	11,075.35	8,863.93	4,882.02	8,363.42
61550 · Repairs & Maintenance	3,215.68	1,488.00	10,953.14	4,786.62
61570 · Business Licenses & Permits	0.00	40,000.00	795.00	0.00
Total 61500 · Facilities	14,353.37	50,351.93	16,650.73	13,191.18
61600 · Supplies				
61610 · Office Supplies	1,049.31	374.85	5,731.17	374.36
61620 · Postage & Delivery	0.00	0.00	0.00	0.00
Total 61600 · Supplies	1,049.31	374.85	5,731.17	374.36
61700 · IT				
61710 · Hardware	879.50	743.92	154.05	390.87
61720 · Software	0.00	0.00	0.00	0.00
61740 · Maintenance Contracts	0.00	0.00	0.00	718.00
Total 61700 · IT	879.50	743.92	154.05	1,108.87
61800 · Other SG&A				
6180 · Conferences and Seminars	0.00	0.00	0.00	0.00
61810 · Bank Fees	1,188.23	1,903.52	1,486.38	1,611.82
61820 · Dues & Subscriptions	509.67	370.02	0.00	0.00
61840 · Insurance Expense	0.00	0.00	0.00	12,221.88
61850 · Expenses to be Allocated (DC)	60.00	0.00	0.00	0.00
61890 · Misc. Expense	0.00	0.00	0.00	0.00
Total 61800 · Other SG&A	1,757.90	2,273.54	1,486.38	13,833.70
Total 61000 · SG&A Expenses	74,723.44	97,927.66	66,657.12	78,217.84
Total Expense	74,723.44	97,927.66	66,657.12	78,217.84
Net Ordinary Income	-99,065.61	-67,011.37	-50,931.78	-73,045.62
Other Income/Expense				
Other Expense				
75000 · Other Expense				
75100 · Interest Expense	8,266.66	-40,266.64	0.00	0.00
Total 75000 · Other Expense	8,266.66	-40,266.64	0.00	0.00
Total Other Expense	8,266.66	-40,266.64	0.00	0.00
Net Other Income	-8,266.66	40,266.64	0.00	0.00
Net Income	**-107,332.27**	**-26,744.73**	**-50,931.78**	**-73,045.62**

Premium Medicine of Maryland, LLC
Profit & Loss
January through December 2019

	Sep 19	Oct 19	Nov 19	Dec 19
Ordinary Income/Expense				
Income				
41000 · Mission Sales				
47900 · Sales - Cannabis				
47901 · Sales Cannabis	83,869.54	134,485.94	174,362.62	273,458.00
Total 47900 · Sales - Cannabis	83,869.54	134,485.94	174,362.62	273,458.00
47905 · Sales - Other Merchandise				
47907 · Sales - Other Merchandise	1,377.45	2,404.01	1,625.65	6,388.10
Total 47905 · Sales - Other Merchandise	1,377.45	2,404.01	1,625.65	6,388.10
Total 41000 · Mission Sales	85,246.99	136,889.95	175,988.27	279,846.10
41500 · Mission Discounts				
47908 · Discounts on Other Merchandise	-1,615.58	-874.67	-775.91	-3,079.77
41500 · Mission Discounts - Other	-22,168.10	-47,519.13	-61,052.11	-118,648.59
Total 41500 · Mission Discounts	-23,783.68	-48,393.80	-61,828.02	-121,728.36
Total Income	61,463.31	88,496.15	114,160.25	158,117.74
Cost of Goods Sold				
51000 · Mission COGS				
50100 · COGS - Cannabis	22,460.70	17,887.31	24,872.40	88,065.33
50200 · COGS - Other Merchandise	867.80	1,085.41	326.20	2,516.01
51000 · Mission COGS - Other	0.00	0.00	0.00	350,724.64
Total 51000 · Mission COGS	23,328.50	18,972.72	25,198.60	441,305.98
Total COGS	23,328.50	18,972.72	25,198.60	441,305.98
Gross Profit	38,134.81	69,523.43	88,961.65	-283,188.24
Expense				
61000 · SG&A Expenses				
61100 · Labor				
61140 · Payroll Taxes	0.00	2,606.56	2,330.88	2,500.04
66000 · Payroll Expenses	33,029.14	50,887.99	29,077.08	31,280.95
Total 61100 · Labor	33,029.14	53,494.55	31,407.96	33,780.99
61200 · Travel				
61210 · Meals & Entertainment	0.00	135.49	498.88	247.00
61230 · Air Transportation	0.00	46.99	0.00	0.00
Total 61200 · Travel	0.00	182.48	498.88	247.00
61300 · Marketing				
6000 · Advertising and Promotion	7,754.40	6,200.00	6,200.00	5,000.00
61300 · Marketing - Other	0.00	0.00	0.00	110.00
Total 61300 · Marketing	7,754.40	6,200.00	6,200.00	5,110.00
61400 · Professional Services				
61410 · Legal	0.00	0.00	63.00	0.00
61490 · Other	0.00	3,708.00	0.00	0.00
Total 61400 · Professional Services	0.00	3,708.00	63.00	0.00
61500 · Facilities				
61510 · Rent	47,777.66	5,150.00	5,150.00	5,150.00
61520 · Telephone/Internet	-177.87	0.00	0.00	0.00
61530 · Gas/Electric	0.00	41.14	0.00	0.00

Premium Medicine of Maryland, LLC
Profit & Loss
January through December 2019

	Sep 19	Oct 19	Nov 19	Dec 19
61535 · Water/Sewer	277.78	32.14	0.00	0.00
61540 · Security	13,787.94	8,776.44	10,220.72	11,231.89
61550 · Repairs & Maintenance	768.00	3,254.14	4,382.12	1,328.89
61570 · Business Licenses & Permits	0.00	0.00	0.00	0.00
Total 61500 · Facilities	62,433.51	17,253.86	19,752.84	17,710.78
61600 · Supplies				
61610 · Office Supplies	1,453.29	1,475.91	1,559.52	2,272.38
61620 · Postage & Delivery	0.00	0.00	26.86	0.00
Total 61600 · Supplies	1,453.29	1,475.91	1,586.38	2,272.38
61700 · IT				
61710 · Hardware	1,305.79	1,938.96	177.87	177.87
61720 · Software	0.00	0.00	0.00	0.00
61740 · Maintenance Contracts	0.00	0.00	718.00	718.00
Total 61700 · IT	1,305.79	1,938.96	895.87	895.87
61800 · Other SG&A				
6180 · Conferences and Seminars	178.80	0.00	0.00	0.00
61810 · Bank Fees	1,117.73	1,558.12	1,558.58	1,712.99
61820 · Dues & Subscriptions	0.00	0.35	0.70	0.70
61840 · Insurance Expense	780.64	-357.15	1,204.13	423.49
61850 · Expenses to be Allocated (DC)	0.00	0.00	0.00	0.00
61890 · Misc. Expense	0.00	0.00	0.00	-18.36
Total 61800 · Other SG&A	2,077.17	1,201.32	2,763.41	2,118.82
Total 61000 · SG&A Expenses	108,053.30	85,455.08	63,168.34	62,135.84
Total Expense	108,053.30	85,455.08	63,168.34	62,135.84
Net Ordinary Income	-69,918.49	-15,931.65	25,793.31	-345,324.08
Other Income/Expense				
Other Expense				
75000 · Other Expense				
75100 · Interest Expense	0.00	0.00	0.00	0.00
Total 75000 · Other Expense	0.00	0.00	0.00	0.00
Total Other Expense	0.00	0.00	0.00	0.00
Net Other Income	0.00	0.00	0.00	0.00
Net Income	**-69,918.49**	**-15,931.65**	**25,793.31**	**-345,324.08**

Premium Medicine of Maryland, LLC
Profit & Loss
January through December 2019

	TOTAL
Ordinary Income/Expense	
Income	
41000 · Mission Sales	
47900 · Sales - Cannabis	
47901 · Sales Cannabis	1,460,905.35
Total 47900 · Sales - Cannabis	1,460,905.35
47905 · Sales - Other Merchandise	
47907 · Sales - Other Merchandise	21,916.27
Total 47905 · Sales - Other Merchandise	21,916.27
Total 41000 · Mission Sales	1,482,821.62
41500 · Mission Discounts	
47908 · Discounts on Other Merchandise	-10,739.61
41500 · Mission Discounts - Other	-448,699.19
Total 41500 · Mission Discounts	-459,438.80
Total Income	1,023,382.82
Cost of Goods Sold	
51000 · Mission COGS	
50100 · COGS - Cannabis	611,135.66
50200 · COGS - Other Merchandise	7,881.54
51000 · Mission COGS - Other	350,724.64
Total 51000 · Mission COGS	969,741.84
Total COGS	969,741.84
Gross Profit	53,640.98
Expense	
61000 · SG&A Expenses	
61100 · Labor	
61140 · Payroll Taxes	7,437.48
66000 · Payroll Expenses	444,926.62
Total 61100 · Labor	452,364.10
61200 · Travel	
61210 · Meals & Entertainment	881.37
61230 · Air Transportation	46.99
Total 61200 · Travel	928.36
61300 · Marketing	
6000 · Advertising and Promotion	32,038.40
61300 · Marketing - Other	110.00
Total 61300 · Marketing	32,148.40
61400 · Professional Services	
61410 · Legal	2,665.00
61490 · Other	5,739.60
Total 61400 · Professional Services	8,404.60
61500 · Facilities	
61510 · Rent	63,227.66
61520 · Telephone/Internet	-177.87
61530 · Gas/Electric	486.57

Premium Medicine of Maryland, LLC
Profit & Loss
January through December 2019

	TOTAL
61535 · Water/Sewer	309.92
61540 · Security	123,410.96
61550 · Repairs & Maintenance	39,489.95
61570 · Business Licenses & Permits	40,898.68
Total 61500 · Facilities	267,645.87
61600 · Supplies	
61610 · Office Supplies	21,614.23
61620 · Postage & Delivery	76.86
Total 61600 · Supplies	21,691.09
61700 · IT	
61710 · Hardware	17,545.57
61720 · Software	0.00
61740 · Maintenance Contracts	2,154.00
Total 61700 · IT	19,699.57
61800 · Other SG&A	
6180 · Conferences and Seminars	178.80
61810 · Bank Fees	20,088.09
61820 · Dues & Subscriptions	1,120.34
61840 · Insurance Expense	14,272.99
61850 · Expenses to be Allocated (DC)	60.00
61890 · Misc. Expense	-18.36
Total 61800 · Other SG&A	35,701.86
Total 61000 · SG&A Expenses	838,583.85
Total Expense	838,583.85
Net Ordinary Income	-784,942.87
Other Income/Expense	
Other Expense	
75000 · Other Expense	
75100 · Interest Expense	0.00
Total 75000 · Other Expense	0.00
Total Other Expense	0.00
Net Other Income	0.00
Net Income	**-784,942.87**

Premium Medicine of Maryland, LLC
Balance Sheet
As of December 31, 2019

	Jan 31, 19	Feb 28, 19	Mar 31, 19	Apr 30, 19
ASSETS				
Current Assets				
Checking/Savings				
10000 · Bulldog FCU - Checking	78,070.22	28,464.84	-44,388.05	13,722.16
10001 · Bulldog FCU - Savings	10,025.00	10,025.00	10,025.00	10,025.00
10005 · Union Bank - PR Acct	0.00	0.00	0.00	0.00
10002 · ATM Cash	9,000.00	9,000.00	9,000.00	4,480.00
10003 · Cash in Vault	100.00	100.00	100.00	100.00
10004 · Petty Cash	895.00	1,634.00	2,534.00	2,534.00
Total Checking/Savings	98,090.22	49,223.84	-22,729.05	30,861.16
Other Current Assets				
Payroll Clearing	0.00	0.00	0.00	0.00
1200 · Undeposited Funds	7,246.96	50,681.56	56,138.06	59,838.10
1510 · Inventory	88,506.30	144,495.29	149,322.30	156,905.98
Total Other Current Assets	95,753.26	195,176.85	205,460.36	216,744.08
Total Current Assets	193,843.48	244,400.69	182,731.31	247,605.24
Fixed Assets				
1650 · Furniture, Fixtures & Equipment	2,466.00	9,247.00	0.00	5,000.00
Total Fixed Assets	2,466.00	9,247.00	0.00	5,000.00
TOTAL ASSETS	**196,309.48**	**253,647.69**	**182,731.31**	**252,605.24**
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
20000 · Accounts Payable	84,933.96	149,724.14	61,555.27	52,231.89
Total Accounts Payable	84,933.96	149,724.14	61,555.27	52,231.89
Other Current Liabilities				
24000 · Payroll Liabilities	0.00	0.00	0.00	0.00
24700 · Sales Tax Payable	49.86	90.20	118.84	152.32
Total Other Current Liabilities	49.86	90.20	118.84	152.32
Total Current Liabilities	84,983.82	149,814.34	61,674.11	52,384.21
Long Term Liabilities				
Intercompany Liability				
24800 · CIHI Due To/From	0.00	0.00	0.00	0.00
26000 · SSCG - Loan 150K				
26000.1 · SSCG - Principal	150,000.00	150,000.00	150,000.00	150,000.00
26000.2 · SSCG - Accrued Interest	15,599.97	16,533.30	17,566.63	18,566.63
Total 26000 · SSCG - Loan 150K	165,599.97	166,533.30	167,566.63	168,566.63
26001 · SSCG - Loan 1.05M				
26001.2 · SSCG-Loan 1.05M Accrued Inter	61,066.66	67,599.99	74,833.32	81,833.32
26001 · SSCG - Loan 1.05M - Other	1,050,000.00	1,050,000.00	1,050,000.00	1,050,000.00
Total 26001 · SSCG - Loan 1.05M	1,111,066.66	1,117,599.99	1,124,833.32	1,131,833.32
26002 · SSCG - Loan	183,743.55	185,192.59	223,588.95	338,588.95
Total Intercompany Liability	1,460,410.18	1,469,325.88	1,515,988.90	1,638,988.90
Total Long Term Liabilities	1,460,410.18	1,469,325.88	1,515,988.90	1,638,988.90

Premium Medicine of Maryland, LLC
Balance Sheet
As of December 31, 2019

	Jan 31, 19	Feb 28, 19	Mar 31, 19	Apr 30, 19
Total Liabilities	1,545,394.00	1,619,140.22	1,577,663.01	1,691,373.11
Equity				
30500 · Ramirez				
30500-2 · Ramirez - Distributions	-1,200,000.00	-1,200,000.00	-1,200,000.00	-1,200,000.00
Total 30500 · Ramirez	-1,200,000.00	-1,200,000.00	-1,200,000.00	-1,200,000.00
32000 · Retained Earnings	-117,260.31	-117,260.31	-117,260.31	-117,260.31
Net Income	-31,824.21	-48,232.22	-77,671.39	-121,507.56
Total Equity	-1,349,084.52	-1,365,492.53	-1,394,931.70	-1,438,767.87
TOTAL LIABILITIES & EQUITY	**196,309.48**	**253,647.69**	**182,731.31**	**252,605.24**

Premium Medicine of Maryland, LLC
Balance Sheet
As of December 31, 2019

	May 31, 19	Jun 30, 19	Jul 31, 19
ASSETS			
Current Assets			
Checking/Savings			
10000 · Bulldog FCU - Checking	-11,132.12	25,170.55	48,427.45
10001 · Bulldog FCU - Savings	1,025.00	1,025.00	1,025.00
10005 · Union Bank - PR Acct	0.00	0.00	0.00
10002 · ATM Cash	4,480.00	9,000.00	9,000.00
10003 · Cash in Vault	100.00	100.00	100.00
10004 · Petty Cash	4,128.51	3,189.11	3,189.11
Total Checking/Savings	-1,398.61	38,484.66	61,741.56
Other Current Assets			
Payroll Clearing	2,606.53	0.00	0.00
1200 · Undeposited Funds	43,827.24	20,893.31	58,274.73
1510 · Inventory	72,561.50	55,525.00	62,375.90
Total Other Current Assets	118,995.27	76,418.31	120,650.63
Total Current Assets	117,596.66	114,902.97	182,392.19
Fixed Assets			
1650 · Furniture, Fixtures & Equipment	9,750.00	9,750.00	9,750.00
Total Fixed Assets	9,750.00	9,750.00	9,750.00
TOTAL ASSETS	**127,346.66**	**124,652.97**	**192,142.19**
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
20000 · Accounts Payable	26,326.91	65,663.60	62,239.04
Total Accounts Payable	26,326.91	65,663.60	62,239.04
Other Current Liabilities			
24000 · Payroll Liabilities	0.00	0.00	2,922.16
24700 · Sales Tax Payable	-135.67	-154.68	-115.48
Total Other Current Liabilities	-135.67	-154.68	2,806.68
Total Current Liabilities	26,191.24	65,508.92	65,045.72
Long Term Liabilities			
Intercompany Liability			
24800 · CIHI Due To/From	0.00	0.00	28,884.20
26000 · SSCG - Loan 150K			
26000.1 · SSCG - Principal	150,000.00	150,000.00	150,000.00
26000.2 · SSCG - Accrued Interest	19,599.96	14,566.64	14,566.64
Total 26000 · SSCG - Loan 150K	169,599.96	164,566.64	164,566.64
26001 · SSCG - Loan 1.05M			
26001.2 · SSCG-Loan 1.05M Accrued Inter	89,066.65	53,833.33	53,833.33
26001 · SSCG - Loan 1.05M - Other	1,050,000.00	1,050,000.00	1,050,000.00
Total 26001 · SSCG - Loan 1.05M	1,139,066.65	1,103,833.33	1,103,833.33
26002 · SSCG - Loan	338,588.95	363,588.95	453,588.95
Total Intercompany Liability	1,647,255.56	1,631,988.92	1,750,873.12
Total Long Term Liabilities	1,647,255.56	1,631,988.92	1,750,873.12

Premium Medicine of Maryland, LLC
Balance Sheet
As of December 31, 2019

	May 31, 19	Jun 30, 19	Jul 31, 19
Total Liabilities	1,673,446.80	1,697,497.84	1,815,918.84
Equity			
30500 · Ramirez			
30500-2 · Ramirez - Distributions	-1,200,000.00	-1,200,000.00	-1,200,000.00
Total 30500 · Ramirez	-1,200,000.00	-1,200,000.00	-1,200,000.00
32000 · Retained Earnings	-117,260.31	-117,260.31	-117,260.31
Net Income	-228,839.83	-255,584.56	-306,516.34
Total Equity	-1,546,100.14	-1,572,844.87	-1,623,776.65
TOTAL LIABILITIES & EQUITY	**127,346.66**	**124,652.97**	**192,142.19**

Premium Medicine of Maryland, LLC
Balance Sheet
As of December 31, 2019

	Aug 31, 19	Sep 30, 19	Oct 31, 19
ASSETS			
Current Assets			
Checking/Savings			
10000 · Bulldog FCU - Checking	33,065.26	143,740.77	80,539.84
10001 · Bulldog FCU - Savings	125.00	125.00	125.00
10005 · Union Bank - PR Acct	0.00	0.00	18,631.58
10002 · ATM Cash	9,000.00	2,320.00	8,240.00
10003 · Cash in Vault	100.00	100.00	100.00
10004 · Petty Cash	3,189.11	4,419.02	1,811.90
Total Checking/Savings	45,479.37	150,704.79	109,448.32
Other Current Assets			
Payroll Clearing	0.00	575.81	0.00
1200 · Undeposited Funds	83,955.46	12,453.28	6,194.62
1510 · Inventory	61,304.00	69,167.20	150,610.63
Total Other Current Assets	145,259.46	82,196.29	156,805.25
Total Current Assets	190,738.83	232,901.08	266,253.57
Fixed Assets			
1650 · Furniture, Fixtures & Equipment	9,750.00	9,750.00	9,750.00
Total Fixed Assets	9,750.00	9,750.00	9,750.00
TOTAL ASSETS	**200,488.83**	**242,651.08**	**276,003.57**
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
20000 · Accounts Payable	110,275.10	27,365.57	69,204.82
Total Accounts Payable	110,275.10	27,365.57	69,204.82
Other Current Liabilities			
24000 · Payroll Liabilities	5,073.86	7,490.99	15,017.54
24700 · Sales Tax Payable	-105.93	-160.45	-242.11
Total Other Current Liabilities	4,967.93	7,330.54	14,775.43
Total Current Liabilities	115,243.03	34,696.11	83,980.25
Long Term Liabilities			
Intercompany Liability			
24800 · CIHI Due To/From	30,079.15	30,079.15	30,079.15
26000 · SSCG - Loan 150K			
26000.1 · SSCG - Principal	150,000.00	150,000.00	150,000.00
26000.2 · SSCG - Accrued Interest	14,566.64	14,566.64	14,566.64
Total 26000 · SSCG - Loan 150K	164,566.64	164,566.64	164,566.64
26001 · SSCG - Loan 1.05M			
26001.2 · SSCG-Loan 1.05M Accrued Inter	53,833.33	53,833.33	53,833.33
26001 · SSCG - Loan 1.05M - Other	1,050,000.00	1,050,000.00	1,050,000.00
Total 26001 · SSCG - Loan 1.05M	1,103,833.33	1,103,833.33	1,103,833.33
26002 · SSCG - Loan	483,588.95	676,216.61	676,216.61
Total Intercompany Liability	1,782,068.07	1,974,695.73	1,974,695.73
Total Long Term Liabilities	1,782,068.07	1,974,695.73	1,974,695.73

Premium Medicine of Maryland, LLC
Balance Sheet
As of December 31, 2019

	Aug 31, 19	Sep 30, 19	Oct 31, 19
Total Liabilities	1,897,311.10	2,009,391.84	2,058,675.98
Equity			
30500 · Ramirez			
30500-2 · Ramirez - Distributions	-1,200,000.00	-1,200,000.00	-1,200,000.00
Total 30500 · Ramirez	-1,200,000.00	-1,200,000.00	-1,200,000.00
32000 · Retained Earnings	-117,260.31	-117,260.31	-117,260.31
Net Income	-379,561.96	-449,480.45	-465,412.10
Total Equity	-1,696,822.27	-1,766,740.76	-1,782,672.41
TOTAL LIABILITIES & EQUITY	**200,488.83**	**242,651.08**	**276,003.57**

Premium Medicine of Maryland, LLC
Balance Sheet
As of December 31, 2019

	Nov 30, 19	Dec 31, 19
ASSETS		
Current Assets		
Checking/Savings		
10000 · Bulldog FCU - Checking	11,375.64	4,035.62
10001 · Bulldog FCU - Savings	125.00	125.00
10005 · Union Bank - PR Acct	22,543.42	27,943.31
10002 · ATM Cash	9,000.00	7,420.00
10003 · Cash in Vault	9,100.00	-30,313.35
10004 · Petty Cash	1,169.91	3,393.12
Total Checking/Savings	53,313.97	12,603.70
Other Current Assets		
Payroll Clearing	0.00	0.00
1200 · Undeposited Funds	20,601.62	115,345.54
1510 · Inventory	318,624.34	97,748.20
Total Other Current Assets	339,225.96	213,093.74
Total Current Assets	392,539.93	225,697.44
Fixed Assets		
1650 · Furniture, Fixtures & Equipment	9,750.00	9,750.00
Total Fixed Assets	9,750.00	9,750.00
TOTAL ASSETS	**402,289.93**	**235,447.44**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
20000 · Accounts Payable	154,409.34	138,530.01
Total Accounts Payable	154,409.34	138,530.01
Other Current Liabilities		
24000 · Payroll Liabilities	10,383.04	2,173.93
24700 · Sales Tax Payable	-319.08	-184.74
Total Other Current Liabilities	10,063.96	1,989.19
Total Current Liabilities	164,473.30	140,519.20
Long Term Liabilities		
Intercompany Liability		
24800 · CIHI Due To/From	30,079.15	37,514.84
26000 · SSCG - Loan 150K		
26000.1 · SSCG - Principal	150,000.00	150,000.00
26000.2 · SSCG - Accrued Interest	14,566.64	14,566.64
Total 26000 · SSCG - Loan 150K	164,566.64	164,566.64
26001 · SSCG - Loan 1.05M		
26001.2 · SSCG-Loan 1.05M Accrued Inter	53,833.33	53,833.33
26001 · SSCG - Loan 1.05M - Other	1,050,000.00	1,050,000.00
Total 26001 · SSCG - Loan 1.05M	1,103,833.33	1,103,833.33
26002 · SSCG - Loan	696,216.61	891,216.61
Total Intercompany Liability	1,994,695.73	2,197,131.42
Total Long Term Liabilities	1,994,695.73	2,197,131.42

Premium Medicine of Maryland, LLC
Balance Sheet
As of December 31, 2019

	Nov 30, 19	Dec 31, 19
Total Liabilities	2,159,169.03	2,337,650.62
Equity		
30500 · Ramirez		
30500-2 · Ramirez - Distributions	-1,200,000.00	-1,200,000.00
Total 30500 · Ramirez	-1,200,000.00	-1,200,000.00
32000 · Retained Earnings	-117,260.31	-117,260.31
Net Income	-439,618.79	-784,942.87
Total Equity	-1,756,879.10	-2,102,203.18
TOTAL LIABILITIES & EQUITY	**402,289.93**	**235,447.44**

Premium Medicine of Maryland, LLC
Balance Sheet
As of June 30, 2020

	Jan 31, 20	Feb 29, 20	Mar 31, 20
ASSETS			
Current Assets			
Checking/Savings			
10000 · Bulldog FCU - Checking	16,051.24	107,459.18	211,343.06
10001 · Bulldog FCU - Savings	125.00	125.00	125.00
10005 · Union Bank - PR Acct	30,147.67	44,726.78	47,517.94
10002 · ATM Cash	6,980.00	6,240.00	2,340.00
10003 · Cash in Vault	-125,147.74	-215,829.35	75,637.02
10004 · Petty Cash	4,899.96	5,672.00	5,574.02
Total Checking/Savings	-66,943.87	-51,606.39	342,537.04
Other Current Assets			
1200 · Undeposited Funds	192,850.10	270,615.50	0.00
1510 · Inventory	101,097.97	211,537.61	166,913.85
Total Other Current Assets	293,948.07	482,153.11	166,913.85
Total Current Assets	227,004.20	430,546.72	509,450.89
Fixed Assets			
1650 · Furniture, Fixtures & Equipment	9,750.00	9,750.00	9,750.00
1700 · Accumulated Depreciation	0.00	0.00	-487.50
Total Fixed Assets	9,750.00	9,750.00	9,262.50
Other Assets			
1550 · Right-of-use asset	143,284.09	143,284.09	129,852.05
Total Other Assets	143,284.09	143,284.09	129,852.05
TOTAL ASSETS	**380,038.29**	**583,580.81**	**648,565.44**
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
20000 · Accounts Payable	35,593.37	243,189.29	322,054.54
Total Accounts Payable	35,593.37	243,189.29	322,054.54
Other Current Liabilities			
24000 · Payroll Liabilities			
24001 · Federal 941 & State SIT	0.00	0.00	0.00
24002 · Unemployment SUI	0.00	0.00	0.00
24000 · Payroll Liabilities - Other	-933.71	-7,192.34	-6,688.46
Total 24000 · Payroll Liabilities	-933.71	-7,192.34	-6,688.46
24700 · Sales Tax Payable	-267.80	-331.80	112.82
Total Other Current Liabilities	-1,201.51	-7,524.14	-6,575.64
Total Current Liabilities	34,391.86	235,665.15	315,478.90
Long Term Liabilities			
Intercompany Liability			
24800 · CIHI Due To/From	37,514.84	37,514.84	0.00
26000 · SSCG - Loan 150K			
26000.1 · SSCG - Principal	150,000.00	150,000.00	150,000.00
26000.2 · SSCG - Accrued Interest	14,566.64	14,566.64	14,566.64
Total 26000 · SSCG - Loan 150K	164,566.64	164,566.64	164,566.64

Premium Medicine of Maryland, LLC
Balance Sheet
As of June 30, 2020

	Jan 31, 20	Feb 29, 20	Mar 31, 20
26001 · SSCG - Loan 1.05M			
26001.2 · SSCG-Loan 1.05M Accrued Inter	53,833.33	53,833.33	53,833.33
26001 · SSCG - Loan 1.05M - Other	1,050,000.00	1,050,000.00	1,050,000.00
Total 26001 · SSCG - Loan 1.05M	1,103,833.33	1,103,833.33	1,103,833.33
26002 · SSCG - Loan	1,014,369.99	1,034,369.99	1,071,884.83
Total Intercompany Liability	2,320,284.80	2,340,284.80	2,340,284.80
25000 · Lease liability	152,767.71	152,767.71	140,665.87
Total Long Term Liabilities	2,473,052.51	2,493,052.51	2,480,950.67
Total Liabilities	2,507,444.37	2,728,717.66	2,796,429.57
Equity			
30500 · Ramirez			
30500-2 · Ramirez - Distributions	-1,200,000.00	-1,200,000.00	-1,200,000.00
Total 30500 · Ramirez	-1,200,000.00	-1,200,000.00	-1,200,000.00
32000 · Retained Earnings	-911,686.80	-911,686.80	-911,686.80
Net Income	-15,719.28	-33,450.05	-36,177.33
Total Equity	-2,127,406.08	-2,145,136.85	-2,147,864.13
TOTAL LIABILITIES & EQUITY	**380,038.29**	**583,580.81**	**648,565.44**

Premium Medicine of Maryland, LLC
Balance Sheet
As of June 30, 2020

	Apr 30, 20	May 31, 20	Jun 30, 20
ASSETS			
Current Assets			
Checking/Savings			
10000 · Bulldog FCU - Checking	-15,627.21	14,203.66	41,782.13
10001 · Bulldog FCU - Savings	125.00	125.00	125.00
10005 · Union Bank - PR Acct	56,845.81	41,780.57	54,100.97
10002 · ATM Cash	5,320.00	2,700.00	960.00
10003 · Cash in Vault	48,445.67	71,486.94	67,992.70
10004 · Petty Cash	4,768.19	6,274.93	4,306.15
Total Checking/Savings	99,877.46	136,571.10	169,266.95
Other Current Assets			
1200 · Undeposited Funds	0.00	0.00	0.00
1510 · Inventory	179,548.17	180,541.01	159,426.40
Total Other Current Assets	179,548.17	180,541.01	159,426.40
Total Current Assets	279,425.63	317,112.11	328,693.35
Fixed Assets			
1650 · Furniture, Fixtures & Equipment	9,750.00	9,750.00	9,750.00
1700 · Accumulated Depreciation	-487.50	-487.50	-487.50
Total Fixed Assets	9,262.50	9,262.50	9,262.50
Other Assets			
1550 · Right-of-use asset	129,852.05	129,852.05	129,852.05
Total Other Assets	129,852.05	129,852.05	129,852.05
TOTAL ASSETS	**418,540.18**	**456,226.66**	**467,807.90**
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
20000 · Accounts Payable	92,694.54	87,464.32	51,869.36
Total Accounts Payable	92,694.54	87,464.32	51,869.36
Other Current Liabilities			
24000 · Payroll Liabilities			
24001 · Federal 941 & State SIT	0.00	0.00	6,080.13
24002 · Unemployment SUI	0.00	0.00	118.45
24000 · Payroll Liabilities - Other	-4,142.00	-7,596.58	-11,938.32
Total 24000 · Payroll Liabilities	-4,142.00	-7,596.58	-5,739.74
24700 · Sales Tax Payable	43.82	30.52	23.39
Total Other Current Liabilities	-4,098.18	-7,566.06	-5,716.35
Total Current Liabilities	88,596.36	79,898.26	46,153.01
Long Term Liabilities			
Intercompany Liability			
24800 · CIHI Due To/From	0.00	0.00	0.00
26000 · SSCG - Loan 150K			
26000.1 · SSCG - Principal	150,000.00	150,000.00	150,000.00
26000.2 · SSCG - Accrued Interest	14,566.64	14,566.64	14,566.64
Total 26000 · SSCG - Loan 150K	164,566.64	164,566.64	164,566.64

Premium Medicine of Maryland, LLC
Balance Sheet
As of June 30, 2020

	Apr 30, 20	May 31, 20	Jun 30, 20
26001 · SSCG - Loan 1.05M			
26001.2 · SSCG-Loan 1.05M Accrued Inter	53,833.33	53,833.33	53,833.33
26001 · SSCG - Loan 1.05M - Other	1,050,000.00	1,050,000.00	1,050,000.00
Total 26001 · SSCG - Loan 1.05M	1,103,833.33	1,103,833.33	1,103,833.33
26002 · SSCG - Loan	1,071,884.83	1,165,123.05	1,249,323.95
Total Intercompany Liability	2,340,284.80	2,433,523.02	2,517,723.92
25000 · Lease liability	140,665.87	140,665.87	140,665.87
Total Long Term Liabilities	2,480,950.67	2,574,188.89	2,658,389.79
Total Liabilities	2,569,547.03	2,654,087.15	2,704,542.80
Equity			
30500 · Ramirez			
30500-2 · Ramirez - Distributions	-1,200,000.00	-1,200,000.00	-1,200,000.00
Total 30500 · Ramirez	-1,200,000.00	-1,200,000.00	-1,200,000.00
32000 · Retained Earnings	-911,686.80	-911,686.80	-911,686.80
Net Income	-39,320.05	-86,173.69	-125,048.10
Total Equity	-2,151,006.85	-2,197,860.49	-2,236,734.90
TOTAL LIABILITIES & EQUITY	**418,540.18**	**456,226.66**	**467,807.90**

Premium Medicine of Maryland, LLC
Profit & Loss
January through June 2020

	Jan 20	Feb 20	Mar 20	Apr 20
Ordinary Income/Expense				
Income				
41000 · Mission Sales				
41010 · Flower	0.00	0.00	0.00	0.00
41020 · Edibles	0.00	0.00	0.00	0.00
41030 · Concentrates	0.00	0.00	0.00	0.00
41040 · MIP	0.00	0.00	0.00	0.00
41060 · Pre-Roll	0.00	0.00	0.00	0.00
41070 · Merchandise	0.00	0.00	0.00	0.00
47900 · Sales - Cannabis				
47901 · Sales Cannabis	216,651.78	209,923.70	251,525.32	161,282.06
Total 47900 · Sales - Cannabis	216,651.78	209,923.70	251,525.32	161,282.06
47905 · Sales - Other Merchandise				
47907 · Sales - Other Merchandise	4,095.51	1,606.09	2,926.45	889.49
Total 47905 · Sales - Other Merchandise	4,095.51	1,606.09	2,926.45	889.49
41000 · Mission Sales - Other	0.00	0.00	0.00	0.00
Total 41000 · Mission Sales	220,747.29	211,529.79	254,451.77	162,171.55
41500 · Mission Discounts				
47908 · Discounts on Other Merchandise	-1,879.78	-418.07	-1,023.31	-159.21
41500 · Mission Discounts - Other	-77,770.92	-72,946.76	-75,224.84	-30,765.53
Total 41500 · Mission Discounts	-79,650.70	-73,364.83	-76,248.15	-30,924.74
Total Income	141,096.59	138,164.96	178,203.62	131,246.81
Cost of Goods Sold				
51000 · Mission COGS				
50100 · COGS - Cannabis	61,538.83	90,601.93	115,454.82	80,711.29
50200 · COGS - Other Merchandise	1,691.35	445.66	1,188.99	252.56
51010 · Flower	0.00	0.00	0.00	0.00
51020 · Edibles	0.00	0.00	0.00	0.00
51030 · Concentrates	0.00	0.00	0.00	0.00
51040 · MIP	0.00	0.00	0.00	0.00
51060 · Pre-Roll	0.00	0.00	0.00	0.00
51000 · Mission COGS - Other	0.00	0.00	5,154.13	-17,067.61
Total 51000 · Mission COGS	63,230.18	91,047.59	121,797.94	63,896.24
Total COGS	63,230.18	91,047.59	121,797.94	63,896.24
Gross Profit	77,866.41	47,117.37	56,405.68	67,350.57
Expense				
61000 · SG&A Expenses				
61100 · Labor				
61110 · Regular Wages	0.00	0.00	-110.82	0.00
61140 · Payroll Taxes	3,888.92	3,838.12	3,230.35	2,934.67
61150 · Health Insurance	0.00	0.00	-27.72	0.00
61190 · Other	0.00	0.00	0.00	0.00
66000 · Payroll Expenses	35,842.17	35,834.53	34,537.49	34,139.43
61100 · Labor - Other	0.00	0.00	0.00	0.00
Total 61100 · Labor	39,731.09	39,672.65	37,629.30	37,074.10

Premium Medicine of Maryland, LLC
Profit & Loss
January through June 2020

	Jan 20	Feb 20	Mar 20	Apr 20
61200 · Travel				
61210 · Meals & Entertainment	1,503.39	-300.93	194.71	53.40
61220 · Ground Transportation	200.27	0.00	0.00	0.00
61240 · Lodging	305.24	0.00	0.00	0.00
Total 61200 · Travel	2,008.90	-300.93	194.71	53.40
61300 · Marketing	6,422.50	4,202.29	4,400.00	5,500.00
61400 · Professional Services				
61410 · Legal	1,000.00	0.00	0.00	10,000.00
Total 61400 · Professional Services	1,000.00	0.00	0.00	10,000.00
61500 · Facilities				
61510 · Rent	14,280.00	5,305.00	-15,913.50	5,305.00
61520 · Telephone/Internet	0.00	0.00	0.00	53.60
61530 · Gas/Electric	29.88	0.00	73.03	99.12
61535 · Water/Sewer	0.00	0.00	0.00	138.45
61540 · Security	20,363.22	11,781.35	12,820.89	8,916.53
61550 · Repairs & Maintenance	1,373.16	1,157.78	1,090.00	751.76
61570 · Business Licenses & Permits	886.00	0.00	0.00	0.00
61590 · Other	0.00	25.00	0.00	0.00
Total 61500 · Facilities	36,932.26	18,269.13	-1,929.58	15,264.46
61600 · Supplies				
61610 · Office Supplies	3,002.80	1,538.32	382.34	794.66
61620 · Postage & Delivery	17.75	0.00	49.85	0.00
61690 · Other	11.12	0.00	0.00	0.00
61600 · Supplies - Other	0.00	0.00	0.00	0.00
Total 61600 · Supplies	3,031.67	1,538.32	432.19	794.66
61700 · IT				
61710 · Hardware	895.87	179.46	371.24	179.46
61720 · Software	0.00	0.00	0.00	0.00
61740 · Maintenance Contracts	0.00	718.00	0.00	0.00
61790 · Other	0.00	0.00	0.00	0.00
61700 · IT - Other	0.00	0.00	0.00	-718.00
Total 61700 · IT	895.87	897.46	371.24	-538.54
61800 · Other SG&A				
61810 · Bank Fees	1,843.57	1,687.96	1,972.04	1,832.24
61820 · Dues & Subscriptions	0.00	0.00	-143.34	0.00
61830 · Depreciation Expense	0.00	0.00	13,919.54	0.00
61840 · Insurance Expense	1,719.13	-1,137.80	423.48	423.48
61890 · Misc. Expense	0.00	18.36	0.00	88.79
Total 61800 · Other SG&A	3,562.70	568.52	16,171.72	2,344.51
61000 · SG&A Expenses - Other	0.70	0.70	-1,948.28	0.70
Total 61000 · SG&A Expenses	93,585.69	64,848.14	55,321.30	70,493.29
Total Expense	93,585.69	64,848.14	55,321.30	70,493.29
Net Ordinary Income	-15,719.28	-17,730.77	1,084.38	-3,142.72
Other Income/Expense				
Other Expense				

Premium Medicine of Maryland, LLC
Profit & Loss
January through June 2020

	Jan 20	Feb 20	Mar 20	Apr 20
75000 · Other Expense				
75100 · Interest Expense	0.00	0.00	3,811.66	0.00
Total 75000 · Other Expense	0.00	0.00	3,811.66	0.00
Total Other Expense	0.00	0.00	3,811.66	0.00
Net Other Income	0.00	0.00	-3,811.66	0.00
Net Income	**-15,719.28**	**-17,730.77**	**-2,727.28**	**-3,142.72**

Premium Medicine of Maryland, LLC
Profit & Loss
January through June 2020

	May 20	Jun 20	TOTAL
Ordinary Income/Expense			
Income			
41000 · Mission Sales			
41010 · Flower	94,316.00	98,350.00	192,666.00
41020 · Edibles	14,242.00	16,308.00	30,550.00
41030 · Concentrates	58,753.66	52,346.17	111,099.83
41040 · MIP	1,530.00	1,015.00	2,545.00
41060 · Pre-Roll	8,315.02	10,203.00	18,518.02
41070 · Merchandise	1,271.90	822.48	2,094.38
47900 · Sales - Cannabis			
47901 · Sales Cannabis	0.00	0.00	839,382.86
Total 47900 · Sales - Cannabis	0.00	0.00	839,382.86
47905 · Sales - Other Merchandise			
47907 · Sales - Other Merchandise	0.00	0.00	9,517.54
Total 47905 · Sales - Other Merchandise	0.00	0.00	9,517.54
41000 · Mission Sales - Other	-495.00	-271.11	-766.11
Total 41000 · Mission Sales	177,933.58	178,773.54	1,205,607.52
41500 · Mission Discounts			
47908 · Discounts on Other Merchandise	-772.05	-432.66	-4,685.08
41500 · Mission Discounts - Other	-30,956.20	-31,794.66	-319,458.91
Total 41500 · Mission Discounts	-31,728.25	-32,227.32	-324,143.99
Total Income	146,205.33	146,546.22	881,463.53
Cost of Goods Sold			
51000 · Mission COGS			
50100 · COGS - Cannabis	0.00	0.00	348,306.87
50200 · COGS - Other Merchandise	483.37	290.08	4,352.01
51010 · Flower	51,855.99	53,258.76	105,114.75
51020 · Edibles	6,685.48	7,852.17	14,537.65
51030 · Concentrates	29,020.75	25,825.29	54,846.04
51040 · MIP	663.00	560.00	1,223.00
51060 · Pre-Roll	3,198.60	4,403.00	7,601.60
51000 · Mission COGS - Other	0.00	27,875.50	15,962.02
Total 51000 · Mission COGS	91,907.19	120,064.80	551,943.94
Total COGS	91,907.19	120,064.80	551,943.94
Gross Profit	54,298.14	26,481.42	329,519.59
Expense			
61000 · SG&A Expenses			
61100 · Labor			
61110 · Regular Wages	-212.26	0.00	-323.08
61140 · Payroll Taxes	4,270.16	2,501.58	20,663.80
61150 · Health Insurance	0.00	0.00	-27.72
61190 · Other	2,361.79	0.00	2,361.79
66000 · Payroll Expenses	51,516.71	30,989.16	222,859.49
61100 · Labor - Other	0.00	0.00	0.00
Total 61100 · Labor	57,936.40	33,490.74	245,534.28

Premium Medicine of Maryland, LLC
Profit & Loss
January through June 2020

	May 20	Jun 20	TOTAL
61200 · Travel			
61210 · Meals & Entertainment	88.13	120.00	1,658.70
61220 · Ground Transportation	108.41	0.00	308.68
61240 · Lodging	0.00	0.00	305.24
Total 61200 · Travel	196.54	120.00	2,272.62
61300 · Marketing	10,283.53	6,700.00	37,508.32
61400 · Professional Services			
61410 · Legal	1,690.00	0.00	12,690.00
Total 61400 · Professional Services	1,690.00	0.00	12,690.00
61500 · Facilities			
61510 · Rent	5,305.00	5,768.00	20,049.50
61520 · Telephone/Internet	442.94	1,292.42	1,788.96
61530 · Gas/Electric	0.00	24.94	226.97
61535 · Water/Sewer	0.00	0.00	138.45
61540 · Security	9,046.24	11,236.68	74,164.91
61550 · Repairs & Maintenance	1,519.04	833.61	6,725.35
61570 · Business Licenses & Permits	75.00	0.00	961.00
61590 · Other	0.00	0.00	25.00
Total 61500 · Facilities	16,388.22	19,155.65	104,080.14
61600 · Supplies			
61610 · Office Supplies	1,030.78	627.68	7,376.58
61620 · Postage & Delivery	83.07	57.20	207.87
61690 · Other	0.00	0.00	11.12
61600 · Supplies - Other	95.70	0.00	95.70
Total 61600 · Supplies	1,209.55	684.88	7,691.27
61700 · IT			
61710 · Hardware	2,487.56	2,597.56	6,711.15
61720 · Software	8,776.02	0.00	8,776.02
61740 · Maintenance Contracts	0.00	0.00	718.00
61790 · Other	0.00	0.00	0.00
61700 · IT - Other	0.00	0.00	-718.00
Total 61700 · IT	11,263.58	2,597.56	15,487.17
61800 · Other SG&A			
61810 · Bank Fees	1,759.43	1,844.57	10,939.81
61820 · Dues & Subscriptions	0.00	338.25	194.91
61830 · Depreciation Expense	0.00	0.00	13,919.54
61840 · Insurance Expense	423.48	423.48	2,275.25
61890 · Misc. Expense	0.00	0.00	107.15
Total 61800 · Other SG&A	2,182.91	2,606.30	27,436.66
61000 · SG&A Expenses - Other	1.05	0.70	-1,944.43
Total 61000 · SG&A Expenses	101,151.78	65,355.83	450,756.03
Total Expense	101,151.78	65,355.83	450,756.03
Net Ordinary Income	-46,853.64	-38,874.41	-121,236.44
Other Income/Expense			
Other Expense			

Premium Medicine of Maryland, LLC
Profit & Loss
January through June 2020

	May 20	Jun 20	TOTAL
75000 · Other Expense			
75100 · Interest Expense	0.00	0.00	3,811.66
Total 75000 · Other Expense	0.00	0.00	3,811.66
Total Other Expense	0.00	0.00	3,811.66
Net Other Income	0.00	0.00	-3,811.66
Net Income	**-46,853.64**	**-38,874.41**	**-125,048.10**

Schedule 7(e)

Contracts

1. Lease Agreement, dated July 22, 2017, between Premium and Heller Brothers Realty, LLC (the "***Lease***").

Schedule 7(h)

Employee Benefit Plans

1. Open Access Plan (Cigna)
2. Dental PPO Standard (Cigna)
3. Vision (Cigna)
4. Life Insurance
5. AD&D Insurance

Schedule 7(j)

Insurance

1. Commercial Excess Liability, (Policy No. FLF-MD-XS-00540-01) General Liability, Property, Crop and Other Commercial Coverage Policy, issued by Falls Lake Fire and Casualty Company.

2. Workers' Compensation Policy #2306376-02, issued by Protective Insurance.

3. Products/Completed Operations Liability Policy #ELMMD002121-01, issued by CannGen Insurance Services, LLC.

Schedule 7(l)

Bank Accounts

Name	Address	Nature of Account	Account Number	Authorized Persons
Bulldog Federal Credit Union	580 Northern Ave. Hagerstown, MD 21742	Savings	681456440	Clay Crolius, Josh Rosen, Nicolle Dorsey, Eric Steenstra
Bulldog Federal Credit Union	580 Northern Ave. Hagerstown, MD 21742	Checking	111232149	Clay Crolius, Josh Rosen, Nicolle Dorsey, Eric Steenstra
Union Bank	933 Fourth Avenue Lake Odessa, MI 48849	Payroll	12000086047	Andrew Thut, Clay Crolius, Nicolle Dorsey

Exhibit 21.1

List of Subsidiaries

The following are the Company's wholly owned subsidiaries and entities that are controlled by the Company that are included in these consolidated financial statements as of and for the years ended December 31, 2020 and 2019:

Business Name	Entity Type	State of Operations	Ownership % 2020	2019
4Front Holdings, LLC	Holding Company	DE	100%	100%
4Front Advisors, LLC	Consulting Company	AZ	100%	100%
Mission Partners USA, LLC	Investment Company	DE	100%	100%
Linchpin Investors, LLC	Finance Company	DE	100%	100%
Healthy Pharms Inc.	Collocated Cultivation / Production / Dispensary	MA	100%	100%
MMA Capital, LLC	Finance Company	MA	95.0%	85.3%
IL Grown Medicine, LLC	Cultivation	IL	100%	100%
Harborside Illinois Grown Medicine, Inc.	Dispensary (allowing for the operation of 2 dispensaries)	IL	100%	100%
Om of Medicine, LLC	Co-located Medical Provisioning Center (Dispensary); Co-located Adult-Use Dispensary	MI	100%	100%
Mission MA, Inc.	Collocated Cultivation / Production / Dispensary	MA	100%	100%
Real Estate Properties LLC	Real Estate Holding	WA	100%	100%
Fuller Hill Development Co, LLC	Real Estate Holding	WA	100%	100%
Ag-Grow Imports LLC	Importer of Equipment	WA	100%	100%
Pure Ratios Holdings, Inc.	Online CBD Retail	DE	100.0%	100.0%
4Front California Capital Holdings Inc.	Real Estate Holding	CA	100%	100%
4Front Nevada Corp.	Holding Company	NV	100%	100%
Brightleaf Development LLC	Holding Company	WA	100%	100%
Mission Partners IP, LLC	IP Holding Company	DE	100%	100%
4Front US Holdings, Inc.	Holding Company	DE	100%	100%
4Front Management Associates, LLC	Management Company	MA	95%	76%
4Front Ventures Corp.	Holding Company	Canada	100%	100%

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Leonid Gontmakher, certify that:

1. I have reviewed this annual report on Form 10-K of 4Front Ventures Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 6, 2021

/s/ Leonid Gontmakher
Leonid Gontmakher, Chief Executive Officer
(principal executive officer)

Exhibit 31.2

Certification of Interim Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Peter Rennard, certify that:

1. I have reviewed this annual report on Form 10-K of 4Front Ventures Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 6, 2021

/s/ Peter Rennard
Peter Rennard, Interim Chief Financial Officer
(principal financial and accounting officer)

Exhibit 32.1

Certifications of Chief Executive Officer and Interim Chief Financial Officer
pursuant to
18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Leonid Gontmakher, Chief Executive Officer (principal executive officer) of 4Front Ventures Corp. (the "Company"), and Peter Rennard, Interim Chief Financial Officer (principal financial and accounting officer) of the Company, each hereby certifies that, to the best of his knowledge:

1) The Company's Annual Report on Form 10-K for the year ended December 31, 2020, to which this certification is attached as Exhibit 32.1 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 6, 2021

/s/ Leonid Gontmakher
Leonid Gontmakher
Chief Executive Officer
(principal executive officer)

/s/ Peter Rennard
Peter Rennard
Interim Chief Financial Officer
(principal financial and accounting officer)

The foregoing certifications are being furnished pursuant to 18 U.S.C. Section 1350. They are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the Company, regardless of any general incorporation language in such filing.