SECOND AMENDMENT TO SECURITIES PURCHASE AGREEMENT

THIS SECOND AMENDMENT TO SECURITIES PURCHASE AGREEMENT (this "**Amendment**"), is made on March 20, 2020, by and among **GOTHAM GREEN FUND 1, L.P.**, a Delaware limited partnership, **GOTHAM GREEN FUND 1 (Q), L.P.**, a Delaware limited partnership, **GOTHAM GREEN CREDIT PARTNERS SPV 2, L.P.**, a Delaware limited, **GOTHAM GREEN FUND II, L.P.**, a Delaware limited partnership, **GOTHAM GREEN FUND II (Q), L.P.**, a Delaware limited partnership, **4FRONT VENTURES CORP.**, a corporation amalgamated under the laws of the Province of British Columbia (the "**Company**"), **CANNEX HOLDINGS (NEVADA) INC.**, a Delaware corporation ("**Cannex Borrower**"), **4FRONT U.S. HOLDINGS INC.**, a Delaware corporation ("**4Front Borrower**" and, with the Cannex Borrower, collectively, the "**US Borrowers**", and each a "**US Borrower**"; and, together with the Company and the Lenders, each a "**Party**" and collectively, the "**Parties**"), and the Guarantors listed on the signature pages hereto.

RECITALS:

A. The Parties entered into an Amended and Restated Securities Purchase Agreement on July 31, 2019, among the Company, the Borrowers and the Lenders, as amended by the First Amendment to Securities Purchase Agreement dated January 29, 2020 (the "**Existing Purchase Agreement**").

B. The Borrowers have notified the Lenders that the Company desires to sell the assets of PHX Interactive LLC on or around March 20, 2020, pursuant to the terms and conditions of that certain Asset Purchase Agreement (the "**Sale Agreement**"), attached hereto as Exhibit A, to be entered into by and among PHX Interactive LLC, 4Front Holdings LLC, Mission Partners USA, LLC and GGP Management Holdings, LLC, as Buyer (such sale transaction, the "**Sale**").

C. The Sale would not be a permitted Disposition under Section 4.20(z) of the Existing Purchase Agreement and, without the consent of the Lenders, the consummation of the Sale would result in an Event of Default under Section 6.1(h) of the Existing Purchase Agreement.

D. The Borrowers have requested that the Lenders consent to the Sale and amend the Existing Purchase Agreement as set forth herein, each on the terms and conditions set forth herein.

AGREEMENTS:

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Defined Terms. Capitalized terms used but not otherwise defined in this Amendment shall have the meanings ascribed thereto in the Existing Purchase Agreement, as

amended by this Amendment (as amended, restated, supplemented or otherwise modified from time to time, the "**Purchase Agreement**").

2. Consent under Existing Purchase Agreement. Subject to the satisfaction of the conditions to effectiveness set forth in Section 4 below, and in reliance on the representations and warranties set forth in Section 7 below, the Lenders hereby consent to the Sale; it being understood and agreed that the proceeds of the Sale shall be used only for (i) corporate overhead expenses and capital expenditures in accordance with the covenants set forth in Section 4.20(ll) below and the Budget (as defined below) and (ii) payments of the Obligations. Except as expressly set forth herein, the foregoing consent is a limited consent and shall not constitute (i) a modification or alteration of the terms, conditions or covenants of the Existing Purchase Agreement or any other Transaction Agreement or (ii) a waiver, release or limitation upon the exercise by the Lenders of any of their respective rights, legal or equitable thereunder.

3. Amendments to Existing Purchase Agreement. The Existing Purchase Agreement is hereby amended as follows:

(a) The following definitions are hereby added to Section 1.1 (Definitions) in alphabetical order:

"**Amendment Fee Notes**" means the first priority senior secured convertible notes issued on the Second Amendment Effective Date by the Borrowers to the Purchasers in the aggregate initial principal amount of $348,149.65, in substantially the form attached as Exhibit B to this Amendment, as amended, modified, supplemented or restated from time to time, together with all notes issued in substitution or exchange therefor.

"**Second Amendment**" means the Second Amendment to this Agreement, dated as of the Second Amendment Effective Date.

"**Second Amendment Effective Date**" means March 20, 2020.

(b) The definitions in the Existing Purchase Agreement set forth below are hereby amended and restated in their entirety as follows:

"**Fixed Charge Coverage Ratio**" means, as of any date, with respect to the Company and its Subsidiaries on a consolidated basis, the ratio of (a) EBITDA for the twelve month period ended on the last day of the testing period most recently ended, to (b) the sum of interest expense and capital lease expense which does not already reduce EBITDA, in each case, which is payable in cash for such period, plus any increase in such interest expense, capital lease expense and rent for the lease of real property, in each case, which is payable in the twelve (12) months following such date (calculated on an annualized basis), plus Taxes paid in cash for such period, and plus scheduled debt amortization payments (as initially scheduled on the incurrence of such debt).

"**Notes**" means, collectively, (a) the Senior Secured Convertible Notes issued by the Borrowers on the Restated Closing Date, in an aggregate initial principal amount of

US$33,501,779.64, (b) the Bridge Loan Notes and (c) the Amendment Fee Notes (in each case, as amended, restated, supplemented or otherwise modified from time to time).

(c) Section 4.20(b)(ii) is amended and restated as follows:

(ii) No later than thirty (30) days after the end of each fiscal quarter of the Company, the Company shall deliver a compliance certificate in form and substance reasonably acceptable to Lender, certifying as to the Total Debt to EBITDA Ratio, Fixed Charge Coverage Ratio, Minimum Liquidity and Capital Expenditures, in each case as of the end of the previous fiscal quarter and attaching calculations thereof reasonably acceptable to Lender, and that no Event of Default has occurred or is continuing. Such compliance certificate shall be executed by the Chief Financial Officer or Treasurer of the Company. Without limiting the foregoing, Lender may request at any time and from time to time (in addition to the regularly quarterly compliance certificate) that the Company deliver a compliance certificate certifying as to Minimum Liquidity as of such request date. For purposes of this Section 4.20(b)(ii), "Company" means (i) before the Restated Closing Date, Cannex Holdings and (ii) on and after the Restated Closing Date, 4Front Ventures.

(d) Section 4.20(b) is amended to add the following at the end:

(iii) Not later than thirty (30) days after the end of each calendar month of the Company, the Company shall deliver a certificate, signed by the Chief Financial Officer or Treasurer of the Company, in form and substance reasonably acceptable to Lender, certifying as to compliance with the covenants set forth in Section 4.20(ll) or Section 4.20(mm) with respect to corporate overhead expenses, as applicable, for the immediately preceding calendar month, along with calculations of the corporate overhead expenses in reasonable detail incurred by the Credit Parties and their Subsidiaries during such period.

(e) Section 4.20(ff) is amended and restated as follows:

(ff) Minimum Liquidity. Commencing on January 1, 2021, the Company hereby covenants and agrees that, unless the Lender provides its prior written consent, the Company will have, at all times while any Notes are outstanding, not less than $3,000,000 in unencumbered cash in the account of the Company and such funds shall constitute an "asset" of the Company for purposes of IFRS.

(f) Section 4.20(gg) is amended and restated as follows:

(gg) Total Debt to EBITDA Ratio. Commencing with the period ending December 31, 2020, the Company shall not permit the Total Debt to EBITDA Ratio to exceed the ratio specified below as measured as of the end of each fiscal quarter so specified.

Quarter Ending	Total Debt to EBITDA Ratio
December 31, 2020	8.00 to 1.00
March 31, 2021	5.00 to 1.00
June 30, 2021	4.00 to 1.00
September 30, 2021	3.50 to 1.00
December 31, 2021	3.00 to 1.00

For purposes of this Section 4.20(gg), "Company" means (i) before the Restated Closing Date, Cannex Holdings, and (ii) on and after the Restated Closing Date, 4Front Ventures. Notwithstanding the foregoing, prior to the commencement of the covenant test under this Section 4.20(gg) (at which time, the covenant levels specified above shall apply), a Total Debt to EBITDA Ratio of 5.0 to 1.0 shall apply solely in connection with any action permitted to be taken under this Agreement subject to such action not resulting in an Event of Default, including, without limitation, Permitted Acquisitions, incurrence of new Indebtedness and granting new Liens.

(g) Section 4.20(hh) is amended and restated as follows:

(hh) Fixed Charge Coverage Ratio. Commencing with the period ending December 31, 2020, the Company shall not permit the Fixed Charge Coverage Ratio to be less than the ratio specified below as measured as of the end of each fiscal quarter so specified.

Quarter Ending	Fixed Charge Coverage Ratio
December 31, 2020	0.75 to 1.00
March 31, 2021	1.00 to 1.00
June 30, 2021	1.10 to 1.00
September 30, 2021	1.10 to 1.00
December 31, 2021	1.10 to 1.00

For purposes of this Section 4.20(hh), "Company" means (i) before the Restated Closing Date, Cannex Holdings, and (ii) on and after the Restated Closing Date, 4Front Ventures. Notwithstanding the foregoing, prior to the commencement of the covenant test under this Section 4.20(hh) (at which time, the covenant levels specified above shall apply), a Fixed Charge Coverage Ratio of 1.00 to 1.00 shall apply solely in connection with any action permitted to be taken under this Agreement subject to such action not resulting in an Event of Default, including, without limitation, Permitted Acquisitions, incurrence of new Indebtedness and granting new Liens.

(h) Section 4.20 is amended by adding the following to the end of such section:

(ll) Maximum Corporate Overhead and Capital Expenditures. The Company (x) shall not permit the aggregate amount of corporate overhead expenses incurred by the Company and its subsidiaries, on a consolidated

basis, in any period set forth on Schedule 4.20(ll) to exceed the amount set forth thereon for such period, and (y) shall not permit the aggregate amount of capital expenditures made by the Company and its subsidiaries, on a consolidated basis, during the period from April 1, 2020 through December 31, 2020, for a specified category set forth on Schedule 4.20(ll) to exceed the maximum amount set forth thereon for such category.

(mm) Budget. Not later than ten (10) Business Days prior to the commencement of each fiscal year, beginning with the fiscal year commencing on January 1, 2021, the Borrowers shall deliver and present to the Lenders a written budget setting forth in reasonable detail the projected corporate overhead and capital expenditures of the Company and its subsidiaries for the twelve (12) calendar months of such fiscal year, as approved by the Lenders in their reasonable discretion (the "**Budget**"). The Borrowers shall provide all background and supporting information and analysis the Lenders request regarding such Budget and shall update and revise such Budget pursuant to the Lenders' reasonable recommendations. The Company shall not, and shall not permit any of its subsidiaries to, incur any expense or make any capital expenditure during the fiscal year following the date of such Budget until such Budget has been approved by the Lenders. The Company and its subsidiaries, on a consolidated basis, shall incur corporate overhead expenses and make capital expenditures during any period set forth in the Budget, in each case, only in accordance with such Budget, provided that the Company's and its subsidiaries' actual financial performance for a given period may indicate upward variances to the Budget for such period of not greater than ten percent (10%), in addition to unlimited downward variances. The Budget shall not be amended, supplemented or otherwise modified without the Lenders' prior written consent, not to be unreasonably withheld, conditioned, or delayed, (and if such consent is given, the term "Budget" shall refer to such modified budget).

4. Conditions to Effectiveness of Amendment. This Amendment shall be effective as of the Second Amendment Effective Date subject only to the satisfaction of each of the following conditions:

(a) The Lenders shall have received this Amendment, duly executed by the Credit Parties and the Amendment Fee Notes, duly executed by the Borrowers, and a true, correct and complete copy of the Sale Agreement, which shall be attached hereto as Exhibit A.

(b) The Borrowers shall pay to the Lenders a non-refundable amendment fee equal to $348,149.65 (which amount is 1.0% of the aggregate Principal Amount of the Notes, excluding the Bridge Notes) (the "Amendment Fee"), which shall be evidenced by the Amendment Fee Notes. The Amendment Fee shall be fully earned on the date hereof and non-refundable.

(c) As of the Second Amendment Effective Date, and after giving effect to the Second Amendment and the transactions contemplated hereby,

(i) no Event of Default shall have occurred and be continuing;

(ii) the representations and warranties of the Credit Parties contained in ARTICLE 4 of the Purchase Agreement and in the other Transaction Agreements shall be true and correct in all material respects (without duplication of qualifiers therein as to materiality or Material Adverse Effect) as of the Second Amendment Effective Date as if made on the Second Amendment Effective Date (except to the extent expressly made as of a prior date (other than the Restated Closing Date, which shall be read to be the Second Amendment Effective Date), in which case such representations and warranties shall be true and correct as of such earlier date), with exceptions to the foregoing being disclosed to the Lenders in the form of updated Schedules to the Purchase Agreement; and

(iii) the Credit Parties shall have performed and complied with all of the terms, covenants, agreements and conditions to be performed or complied with by it on or prior to the Second Amendment Effective Date (other than any failure to perform or comply with such terms, covenants, agreements and conditions which the Lender has waived in writing), and, to the extent that any Schedules hereto are incomplete or inaccurate as of the Second Amendment Effective Date, the Credit Parties shall deliver updated Schedules.

5. **Survival and Reaffirmation**. By execution hereof, the Company, each other Credit Party and each Lender respectively agrees as follows:

(a) That, except as herein modified or amended, all terms, conditions, covenants, contained in the Transaction Agreements, as amended, to the extent they have not been fully performed or are intended to survive closing, shall remain in full force and effect and all representations and warranties contained in the Transaction Agreements are true and correct in all material respects (without duplication of qualifiers therein as to materiality or Material Adverse Effect) as of the date hereof (except to the extent expressly made as of a prior date (other than the Restated Closing Date, which shall be read to be the Second Amendment Effective Date), in which case such representations and warranties shall be true and correct as of such earlier date), and that each of the undersigned hereby acknowledges this Amendment.

(b) That the liability of the Company, the other Credit Parties and the Lenders, howsoever arising or provided for in the Existing Purchase Agreement, the Notes, the Warrant Certificates, and the other Transaction Agreements, as hereby modified or amended, is hereby reaffirmed.

(c) That this Amendment does not constitute nor should it be construed as a waiver of any current or future defaults of the Company, any Credit Party or any Lender under any Transaction Agreement, including without limitation, defaults of any financial covenants to be maintained by the Credit Parties or any of them, or any Lender's right to enforce all of its rights and remedies whether now or in the future.

6. **Reaffirmation of Guaranty**. By signing this Amendment, the Company and each Credit Party hereby extends, reaffirms, ratifies and confirms its guaranty of the Obligations (each is a "**Guaranty**") in its entirety and hereby ratifies and confirms that: (a) such Guaranty and all other Transaction Agreements remain in full force and effect in

accordance with its terms; (b) there are no defenses, setoffs or counterclaims with respect thereto; and (c) such Guaranty continues to guaranty the Obligations of the Company and the Borrowers under the Transaction Agreements in accordance with its terms.

7. Representations and Warranties of the Company and the Borrowers. The Company and each Borrower hereby represents and warrants to the Lenders as follows:

(a) No default, Event of Default or event of acceleration under any Transaction Agreement, as modified herein, nor any event, that, with the giving of notice or the passage of time or both, would be a default, an Event of Default or event of acceleration under any Transaction Agreement, as modified herein, has occurred and is continuing.

(b) There has been no material adverse change in the financial condition of the Company or the Borrowers, taken as a whole, or any other person whose financial statement has been delivered to the Lenders in connection with the Obligations from the most recent financial statements received by the Lenders.

(c) Each and all representations and warranties of the Company, the Borrowers and each other Credit Party in the Purchase Agreement and all other Transaction Agreements are accurate on the date hereof (except to the extent expressly made as of a prior date (other than the Restated Closing Date, which shall be read to be the Second Amendment Effective Date), in which case such representations and warranties shall be true and correct as of such earlier date), with the same force and effect as if entirely restated in this Amendment.

(d) None of the Credit Parties has any claims, counterclaims, defenses or set-offs with respect to the Obligations or any other Transaction Agreement, as modified herein.

(e) The Transaction Agreements, as modified herein, are the legal, valid and binding obligations of the Company and each other Credit Party, as applicable, enforceable against such party in accordance with their terms.

8. Transaction Agreement. This Amendment is for all purposes a "Transaction Agreement" as defined in the Existing Purchase Agreement, and all references to the "Agreement" in the Existing Purchase Agreement shall include and incorporate this Amendment, as applicable.

9. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

COMPANY:

4FRONT VENTURES CORP.
a corporation incorporated under the laws of the Province of British Columbia

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Its: CEO

ISSUER:

CANNEX HOLDINGS (NEVADA) INC.
a Nevada corporation

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Its: President

4FRONT U.S. HOLDINGS INC.
a Delaware corporation

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Its: President, Secretary and Treasurer

[signatures continue on following page]

[Signature page to Second Amendment to Amended and Restated Securities Purchase Agreement (continued)]

LENDER:

GOTHAM GREEN FUND 1, L.P.

By: Gotham Green GP 1, LLC, its general partner

By: *"Jason Adler"*
Name: Jason Adler
Its: Managing Member

GOTHAM GREEN CREDIT PARTNERS SPV 2, L.P.

By: Gotham Green Credit Partners GP 2, LLC, its general partner

By: *"Jason Adler"*
Name: Jason Adler
Its: Managing Member

GOTHAM GREEN FUND 1 (Q), L.P.

By: Gotham Green GP 1, LLC, its general partner

By: *"Jason Adler"*
Name: Jason Adler
Its: Managing Member

GOTHAM GREEN FUND II, L.P.

By: Gotham Green GP II, LLC, its general partner

By: *"Jason Adler"*
Name: Jason Adler
Its: Managing Member

GOTHAM GREEN FUND II (Q), L.P.

By: Gotham Green GP II, LLC, its general partner

By: *"Jason Adler"*
Name: Jason Adler
Its: Managing Member

[Signature page to Second Amendment to Amended and Restated Securities Purchase Agreement (continued)]

COLLATERAL AGENT:

GOTHAM GREEN ADMIN 1, LLC
a Delaware limited liability company

By: *"Jason Adler"*
Name: Jason Adler
Its: Managing Member

[Signature page to Second Amendment to Amended and Restated Securities Purchase Agreement (continued)]

OTHER CREDIT PARTIES:

4FRONT HOLDINGS LLC,
a Delaware limited liability company

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Manager and Chief Executive Officer

ADROIT CONSULTING GROUP, LLC,
a Delaware limited liability company

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Manager

4FRONT ADVISORS, LLC,
an Arizona limited liability company

By: 4Front Holdings LLC
Its: Sole Member

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Manager and Chief Executive Officer

LINCHPIN INVESTORS LLC,
a Delaware limited liability company

By: 4Front Holdings LLC
Its: Sole Member

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Manager and Chief Executive Officer

MISSION PARTNERS USA, LLC,
a Delaware limited liability company

By: 4Front Holdings LLC
Its: Sole Member

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Manager and Chief Executive Officer

MISSION PARTNERS IP, LLC,
a Delaware limited liability company

By: Mission Partners USA, LLC
Its: Sole Member

By: 4Front Holdings LLC
Its: Sole Member

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Manager and Chief Executive Officer

PHX INTERACTIVE LLC,
an Arizona limited liability company

By: Mission Partners USA, LLC
Its: Sole Member

By: 4Front Holdings LLC
Its: Sole Member

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Manager and Chief Executive Officer

401 EAST MAIN STREET LLC,
a Delaware limited liability company

By: Linchpin Investors LLC
Its: Sole Member

By: 4Front Holdings LLC
Its: Sole Member

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Manager and Chief Executive Officer

3907 FALLS ROAD, LLC,
a Delaware limited liability company

By: Linchpin Investors, LLC
Its: Sole Member

By: 4Front Holdings LLC
Its: Sole Member

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Manager and Chief Executive Officer

8554 S. COMMERCIAL AVE, LLC,
a Delaware limited liability company

By: Linchpin Investors, LLC
Its: Sole Member

By: 4Front Holdings LLC
Its: Sole Member

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Manager and Chief Executive Officer

833 HYDE PARK AVE, LLC
a Delaware limited liability company

By: Linchpin Investors, LLC
Its: Sole Member

By: 4Front Holdings LLC
Its: Sole Member

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Manager and Chief Executive Officer

AG-GROW IMPORTS LLC,
a Washington limited liability company

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Manager

REAL ESTATE PROPERTIES LLC,
a Washington limited liability company

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Manager

BRIGHTLEAF DEVELOPMENT LLC,
a Washington limited liability company

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Manager

FULLER HILL DEVELOPMENT CO. LLC,
a Washington limited liability company

By: Brightleaf Development LLC
Its: Sole Member

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Manager

PURE RATIOS HOLDINGS INC.,
a Delaware corporation

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: President

CANNEX HOLDINGS (CALIFORNIA) INC.,
a California corporation

By: Brightleaf Development LLC
Its: Sole Member

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: President

Schedule 4.20(ll)

Maximum Corporate Overhead and Capital Expenditures

Month Ending	Maximum Corporate Overhead
January 31, 2020	$2,875,000
February 29, 2020	$2,125,000
March 31, 2020	$2,050,000
April 30, 2020	$1,825,000
May 31, 2020	$2,150,000
June 30, 2020	$1,775,000
July 31, 2020	$1,725,000
August 31, 2020	$1,750,000
September 30, 2020	$1,825,000
October 31, 2020	$2,250,000
November 30, 2020	$1,850,000
December 31, 2020	$1,925,000

Maximum Capital Expenditures from April 1, 2020 to December 31 2020	
Illinois Retail	$850,000
Illinois Cultivation	$3,300,000
Massachusetts Retail	$1,525,000
Massachusetts Cultivation	$300,000
Commerce City, CA	$1,950,000
All Other Markets	$750,000
Total	$8,675,000

Exhibit A

Sale Agreement

(See attached.)

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement") is made and entered into as of the 20th day of March, 2020, by and among **PHX Interactive LLC**, an Arizona limited liability company ("Seller"), **4Front Holdings LLC**, a Delaware limited liability company ("4Front Holdings"), **Mission Partners USA, LLC**, a Delaware limited liability company ("Mission" and together with Seller and 4Front Holdings, the "Seller Parties" and each, a "Seller Party"), and [redacted] a Delaware limited liability company ("Buyer").

R E C I T A L S

A. Seller owns or controls all of the assets used in connection with the management of Greens Goddess Products, Inc., an Arizona non-profit corporation ("LicenseCo");

B. LicenseCo operates a medical marijuana dispensary in Phoenix, Arizona;

C. Joshua N. Rosen ("Rosen") is the President, Secretary and sole Director of LicenseCo;

D. Mission is the sole member of Seller and 4Front Holdings is the sole member of Mission; in such capacities, Mission and 4Front Holdings will benefit from the transactions contemplated by this Agreement;

E. Seller desires to sell, and Buyer desires to purchase, the Assets (as hereinafter defined) for the consideration and upon the terms and conditions set forth below; and,

F. The parties have executed this Agreement to confirm the terms of their rights and obligations with respect to the sale and purchase of the Assets.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties do hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Certain Definitions. For purposes of this Agreement, the following terms shall have the respective meanings set forth below:

"Accrued Vacation Expense" shall have the meaning set forth in Section 3.1(b)(iii).

"Act" shall have the meaning set forth in Section 5.15(a).

"Action" shall mean any claim, action, suit, proceeding or investigation, whether at law, in equity or in admiralty or before any court, arbitrator, arbitration panel or Governmental Authority.

"Affiliate(s)" shall mean, with respect to any Person, any other Person controlling, controlled by or under common control with such Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of voting securities, contract or otherwise.

"Agreement" shall have the meaning set forth in the introductory paragraph.

"Allocation Schedule" shall have the meaning set forth in Section 3.5.

"Ancillary Documents" shall mean all conveyances, covenants, warranties, deeds, assignments, bills of sale, confirmations, powers of attorney, approvals and consents explicitly referenced in this Agreement and explicitly required to be delivered at the Closing.

"Annual Financial Statements" shall have the meaning set forth in Section 5.8.

"Assets" shall have the meaning set forth in Section 2.1.

"Assigned Contracts" shall mean, collectively, the Lease, the Management Agreement, and any other Contracts listed on Schedule 2.1(g).

"Assumed Liabilities" shall have the meaning set forth in Section 3.3.

"AZDHS CoC Approval" shall have the meaning set forth in Section 5.5.

"Balance Sheet" shall have the meaning set forth in Section 5.8.

"Books and Records" shall have the meaning set forth in Section 2.1(e).

"Buyer Indemnified Parties" shall have the meaning set forth in Section 9.2.

"Closing" and "Closing Date" shall have the meanings set forth in Section 4.1.

"Closing Debt" shall mean the aggregate amount of all Indebtedness of Seller or LicenseCo, including intercompany loans payable by Seller or LicenseCo to any Affiliate of the Seller Parties, together with any accrued interest thereon, any premiums, fees, penalties, expenses and other amounts related thereto, outstanding as of the Closing Date, including any triggered by the transactions contemplated by this Agreement.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

"Contracts" shall mean all contracts, agreements, mortgages, indentures, licenses, leases, commitments, arrangements, sales orders and purchase orders of every kind, whether written or oral.

"Deductible" shall have the meaning set forth in Section 9.5(c).

"Earnest Deposit" shall have the meaning set forth in Section 3.1(a).

"Effective Time" shall have the meaning set forth in Section 4.1.

"Environmental Laws" mean all laws, codes and ordinances, whether foreign or domestic and whether national, federal, provincial, state or local, and all rules and regulations promulgated thereunder, including, without limitation laws relating to emissions, discharges, releases or threatened releases of Hazardous Substances into the environment (including, without limitation, air, surface water, ground water, land surface or subsurface strata) or relating to the manufacture,

processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances.

"Environmental Liabilities" shall mean any and all Liabilities of Seller or LicenseCo, contingent or fixed, known or unknown, (i) relating to, arising out of or incurred in connection with Hazardous Substances or any violation of or failure to comply with Environmental Laws or (ii) relating to any matter disclosed or required to be disclosed on Schedule 5.19.

"Financial Statements" shall have the meaning set forth in Section 5.8.

"Fundamental Representations" shall have the meaning set forth in Section 9.5(a).

"GAAP" shall mean United States generally accepted accounting principles.

"Governmental Authority" shall mean any governmental or regulatory authority, agency, instrumentality, department, court, commission, body, tribunal or other governmental entity, whether foreign or domestic and whether national, federal, state, provincial or local.

"Hazardous Substances" shall mean any pollutant, contaminant, chemical, toxic or hazardous substance or material or solid waste as defined under Environmental Laws.

"IFRS" shall mean International Financial Reporting Standards, as in effect on the date hereof.

"Indebtedness" with respect to any Person as of a specific date, means an amount equal to the sum, without duplication, of the following: (i) all Liabilities for borrowed money, whether current or funded, secured or unsecured, all obligations evidenced by bonds, debentures, notes or similar instruments, and all Liabilities in respect of mandatorily redeemable or purchasable capital stock or securities convertible into capital stock (including any accrued and unpaid interest, any accumulated and unpaid dividends in respect of any of the foregoing and any prepayment penalties, fees, premiums, make-whole amounts and similar Liabilities arising from or relating to early retirement or redemption of any of the foregoing, including those required as a result of the change of control of the Person, or the refinancing of such Person's Indebtedness in connection with the Closing), (ii) any net debt, Liabilities or obligations under any derivative financial instruments and any debt, Liabilities or obligations in connection with terminating such financial instruments, (iii) all Liabilities in respect of any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which Liabilities are accounted for by such Person as capital leases or are required to be classified and accounted for under GAAP as capital leases, (iv) all Liabilities for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction securing obligations of a type described in clauses (i), (ii), or (iii) above to the extent of the obligation secured, and all Liabilities as obligor, guarantor, or otherwise, to the extent of the obligation secured.

"Indemnified Party" shall have the meaning set forth in Section 9.4.

"Indemnifying Party" shall have the meaning set forth in Section 9.4.

"Insurance Policies" shall have the meaning set forth in Section 5.22.

"Intellectual Property" shall have the meaning set forth in Section 2.1(a).

"Interim Financial Statements" shall have the meaning set forth in Section 5.8.

"Inventory" shall mean all items of inventory, wherever located, including, without limitation, all finished goods, work in process, raw materials, spare parts, samples, models and packaging owned by LicenseCo or Seller.

"Knowledge of Buyer" or any other similar knowledge qualification, means the actual knowledge of [redacted], after due inquiry.

"Knowledge of the Seller Parties" or any other similar knowledge qualification, means the actual knowledge of Joshua N. Rosen, Karl Chowscano, Joe Feltham, Jake Wooten and Tanner Phillips, after due inquiry.

"Laws" mean laws, rules, regulations, codes, orders, ordinances, judgments, injunctions, decrees, administrative requirements and policies.

"Lease" shall mean that certain Shopping Center Commercial Lease dated December 19, 2016, as amended from time to time.

"Lease Assignment" shall have the meaning set forth in Section 7.1(c).

"Leased Premises" shall mean 2601 W. Dunlap Avenue, Suite 18, Phoenix, AZ 85021.

"Liabilities" mean debts, liabilities, obligations, duties and responsibilities of any kind and description, whether absolute or contingent, monetary or non-monetary, direct or indirect, known or unknown or matured, unmatured, or of any other nature.

"Licenses" shall have the meaning set forth in Section 5.15(b).

"Lien" shall mean any security interest, lien, mortgage, claim, charge, pledge, restriction, equitable interest or encumbrance of any nature.

"Losses" shall mean any and all losses, liabilities, damages, deficiencies, obligations, fines, expenses, claims, demands, actions, suits, proceedings, judgments or settlements, including interest and penalties with respect thereto and out-of-pocket expenses and reasonable attorneys' and accountants' fees and expenses incurred in the investigation or defense of any of the same or in asserting, preserving or enforcing any of the Indemnified Party's rights hereunder, suffered by an Indemnified Party providers; provided, however, that "Losses" shall not include punitive, speculative or remote damages, except (i) in the case of fraud or (ii) to the extent actually awarded to a Governmental Authority or other third party.

"Management Agreement" shall have the meaning set forth in Section 2.1(f).

"Material Contracts" shall have the meaning set forth in Section 5.16.

"Net Working Capital" shall mean the sum of (i) the total dollar value of the Inventory set forth on Schedule 1.2, *less* (ii) the total dollar value of the accounts payable and the accrued expenses, each as set forth on Schedule 1.2, and calculated in accordance with Schedule 1.2.

"Pending Litigation Matter" shall have the meaning set forth in Section 5.6.

"Pending Litigation Deductible" shall have the meaning set forth in Section 9.5(c).

"Person" shall mean any natural person, corporation, business trust, joint venture, association, company, firm, partnership, or other entity or government or Governmental Authority.

"Post-Closing Straddle Period" shall have the meaning set forth in Section 8.10(b).

"Pre-Closing Straddle Period" shall have the meaning set forth in Section 8.10(b).

"Purchase Price" shall mean $6,000,000.

"Released Claims" shall have the meaning set forth in Section 8.9.

"Retained Assets" shall have the meaning set forth in Section 2.2.

"Retained Liabilities" shall have the meaning set forth in Section 3.4.

"Seller Indemnified Parties" shall have the meaning set forth in Section 9.3.

"Straddle Period" shall have the meaning set forth in Section 8.10(b).

"Tax(es)" shall mean any:

(a) federal, state, local or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transaction privilege, transfer, registration, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, environmental, customs duties, real property, personal property, capital stock, social security, unemployment, disability, payroll, license, employee or other withholding, or other tax, of any kind whatsoever, including any interest, penalties or additions to tax or additional amounts in respect of the foregoing;

(b) Liability of the Seller or LicenseCo for the payment of any amounts of the type described in clause (a) arising as a result of being (or ceasing to be) a member of any affiliated group (or being included (or required to be included) in any Tax Return relating thereto); and

(c) Liability of the Seller or LicenseCo for the payment of any amounts of the type described in clause (a) as a result of any express or implied obligation (legal, contractual or otherwise) to indemnify or otherwise assume or succeed to the liability of any other Person.

"Tax Return(s)" shall mean all returns, declarations, reports, claims for refund, information returns or other documents (including any related or supporting schedules or statements of information) filed or required to be filed in connection with the determination, assessment or collection of Taxes of any party or the administration of any Laws relating to any Taxes.

"Transaction Expenses" shall mean the Seller Parties' or LicenseCo's: (i) unpaid fees and expenses of any broker, investment banker or financial advisor, and any legal, accounting and consulting fees and expenses incurred in connection with the preparation, negotiation and execution of this Agreement and the Ancillary Documents or the transactions contemplated hereby, and (ii) fees and expenses incurred in connection with the preparation for or consummation of the transactions contemplated hereby and the due diligence process.

ARTICLE II
TRANSFER OF ASSETS

Section 2.1 Transfer of Assets. Upon the terms and subject to the conditions of this Agreement, at the Closing, Seller hereby agrees to sell, convey, transfer, assign and deliver, and/or cause to be sold, conveyed, transferred, assigned and delivered, to Buyer, and Buyer hereby agrees to purchase from Seller, for the Purchase Price, free and clear of all Liens, all of Seller's right, title and interest in and to all of the assets, properties, rights and business of Seller, of every kind, nature and description, real, personal and mixed, tangible and intangible and wherever situated, related to, used in or comprising Seller and its business, but excluding all Retained Assets (collectively, the "Assets"). The Assets shall include:

(a) Intellectual Property. All rights to the name "Herb'N" and any derivations thereof, and any other intellectual property assets listed on Schedule 5.21(a) (the "Intellectual Property");

(b) Real Property. Seller's rights under the Lease, including its leasehold interest in the Leased Premises;

(c) Claims. All claims, causes of actions and rights of recovery or set-off, reserves, prepayments, deposits and deferred and other charges of Seller relating to the Assets, LicenseCo or the Assumed Liabilities (except for claims, causes of actions and rights of recovery or set-off relating to the Pending Litigation Matter unless otherwise set forth in this Agreement);

(d) Sales and Other Materials. All catalogues, brochures, sales literature, advertising and promotional material and other selling material prepared for products of LicenseCo and all office supplies, production supplies and other miscellaneous supplies owned by Seller and used by LicenseCo;

(e) Books and Records. Originals or true copies of all operating data and records, whether printed or electronic, including without limitation, customer lists, supplier lists, financial accounting and credit books, records and reports, personnel files, records pertaining to suppliers and distributors, correspondence, budgets and all other files, documents and records of or pertaining to Seller, LicenseCo or the Assets (the "Books and Records");

(f) Management Agreement. All of the rights and benefits accruing to Seller under that certain Dispensary Management Services Agreement between Seller and LicenseCo dated February 22, 2019 (the "Management Agreement");

(g) Other Assets. The other assets of Seller, if any, listed on Schedule 2.1(g); and

(h) Goodwill. The goodwill and going concern value of Seller.

Without limiting the foregoing, the Assets shall include all assets, property, rights and business of Seller that are used or useful in connection with its management and control of LicenseCo pursuant to the Management Agreement, except for the Retained Assets. To the extent that any assets, property, rights or business of Seller (except for the Retained Assets) are intended to be transferred to Buyer pursuant to the general language of this Agreement but do not appear on the applicable Schedules or Exhibits to this Agreement, the parties shall cooperate in good faith to

execute such further documents or instruments as may be necessary to transfer such assets, property, rights and business to Buyer.

Section 2.2 Assets Not Transferred. Notwithstanding anything to the contrary contained herein, the following assets and properties of Seller are specifically excluded from the Assets and shall be retained by Seller (collectively, the "Retained Assets"):

(a) Agreement. The rights of Seller under this Agreement and the Ancillary Documents;

(b) Corporate Documents. The articles of organization, operating agreements, minute books, and annual reports and franchise tax reports of Seller, and all documents and correspondence related to the foregoing documents;

(c) Mission Trade Name. Any rights of Seller or LicenseCo to use the "Mission" trade name and trademarks, and/or any other intellectual property rights owned or licensed by the Seller Parties or their Affiliates;

(d) Contracts Not Assumed. Any rights of Seller under or pursuant to Contracts other than (i) the Lease and (ii) the Management Agreement, including, without limitation, those Contracts set forth on Schedule 2.2(d);

(e) Rights Relating to Pending Litigation Matter. All claims, causes of actions and rights of recovery or set-off of Seller or LicenseCo relating to the Pending Litigation Matter, subject to Buyer's right to share in the recovery of fees paid by Buyer or its Affiliates in connection with the Pending Litigation Matter;

(f) Insurance Policies. All insurance policies of Seller and all rights to applicable claims and proceeds thereunder;

(g) Tax Assets. All Tax assets (including duty and Tax refunds and prepayments) of Seller or any of its Affiliates (excluding LicenseCo); and

(h) Cash. All cash and cash equivalents in the bank or other deposit accounts of Seller and/or LicenseCo as of the Closing.

ARTICLE III
PURCHASE PRICE; ASSUMPTION OF LIABILITIES

Section 3.1 Purchase Price.

(a) In consideration of Seller's sale, conveyance, transfer, assignment and delivery of the Assets to Buyer and the other undertakings of Seller hereunder, Buyer agrees to pay to Seller the Purchase Price. The parties acknowledge and agree that Buyer (or its Affiliate) already paid to Seller a $3,000,000 earnest money deposit (the "Earnest Deposit") pursuant to the Letter of Intent between the Seller Parties and Buyer's Affiliate dated February 18, 2020, and such amount shall be credited to the Purchase Price payable hereunder, in accordance with Section 3.1(b)(iv).

(b) Buyer shall pay the Purchase Price by cash or wire transfer of immediately available funds as follows:

(i) On the Closing Date, Buyer shall pay to such accounts designated in writing by Seller in Schedule 3.1(b)(i), in the amounts designated by Seller prior to Closing, by wire transfer of immediately available funds, an amount, in the aggregate, equal to the Closing Debt;

(ii) On the Closing Date, Buyer shall pay to such accounts designated in writing by Seller in Schedule 3.1(b)(ii), in the amounts designated by Seller prior to Closing, by wire transfer of immediately available funds, an amount, in the aggregate, equal to the total amount necessary to repay in full the Transaction Expenses;

(iii) On the Closing Date, Buyer shall pay to the employees of LicenseCo an amount equal to the accrued vacation liabilities for such employees designated by Seller as of the Closing Date, as set forth in Schedule 3.1(b)(iii) (the "Accrued Vacation Expense"); and

(iv) On the Closing Date, Buyer shall pay to an account designated in writing by Seller by wire transfer of immediately available funds an amount equal to the Purchase Price *less* the Earnest Deposit *less* the aggregate amount of the payments made pursuant to Sections 3.1(b)(i), (ii) and (ii) above.

Section 3.2 Net Working Capital. As of the Effective Time, LicenseCo shall have Net Working Capital of at least $0. To the extent that the estimated Net Working Capital reflected on Schedule 1.2 is greater or less than $0, the Purchase Price payable on the Closing Date shall be increased or decreased on a dollar-for-dollar basis by the amount of the excess or shortfall, as applicable. Within 30 days after the Closing Date, Buyer shall prepare and deliver to Seller an updated version of Schedule 1.2 showing its calculation of actual Net Working Capital (including the individual elements thereof) as of the Effective Time. To the extent that Buyer's calculation of actual Net Working Capital deviates from the estimated Net Working Capital as of the Closing Date, Buyer shall provide reasonably detailed supporting documentation and make its representatives available to Seller to respond to questions regarding its calculation, and the parties shall cooperate in good faith to agree on the actual Net Working Capital as of the Effective Time. To the extent that such actual Net Working Capital, as finally agreed, is greater or less than the estimated Net Working Capital as of the Closing Date, Buyer or Seller (as applicable) shall pay to the other party the amount of the difference, by wire transfer of immediately available funds.

Section 3.3 Assumption of Liabilities. As further consideration for the sale of the Assets hereunder, and as part of the agreed upon Purchase Price, Seller shall assign to Buyer, and Buyer shall assume and agree to pay, perform and discharge when due, from and after the Effective Time, the following Liabilities of Seller (collectively, the "Assumed Liabilities"), except to the extent constituting Retained Liabilities listed in Section 3.4, which are not being assumed by Buyer hereunder:

(a) all trade accounts payable of Seller to third parties in connection with LicenseCo's business that remain unpaid as of the Closing Date, to the extent set forth on Schedule 1.2;

(b) all Liabilities and obligations arising under or relating to the Assigned Contracts; and

(c) all Liabilities and obligations arising out of or relating to Buyer's ownership of the Assets or use of the Assets after the Effective Time.

Buyer is not assuming and shall not assume any Liabilities of Seller other than the Assumed Liabilities.

Section 3.4 Retained Liabilities. Seller shall retain, and Buyer shall not assume or be liable for, any of the Liabilities of Seller other than the Assumed Liabilities (collectively, the "Retained Liabilities"), which Retained Liabilities shall include, without limitation:

(a) Obligations under Agreement. All Liabilities of Seller of any kind or nature arising under, or relating to the execution, delivery or consummation of, this Agreement and the transactions contemplated hereby;

(b) Indebtedness For Borrowed Money. All Liabilities of Seller (or LicenseCo, to the extent outstanding as of the Effective Time) for indebtedness for borrowed money, including, without limitation, those set forth on Schedule 3.4(b);

(c) Other Contracts. All Liabilities of Seller of any kind or nature arising under Contracts which are not Assigned Contracts;

(d) Defaults Under Contracts. All Liabilities of Seller of any kind or nature arising out of a breach or default by Seller under any Assigned Contract prior to the Effective Time;

(e) Fees and Expenses. All Liabilities of Seller of any kind or nature for Transaction Expenses, Closing Debt and Accrued Vacation Expense, whether or not set forth on Schedule 3.1(b)(i), Schedule 3.1(b)(ii) or Schedule 3.1(b)(iii), respectively, including the fees and expenses referred to in Section 10.1;

(f) Litigation. All Liabilities of Seller relating to, arising out of or incurred in connection with any litigation, arbitration or other adversarial proceeding in which either Seller or LicenseCo was or is a party or otherwise involved which pertains to the ownership of the Assets or the conduct of the business of Seller or LicenseCo prior to the Closing Date;

(g) Retained Assets. All Liabilities of Seller relating to, arising out of or incurred in connection with the Retained Assets;

(h) Taxes. All Liabilities for amounts due in respect of any Taxes imposed or assessed (whether before or after the Closing Date) with respect to (i) any taxable period of Seller, (ii) LicenseCo ending on or prior to the Closing Date or relating to, arising out of or incurred in connection with the operations of Seller or LicenseCo or the ownership of the Assets on or prior to the Closing Date, or (iii) in connection with the sale and transfer of the Assets and the transactions contemplated by this Agreement, including any Taxes asserted against Seller or LicenseCo or the Assets by reason of its or their inclusion in any consolidated, combined or unitary Tax Return;

(i) Environmental Liabilities. All Environmental Liabilities arising out of or related to acts or circumstances which occurred on or prior to the Closing Date or the occupancy by Seller or LicenseCo of the Leased Premises on or prior to the Closing Date;

(j) Employee and Employee Plan Liability. All Liabilities of Seller or LicenseCo relating to periods of employment or service before the Closing Date or arising in connection with the sale of the Assets hereunder, the termination of employment of any employees of Seller or LicenseCo on or prior to the Closing Date, and the other transactions contemplated hereby, including, without limitation, any worker's compensation claims, any salary, bonuses, severance or termination obligations, perquisites, medical benefits or any other compensation or benefits, if any; and

(k) Arrangements with Related Parties. All Liabilities of Seller or LicenseCo to any present or former Affiliate, member, manager, director or officer of Seller.

Section 3.5 Tax Allocation. Attached hereto as Schedule 3.5 is an allocation schedule (the "Allocation Schedule") allocating the Purchase Price and the aggregate dollar amount of the Assumed Liabilities (and only the Assumed Liabilities) and other amounts included as consideration for Federal income tax purposes among the purchased Assets in accordance with Section 1060 of the Code and the rules and regulations thereunder. Each party hereto shall, and shall cause their respective Affiliates to, each report, act, and file Tax Returns in all respects and for all purposes consistent with the Allocation Schedule. The parties agree that they will not take, nor will they permit any of their respective Affiliates to take, for Tax purposes, any position (whether in audits, Tax Returns or otherwise) that is inconsistent with such allocations unless required to do so by applicable Law.

Section 3.6 Transfer Taxes. Seller and Buyer shall each pay one-half of any transaction privilege, sales, use, or transfer taxes, documentary charges, recording fees, or similar taxes, charges, fees, or expenses, if any, that become due and payable as a result of the transactions contemplated by this Agreement.

Section 3.7 Bulk Sales Law Compliance. Other than with respect to any Assumed Liabilities, and notwithstanding any contrary or inconsistent provisions in this Agreement, Seller agrees to pay and discharge all claims of creditors which may be asserted against Buyer or Seller or LicenseCo by reason of Seller's or Buyer's noncompliance with the provisions of any bulk sales or similar Law of any jurisdiction which may require compliance on account of the provisions herein and the transactions contemplated hereby and to indemnify and hold Buyer harmless from and against claims suffered or incurred by Buyer by reason of or arising out of (a) the failure of Seller to pay or discharge the same when due or (b) such noncompliance with any applicable bulk sales or similar Law.

ARTICLE IV
CLOSING

Section 4.1 Closing; Effective Time. Subject to the terms and conditions of this Agreement, the closing (the "Closing") of the transactions contemplated by this Agreement shall take place remotely via the parties' exchange of counterpart signature pages and other deliverables on the date hereof, or such other time as the parties may agree (the "Closing Date"), and shall be effective as of 12:01 AM on the Closing Date (the "Effective Time").

Section 4.2 Closing Deliveries. At the Closing, Seller shall deliver to Buyer the instruments and documents referred to in Section 7.1, and Buyer shall deliver to Seller the Purchase Price in the manner set forth in Section 3.1 and the instruments and documents referred to in Section

7.2. All deliveries by one party to any other party at Closing shall be deemed to have occurred simultaneously and none shall be effective until and unless all have occurred in accordance with this Agreement or been waived.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE SELLER PARTIES

The Seller Parties, jointly and severally, represent and warrant to Buyer as follows:

Section 5.1 Organization and Authority of Seller. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Arizona. Seller has the power and authority under the laws of the State of Arizona to conduct its business as presently conducted. True, correct and complete copies of the organizational documents of Seller have been provided to Buyer prior to the date hereof.

Section 5.2 Organization and Authority of Other Seller Parties.

(a) Mission is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Mission has the power and authority under the laws of the State of Delaware to conduct its business as presently conducted.

(b) 4Front Holdings is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. 4Front Holdings has the power and authority under the laws of the State of Delaware to conduct its business as presently conducted.

Section 5.3 Organization and Authority of LicenseCo. LicenseCo is a non-profit corporation duly incorporated, validly existing and in good standing under the laws of the State of Arizona. LicenseCo has the power and authority under the laws of the State of Arizona to conduct its business as presently conducted. True, correct and complete copies of the organizational documents of LicenseCo have been provided to Buyer prior to the date hereof.

Section 5.4 Authorization; Enforceability. Each of the Seller Parties has full power and authority to enter into and perform this Agreement and the Ancillary Documents and to consummate the transactions contemplated hereby and thereby. This Agreement constitutes the legal, valid and binding obligation of each Seller Party enforceable against them 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 5.5 No Conflicts; Consents. The execution, delivery, and performance by the Seller Parties of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) violate or conflict with the articles of incorporation, articles of organization, bylaws, operating agreement or other organizational documents of Seller or LicenseCo (as applicable); (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule, or regulation applicable to any Seller Party or LicenseCo or any Contract to which Seller or LicenseCo or the Assets are bound or affected, including without limitation, the Assumed Liabilities; or (c) subject to those disclosures set forth on

Schedule 5.5 attached hereto, conflict with, violate or result in the breach of, or create any encumbrance on the Assets pursuant to, any agreement, instrument, order, judgment, law, or governmental regulation to which any Seller Party or LicenseCo is a party or is subject or by which the Assets are bound.

Except for (i) the approval of the Arizona Department of Health Services of the change of control with respect to LicenseCo contemplated by this Agreement (the "AZDHS CoC Approval") and (ii) the landlord's consent to the assignment of the Lease for the Leased Premises, no consent, approval, waiver, or authorization is required to be obtained by Seller or LicenseCo from any person or entity (including any Governmental Authority) in connection with the execution, delivery, and performance by the Seller Parties of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby and thereby. Moreover, with the exception of claims asserted in the Pending Litigation Matter there are no Actions pending regarding the ownership, management or control of LicenseCo.

Section 5.6 Legal Proceedings. [redacted] (the "Pending Litigation Matter"), there are no Actions pending or, to the Knowledge of the Seller Parties, threatened (a) against or by Seller or LicenseCo affecting any of its properties or assets (or by or against any Seller Party or their respective Affiliates and relating to Seller or LicenseCo), to the extent that any such Action would reasonably be expected to have a material adverse effect on the business of Seller and/or LicenseCo, taken as a whole; or (b) against or by Seller or LicenseCo that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. To the Knowledge of the Seller Parties, no event has occurred or circumstances exist that would reasonably be expected to give rise to, or serve as a basis for, any such Action. There are no outstanding governmental orders and no unsatisfied judgments, penalties or awards against or affecting Seller, LicenseCo, or any of their respective properties or assets.

Section 5.7 Ownership of Seller Parties. Seller is a wholly owned subsidiary of Mission. Mission is a wholly owned subsidiary of 4Front Holdings.

Section 5.8 Financial Statements. Annexed hereto as Schedule 5.8 are true and complete copies of (i) the unaudited consolidated balance sheet of LicenseCo as at February 29, 2020 (the "Balance Sheet"), and the related unaudited consolidated statements of income, retained earnings and cash flows of LicenseCo for the period then ended (collectively, the "Interim Financial Statements"), and (ii) the unaudited consolidated balance sheet of LicenseCo as at December 31, 2019, together with the related reviewed statements of income, retained earnings and cash flows for the year ended on such date, together with the notes thereto (collectively, the "Annual Financial Statements"). The Interim Financial Statements and the Annual Financial Statements are hereinafter referred to collectively as the "Financial Statements." The Financial Statements in each case are true and complete in all material respects and have been prepared in accordance with IFRS and fairly present in all material respects the consolidated financial position, results of operations and changes in financial position of LicenseCo as at, or for the periods ended on, such dates. Since December 31, 2019, LicenseCo has not made any material changes in its accounting policies and practices, including, without limitation, its practices in connection with the treatment of expenses, valuations of inventory and selling and purchasing policies. The records and books of account of LicenseCo are complete and accurate in all material respects and have been regularly kept and maintained in conformity with IFRS, consistently applied. No financial statements have ever been prepared for or with respect to Seller.

Section 5.9 Liabilities. Except for (a) the Closing Debt (to be paid at Closing pursuant to Section 3.1(b)), (b) the Transaction Expenses (to be paid at Closing pursuant to Section 3.1(b)), (c) the Accrued Vacation Expense (to be paid at Closing pursuant to Section 3.1(b)), and (d) the trade accounts payable disclosed to Buyer on Schedule 1.2, neither Seller nor LicenseCo has, as of immediately prior to the Effective Time, any Liabilities of the type or nature that would be required to be disclosed on a balance sheet prepared in accordance with IFRS.

Section 5.10 Tax Matters. Except as set forth in Schedule 5.10:

(a) Each of Seller and LicenseCo has filed with the appropriate taxing authorities (or joined in the filing of) all Tax Returns required to be filed by it in respect of any income or other Taxes, and paid in full all Taxes shown on such Tax Returns to be due and payable. Such Tax Returns are, or will be, true, complete and correct in all material respects.

(b) Each of Seller and LicenseCo has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor or other third party, and complied with all information reporting and backup withholding provisions of applicable Law.

(c) Neither Seller nor LicenseCo is a party to any Action by any taxing authority. Neither the Internal Revenue Service nor any other Governmental Authority has asserted or, to the Knowledge of the Seller Parties, threatened in writing to assert, any deficiency or claim for any amount of additional income or other Taxes.

(d) No federal, state, local or foreign audits or other administrative proceedings are pending with regard to any Taxes or Tax Returns of Seller or LicenseCo and, to the Knowledge of the Seller Parties, neither Seller nor LicenseCo has received written notice indicating an intention to open an audit or other proceeding with regard to any Taxes or Tax Returns of Seller or LicenseCo.

(e) There are no Liens for Taxes (other than statutory Liens for current Taxes, assessments and other charges by Governmental Authorities that are not yet due and payable) on any of the Assets.

(f) The Seller Parties have delivered to Buyer true, correct and complete copies of all federal, state, local, and foreign income, franchise and similar Tax Returns, examination reports, and statements of deficiencies assessed against, or agreed to by LicenseCo for all tax periods ending after December 31, 2015.

(g) Seller is, and has been since its organization, treated as a "disregarded entity" for federal income tax purposes. Seller is not a "foreign person" as that term is used in Treasury Regulations Section 1.1445-2. Neither Seller nor LicenseCo currently is, or ever has been, a United States real property holding corporation (as defined in Section 897(c)(2) of the Code) during the applicable period specified in Section 897(c)(1)(a) of the Code.

Section 5.11 Benefit Plans. Except as set forth on Schedule 5.11, neither Seller nor LicenseCo offers or maintains (or has ever offered or maintained) any pension, benefit, retirement, profit-sharing, deferred compensation, incentive, bonus, performance award, phantom equity or other equity, change in control, retention, severance, welfare, fringe-benefit or other similar agreements,

plans, policies, programs or arrangements for the benefit of any current or former employee, officer, manager, retiree, independent contractor or consultant of Seller or LicenseCo.

Section 5.12 Condition and Sufficiency of Assets. Except as set forth in Schedule 5.12, to the Knowledge of the Seller Parties, the buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property of Seller and LicenseCo, respectively, are in good operating condition and repair, and are adequate for the uses to which they are being put, and none of such buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost. The buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property currently owned or leased by Seller or LicenseCo, respectively, together with all other properties and assets of Seller and LicenseCo, are sufficient for the continued conduct of Seller's and LicenseCo's business 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 of Seller and LicenseCo as currently conducted.

Section 5.13 Leased Premises.

(a) Except for the Lease for the Leased Premises, neither Seller nor LicenseCo is a party to any lease relating to real property. The Lease is in full force and effect without any default or breach thereof by Seller or any other party thereto. Except as set forth on Schedule 5.13(a), no consent of the landlord or any other party is required under the Lease in order to assign the Lease to Buyer (or its designee) and to keep the Lease in full force and effect after the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. True and complete copies of the Lease, including all amendments, addenda, waivers and all other binding documents affecting the tenant's rights thereunder, have heretofore been delivered to Buyer. The Leased Premises and the use thereof conform in all material respects with all covenants and restrictions and all applicable building, zoning, environmental, land use and other Laws.

(b) Neither Seller nor LicenseCo has received any written notice of or writing referring to any requirements or recommendations by any insurance company which has issued a policy covering any part of any Leased Premises or by any board of fire underwriters or other body exercising similar functions, requiring or recommending any repairs or work to be done on any part of any Leased Premises. All of the public utilities required for the operation of the Leased Premises in the manner currently operated are installed and operating, and all installation and connection charges have been paid in full or provided for. The plumbing, electrical, heating, air conditioning, ventilating and all other structural or material mechanical systems in the building of the Leased Premises are, to the Knowledge of the Seller Parties, in such working order and working condition so as to be adequate for the operation of the business of Seller and LicenseCo as heretofore conducted. To the Knowledge of the Seller Parties, the roof, basement and foundation walls of the Leased Premises are free of leaks and other defects which would interfere with the operations of the Leased Premises. To the Knowledge of the Seller Parties, there are no violations of any Law that affect or purport to affect any of the Leased Premises or any of the operations thereon and Seller will not take any action or omit to take, or cause to be taken or omitted, any action between the date hereof and the Closing Date which would give rise to any such violation. All water, utility and other charges, sewer rent and assessments affecting the Leased Premises or any part thereof, and all Taxes imposed against or affecting the Leased Premises (to the extent payable by Seller or LicenseCo) or any part thereof, have been paid in full, accrued or reflected on the Balance Sheet or, since December 31,

2019, incurred in the ordinary course of business to the extent such charges, rent, assessments or Taxes are liabilities of Seller under the applicable lease for such Leased Premises. Neither Seller nor LicenseCo has received written notice of any assessments or pending assessments affecting the Leased Premises.

Section 5.14 All Necessary Assets; Title to Property. Seller or LicenseCo, as applicable, is the owner of, and has good and marketable title to, all of the Assets reflected on the Balance Sheet in the categories set forth therein and to all of the Assets acquired by Seller since December 31, 2019, free and clear of all Liens except for (a) inventories sold and receivables collected in the ordinary course of business of Seller and LicenseCo since December 31, 2019, and (b) the Liens, if any, set forth on Schedule 5.14 hereto. Seller and LicenseCo own all of the assets used by them in the operation and conduct of their business as currently conducted, or required by Seller or LicenseCo for the normal conduct of their business as currently conducted, except for those assets leased by Seller or LicenseCo under leases specifically identified on Schedule 5.14 hereto. The Assets (together with the assets held by LicenseCo) constitute all of the assets used in, related to or required by Seller and LicenseCo for, the normal conduct of their business.

Section 5.15 Compliance with Laws; Licenses and Permits.

(a) Each of Seller and LicenseCo has complied, and is now complying, in all material respects, with all Laws applicable to it or its business, properties or assets except for the U.S. Controlled Substances Act, and any/all applicable rules and regulations promulgated in connection therewith (the "Act"). There are no written orders, decrees, injunctions, rulings, publications, decisions, directives, consents, pronouncements or regulations of any court or Governmental Authority issued against or binding upon Seller or LicenseCo relating to the business which do or may affect, limit or control the operation of the business of Seller, LicenseCo or the Assets.

(b) Schedule 5.15(b) sets forth a list of all of the permits, licenses, certificates, approvals and authorizations of, and registrations with, and under, all federal, state, local and foreign Laws, authorities and agencies (the "Licenses") held by Seller or LicenseCo. Each of the Licenses is in full force and effect. Seller and LicenseCo are not in material violation of any of the Licenses nor has there occurred any event which, to the Knowledge of the Seller Parties, with the passage of time or giving of notice or both, would constitute a violation of any of the Licenses. All Licenses required for each of Seller and LicenseCo to conduct its business have been obtained by it, disclosed in writing to Buyer prior to the date hereof, and are valid and in full force and effect. All fees and charges with respect to such Licenses as of the date hereof have been paid in full. To the Knowledge of the Seller 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 any Licenses. No proceeding is pending or, to the Knowledge of the Seller Parties, threatened in writing seeking the revocation, limitation or non-renewal of any of the Licenses. All renewals for the Licenses have been timely applied for, and to the Knowledge of the Seller Parties, no event or circumstance has occurred or exists (other than those events or circumstances that relate to Buyer) that would prohibit or prevent the re-issuance to LicenseCo or Buyer, as applicable, of any of the Licenses.

Section 5.16 Material Contracts. True, correct and complete copies of all material contracts, agreements or arrangements (whether written or oral) for amounts exceeding $1,000.00 (U.S.) and to which Seller or LicenseCo is a party, or by which any of their respective assets are

bound (collectively, the "Material Contracts"), have been provided to Buyer prior to the date hereof, and such contracts are identified on Schedule 5.16 attached hereto. Each Material Contract is valid and binding on Seller or LicenseCo, as applicable, in accordance with its terms and is in full force and effect. To the Knowledge of the Seller Parties, no event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any Material Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder. Each Material Contract is assignable without consent of any person or Governmental Authority except as set forth on Schedule 5.16.

Section 5.17 Inventory. All Inventory of Seller or LicenseCo, respectively, whether or not reflected in the Financial Statements, is believed to consist of a quality and quantity usable and salable in the ordinary course of business consistent with past practice, except for obsolete, damaged, defective or slow-moving items that have been written off or written down to fair market value or for which adequate reserves have been established. All such Inventory is owned by Seller or LicenseCo free and clear of all Liens, and no inventory is held on a consignment basis. Buyer acknowledges and accepts that trade credit extended to LicenseCo for acquisition of the inventory is payable on terms ranging from net-7 days to net-30 days.

Section 5.18 Employment Matters.

(a) Schedule 5.18(a) includes a true, correct and complete list of all persons who are employees, independent contractors or consultants of Seller or LicenseCo as of the Closing Date, including any employee who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized, and sets forth for each such individual the following: (i) name; (ii) title or position (including whether full or part time); (iii) hire date; (iv) current annual base compensation rate; (v) commission, bonus or other incentive-based compensation; and (vi) a description of the fringe benefits provided to each such individual as of the date hereof.

(b) Subject to those disclosures set forth in Schedule 5.18(b), as of the date hereof, all compensation, including wages, commissions and bonuses, payable to all employees, independent contractors or consultants of Seller and LicenseCo for services performed on or prior to the last day of that regularly scheduled pay period ending immediately prior to the Closing Date have been paid in full, and except for any compensation that has been earned for services performed following the aforesaid pay period, there are no outstanding compensation obligations for services performed for Seller or LicenseCo. Schedule 5.18(b) sets forth the method for accruing vacation pay used by Seller and LicenseCo on their respective Books and Records.

(c) Each of Seller and LicenseCo is and has been in compliance, in all material respects, with all applicable Laws pertaining to employment and employment practices, including all Laws relating to labor relations, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation, child labor, hiring, promotion and termination of employees, working conditions, meal and break periods, privacy, health and safety, workers' compensation, leaves of absence and unemployment insurance. All individuals characterized and treated by Seller or LicenseCo as independent contractors or consultants are properly treated as independent contractors under all applicable Laws. All employees of Seller or LicenseCo classified as exempt under the Fair Labor Standards Act and state and local wage and hour laws are properly classified. Subject to those disclosures set forth in Schedule 5.18(c), there are no Actions against Seller or LicenseCo pending, or to the Knowledge of the Seller Parties, threatened

to be brought or filed, by or with any Governmental Authority or arbitrator in connection with the employment of any current or former applicant, employee, consultant or independent contractor of Seller or LicenseCo, including, without limitation, any claim relating to unfair labor practices, employment discrimination, harassment, retaliation, equal pay, wage and hours or any other employment related matter arising under applicable Laws.

(d) There are, no bonuses, profit sharing, incentives, commissions or other compensation of any kind with respect to work done prior to the date hereof, respectively, due to or expected by present or former employees of Seller or LicenseCo that have not been fully paid as of the date hereof (except for the Accrued Vacation Expense). True and complete brochures, agreements and other documents setting forth personnel policies relating to the employees of Seller and LicenseCo including, without limitation, information concerning compensation, severance, termination and other employee perquisites and benefits, have been furnished to Buyer.

Section 5.19 Environmental Matters. Seller and LicenseCo have complied in all material respects with applicable Environmental Laws and all Licenses required by any Environmental Laws. Seller and LicenseCo have obtained and will maintain through the Closing Date all Licenses which are necessary for the conduct of its business as presently conducted or for the ownership of the Assets under any Environmental Laws and all such Licenses are listed on Schedule 5.19 hereto. All renewals of such Licenses have been timely applied for. There is no pending or, to the Knowledge of the Seller Parties, threatened Actions under Environmental Laws that affect or apply to Seller or LicenseCo or the Assets.

Section 5.20 Books and Records. The minute books of LicenseCo have been made available to Buyer. At the Closing, all of such books and records will be in the physical possession of LicenseCo.

Section 5.21 Intellectual Property.

(a) A true, correct and complete list of all trademarks, service marks, trade names, brand names, logos, trade dress, design rights, internet domain names, inventions, discoveries, trade secrets, product recipes or formulations, business and technical information and know-how, databases, patents, patent applications, software and other intellectual property owned by or licensed to Seller and/or LicenseCo is set forth on Schedule 5.21(a) attached hereto.

(b) Seller or LicenseCo, as applicable, is the sole and exclusive legal and beneficial owner of all right, title and interest in and to the owned Intellectual Property.

(c) The conduct of Seller's and LicenseCo's business as currently and formerly conducted, and the products, processes and services of Seller and LicenseCo, respectively, have not infringed, misappropriated, diluted or otherwise violated the intellectual property rights of any other Person. To the Knowledge of the Seller Parties, no Person has infringed, misappropriated, diluted or otherwise violated, or is currently infringing, misappropriating, diluting or otherwise violating, any Intellectual Property.

Section 5.22 Insurance. A true, correct and complete list of all current policies or binders of fire, liability, product liability, umbrella liability, real and personal property, workers' compensation, vehicular, directors' and officers' liability, fiduciary liability and other casualty and property insurance maintained by Seller and/or LicenseCo and relating to the assets, business,

operations, employees, officers and managers of Seller and/or LicenseCo (collectively, the "Insurance Policies") is set forth on Schedule 5.22 attached hereto, and true and complete copies of such Insurance Policies, have been made available to Buyer. Such Insurance Policies are in full force and effect, but coverage will be terminated effective as of a change of control with respect to LicenseCo. Buyer acknowledges that, under the terms of the existing Insurance Policies, a change of control with respect to LicenseCo will require new policies to be issued. All premiums due on such Insurance Policies have either been paid or, if due and payable prior to Closing, will be paid prior to Closing in accordance with the payment terms of each Insurance Policy.

Section 5.23 Brokers; Finders. Except as set forth on Schedule 5.23, no agent, broker, investment banker, or other person acting under the authority of Seller or LicenseCo (or any of their Affiliates) is or will be entitled to any broker's or finder's fee or any other commission or similar fee. The parties acknowledge and agree that Buyer and LicenseCo shall not have any liability, directly or indirectly, in respect of any claims for brokerage, finder's or other similar fees or commissions made by any person, including any person set forth on Schedule 5.23, as a result of the consummation of the transactions contemplated by this Agreement.

Section 5.24 Full Disclosure. To the Knowledge of the Seller Parties, no representation or warranty by the Seller Parties in this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

Section 5.25 No Other Representations and Warranties. Except for the representations and warranties contained in this Article V (including the related Schedules), neither Seller nor any other Seller Party has made or makes any other express or implied representation or warranty, either written or oral, on behalf of Seller or LicenseCo, including any representation or warranty as to the accuracy or completeness of any information regarding the business of Seller or LicenseCo, or the Assets, furnished or made available to Buyer and its representatives, or as to the future revenue, profitability or success of the business of Seller or LicenseCo, or any representation or warranty arising from statute or otherwise in Law.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to the Seller Parties as follows:

Section 6.1 Organization. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Arizona and has all requisite corporate power and authority to own or lease its assets and to operate and carry on its business as presently conducted.

Section 6.2 Authorization; Enforceability. Buyer has full power and authority to enter into and perform this Agreement and each of Ancillary Documents and to consummate the transactions contemplated hereby and thereby. Buyer has taken all action as and in the manner required by Law, its organization documents, or otherwise to authorize the execution, delivery and performance of this Agreement and Ancillary Documents. This Agreement and the Ancillary Documents will be, the valid and binding obligations of Buyer, enforceable against Buyer in accordance with their respective 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 6.3 No Conflicts; Consents. The execution, delivery, and performance by Buyer of this Agreement and the Ancillary Documents, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) violate or conflict with the articles of organization, operating agreement or other organizational documents of Buyer; or (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule, or regulation applicable to Buyer.

Section 6.4 Brokers; Finders. 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 or based upon arrangements made by or on behalf of Buyer.

Section 6.5 Sufficiency of Funds. Buyer has sufficient cash on hand or other sources of immediately available funds to enable it to make payment of the Purchase Price and to consummate the transactions contemplated by this Agreement.

Section 6.6 Legal Proceedings. There are no Actions pending or, to the Knowledge of Buyer, threatened against or by Buyer or any Affiliate of Buyer that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

Section 6.7 Independent Investigation. Buyer has conducted its own independent investigation, review and analysis of the business of Seller and LicenseCo, 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 Seller and LicenseCo 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 Article V of this Agreement (including the related Schedules) and the Ancillary Documents; and (b) neither any Seller Party nor any other Person has made any representation or warranty as to Seller, LicenseCo, their Business, the Assets or this Agreement, except as expressly set forth in Article V of this Agreement (including the related Schedules) and the Ancillary Documents.

ARTICLE VII
CLOSING DELIVERIES

Section 7.1 Seller Deliveries. At the Closing, the Seller Parties shall deliver (or cause to be delivered) to Buyer the following:

(a) a Warranty Bill of Sale in the form attached hereto as Exhibit A, providing for the transfer to Buyer of all purchased Assets, duly executed by Seller;

(b) the Assignment and Assumption Agreement in the form attached hereto as Exhibit B, providing for the assignment and assumption of the Assumed Liabilities, duly executed by Seller;

(c) a Fifth Addendum to and Assignment and Assumption of Commercial Lease Agreement, in form and substance reasonably satisfactory to Buyer and Seller (the "Lease

Assignment"), duly executed by the current tenant and the landlord of the Leased Premises;

(d) copies of the third party consents, approvals, waivers and authorizations required to consummate the transactions contemplated by this Agreement, if any, as listed on Schedule 7.1(d) attached hereto;

(e) evidence that all Liens encumbering the purchased Assets or any other assets of LicenseCo have been duly released by the lienholders, including, without limitation, UCC-3 termination statements;

(f) resignation letters, in form and substance reasonably satisfactory to Buyer and duly executed by Rosen (and all other officers and directors of LicenseCo, if any), providing for the resignation from all offices and positions they hold in LicenseCo, effective as of (but contingent upon) the Closing;

(g) resolutions of Rosen in his capacity as the sole director of LicenseCo prior to the Closing, in form and substance reasonably satisfactory to Buyer, approving the election of David Thomas as the sole director of LicenseCo, effective as of (but contingent upon) the Closing;

(h) a certified copy of the resolutions of the Member of Seller and such member actions as may be required by Seller's Operating Agreement to confirm Seller's authority to undertake the sale of Assets and other transactions contemplated by this Agreement;

(i) a notice to employees and independent contractors (if and as applicable) of LicenseCo advising of the instant transactions in a form mutually agreed upon between the Seller Parties and Buyer, duly executed by Seller;

(j) good standing certificates for each of Seller and LicenseCo, issued by the Arizona Corporation Commission as of a recent date; and

(k) such other documents or deliverables as may be reasonably requested by Buyer to give full effect to the transactions contemplated by this Agreement.

Section 7.2 Buyer Deliveries. At the Closing, Buyer shall deliver (or cause to be delivered) to the Seller Parties the following:

(a) the Purchase Price by cash or wire transfer of immediately available funds in accordance with Section 3.1;

(b) the Assignment and Assumption Agreement, duly executed by Buyer;

(c) the Lease Assignment, duly executed by Buyer; and

(d) a certified copy of the Resolutions of the Managers of Buyer and such member actions as may be required by Buyer's Operating Agreement to confirm Buyer's authority to undertake the transactions contemplated by this Agreement.

ARTICLE VIII
COVENANTS AND OTHER AGREEMENTS

Section 8.1 Confidentiality. From and after the Closing, the Seller Parties shall, and shall cause their Affiliates to, hold, and shall use their commercially reasonable efforts to cause their respective representatives to hold, in confidence any and all technical, financial and other proprietary information, whether written or oral, exclusively concerning Seller or LicenseCo, except to the extent that the Seller Parties can show that such information (a) is generally available to and known by the public through no fault of the Seller Parties, any of their Affiliates or their respective representatives; or (b) is lawfully acquired by the Seller Parties, any of their Affiliates or their respective representatives from and after the Closing from sources which are not prohibited from disclosing such information by a legal, contractual or fiduciary obligation. Notwithstanding the foregoing, the Seller Parties may disclose any such information to its or their financial, tax and/or legal advisors in connection with the instant transaction or their prior involvement with Seller and/or LicenseCo. If the Seller Parties or any of their Affiliates or their respective representatives are compelled to disclose any information by judicial or administrative process or by other requirements of law, the Seller Parties shall promptly notify Buyer in writing and shall disclose only that portion of such information which the Seller Parties are advised by counsel in writing is legally required to be disclosed, provided, however, that the Seller Parties reasonably cooperate with Buyer, at Buyer's sole expense, if Buyer endeavors to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information. For the avoidance of doubt, the restrictions set forth in this Section 8.1 do not apply to any technical, financial or other proprietary information that the Seller Parties use or have access to in connection with the operation of their other businesses, even if they previously used such information in connection with the business of Seller and LicenseCo.

Section 8.2 Non-Solicitation Covenant. For a period of three (3) years commencing on the Closing Date, each Seller Party shall not, and shall not permit any of its Affiliates to, directly or indirectly, solicit any person who is or was employed by LicenseCo or Buyer during such three-year period, or encourage any such employee to leave such employment or hire any such employee who has left such employment, except pursuant to a general solicitation which is not directed specifically to any such employees.

Section 8.3 License to Use Mission Tradename and Trademarks. Promptly following the Closing, the parties shall use their reasonable best efforts to enter into a separate agreement regarding Buyer's and LicenseCo's ability to use the "Mission" tradename and trademarks (e.g., in the signage used in and around the Leased Premises and the sales documents (such as receipts and documents generated by the retail software) used in the ordinary course of LicenseCo's business) on terms and conditions mutually acceptable to the parties.

Section 8.4 Cooperation.

(a) The Seller Parties will reasonably cooperate with Buyer, at Buyer's request and expense (out-of-pocket expenses only, excluding employee compensation), on and after the Closing Date, in furnishing information, evidence, testimony and other assistance in connection with any actions, proceedings, arrangements or disputes involving Seller, LicenseCo and/or Buyer and based upon the Assets or any Contracts, arrangements, commitments or acts of Seller or LicenseCo which were in effect or occurred on or prior to the Closing Date. The foregoing provisions, including any obligation of Buyer or LicenseCo to pay the expenses associated with the Seller Parties'

cooperation, shall be subject to and limited by the obligations of the Seller Parties pursuant to the Seller Parties' indemnification obligations relating to the Pending Litigation Matter as set forth in Section 9.2(c) below.

(b) The Parties further acknowledge and agree that Seller retains all rights to any recovery in the Pending Litigation Matter, subject to Buyer's right to share in the recovery of fees paid by Buyer or its Affiliates in connection with the Pending Litigation Matter. Without limiting the generality of the foregoing, in the event the Pending Litigation Matter results in a judgment relating to (i) the counterclaims; or (ii) any attorneys' fees previously paid by Seller or its Affiliates prior to the Closing Date, any payments thereof shall be promptly remitted by Buyer to Seller, subject to Buyer's right to share in the recovery of fees paid by Buyer or its Affiliates in connection with the Pending Litigation Matter. The Parties further agree that Seller retains the right to control the Pending Litigation Matter and may unilaterally agree to resolve the Pending Litigation Matter upon terms acceptable to Seller alone, and without any input from Buyer except to the extent any resolution of the Pending Litigation Matter would subject Buyer, LicenseCo or their Affiliates to non-monetary penalties or restrictions, including, without limitation, restrictive covenants, injunctions or other equitable relief. Buyer shall reasonably cooperate with Seller and its Affiliates to facilitate resolution of the Pending Litigation Matter following the Closing Date.

(c) To the extent that any purchased Asset or Assumed Liability cannot be transferred to Buyer at the Closing, Buyer and Seller shall use commercially reasonable efforts to enter into such arrangements (such as subleasing, sublicensing or subcontracting) to provide to the parties the economic and, to the extent permitted under applicable Law, operational equivalent of the transfer of such purchased Asset and/or Assumed Liability to Buyer as of the Closing and the performance by Buyer of its obligations with respect thereto. Subject to applicable Laws, Buyer shall, as agent or subcontractor for Seller pay, perform and discharge fully the liabilities and obligations of Seller thereunder from and after the Closing Date. To the extent permitted under applicable Law, Seller shall hold in trust for and pay to Buyer promptly upon receipt thereof, such Asset and all income, proceeds and other monies received by Seller to the extent related to such Asset in connection with the arrangements under this Section 8.4.

Section 8.5 Authorization; Mail. From and after the Closing Date, Seller agrees that Buyer shall have the right and authority to collect for the account of Buyer all receivables of LicenseCo and Seller (if any) and other items which shall be transferred to Buyer as provided herein. Seller authorizes and empowers Buyer from and after the Closing Date to receive and open mail addressed to Seller and LicenseCo. Seller agrees to deliver to Buyer promptly upon receipt and identification any mail, checks or other documents received by it pertaining to the Assets or otherwise to LicenseCo or any of the Assumed Liabilities. Buyer agrees to deliver to Seller any mail which it receives to which it is not entitled by reason of this Agreement or otherwise and to which Seller is entitled. In addition, and without limitation of the foregoing, in the event that Seller shall come into possession of any of the Assets or any other property that should be in the possession of Buyer or LicenseCo, Seller shall promptly transfer such Assets and property to Buyer or LicenseCo as applicable.

Section 8.6 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. Without limiting the generality of the foregoing,

the Seller Parties shall cooperate with Buyer in good faith and on a timely basis to obtain the AZDHS CoC Approval as promptly as practicable following the Closing.

Section 8.7 Injunctive Relief. The parties acknowledge and agree that damages in the event of a breach of any of the provisions of Article VIII would be difficult, if not impossible, to ascertain and it is therefore agreed that Buyer, in addition to and without limiting any other remedy or right it may have, shall have the right to an injunction or other equitable relief in any court of competent jurisdiction enjoining any such breach. The Seller Parties further agree that Buyer shall not be required to post a bond or other security in connection with the issuance of any such injunction.

Section 8.8 Waiver of Certain Claims. Buyer acknowledges and understands that operation of Seller's and LicenseCo's respective businesses is currently illegal under the Act. Notwithstanding, Buyer assumes all risks associated with any enforcement of the Act in connection with consummation of the transactions contemplated by this Agreement, its subsequent ownership of the Assets, and the operation of LicenseCo from and after the Closing Date. Buyer further, on behalf of itself and its Affiliates, irrevocably waives any and all claims, demands, indemnification obligations, and/or causes of action, of whatever kind and nature, known and unknown, contingent or not contingent, presently existing or arising in the future, Buyer or its Affiliates may have from and after the Closing Date against the Seller Parties and their respective Affiliates in any way relating to enforcement of the Act against Buyer, Seller, LicenseCo, and their respective Affiliates.

Section 8.9 Release of Claims. Effective as of the Closing, each Seller Party, on behalf of such Seller Party and such Seller Party's past, present or future successors, assigns, directors, officers, employees, agents, equityholders, partners, subsidiaries, Affiliates and representatives (including their past, present or future officers and directors), hereby irrevocably and unconditionally releases, acquits and forever discharges LicenseCo and its past, present or future successors, assigns, directors, officers, employees, agents, Affiliates and representatives, of and from any and all Released Claims. "Released Claims" shall mean any and all charges, complaints, claims, causes of action, proceedings, suits, promises, agreements, rights to payment, rights to any equitable remedy, rights to any equitable subordination, demands, debts, liabilities, express or implied contracts, obligations of payment or performance, rights of offset or recoupment, accounts, losses, damages, costs, fines, penalties, assessments or other expenses (including attorneys' and other professional fees and expenses) held by any of the Seller Parties, whether known or unknown, matured or unmatured, or unsuspected, liquidated or unliquidated, absolute or contingent, direct or derivative, to the extent arising out of or relating to the Seller Parties' relationship with LicenseCo (including the Management Agreement) or the acts, omissions or conduct of LicenseCo through the Closing Date. Notwithstanding any other provision herein, the Released Claims shall not include any right or claim arising out of this Agreement or the Ancillary Documents.

Section 8.10 Tax Matters.

(a) Seller shall prepare, or cause to be prepared, all Tax Returns required to be filed by LicenseCo with respect to (i) all pre-Closing tax periods ending on or before December 31, 2019, and (ii) the Pre-Closing Straddle Period (as defined below), and shall timely file such Tax Returns on or before the original due date of such returns (or within the automatic extension period). Buyer shall prepare, or cause to be prepared, all Tax Returns required to be filed by LicenseCo with respect to all post-Closing tax periods.

(b) For purposes of this Agreement, the portion of any Taxes relating to the income, property or operations of LicenseCo, as applicable, that are attributable to any tax period that begins on or before the Closing Date and ends after the Closing Date (a "Straddle Period") will be apportioned between (i) the portion of the Straddle Period that extends before the Closing Date through the Closing Date (the "Pre-Closing Straddle Period") and (ii) the portion of the Straddle Period that extends from the day after the Closing Date to the end of the Straddle Period (the "Post-Closing Straddle Period"), in accordance with this Section 8.10(b). The portion of such Taxes attributable to the Pre-Closing Straddle Period shall (A) in the case of any Taxes other than sales or use taxes, value-added taxes, employment taxes, withholding taxes, and any taxes based on or measured by income, receipts or profits earned during a Straddle Period, be deemed to be the amount of such Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days in the Pre-Closing Straddle Period and denominator of which is the number of days in the Straddle Period, and (B) in the case of any sales or use taxes, value-added taxes, employment taxes, withholding taxes, and any taxes based on or measured by income, receipts or profits earned during a Straddle Period, be deemed equal to the amount which would be payable if the Straddle Period ended on and included the Closing Date. The portion of any Taxes attributable to a Post-Closing Straddle Period shall be calculated in a corresponding manner.

(c) The Seller Parties shall be solely and exclusively responsible for all Taxes (including any interest, penalties and reasonable costs arising in connection with any audits by a taxing authority) relating to (i) the income, property or operations of Seller before or after Closing, or (ii) due and payable by LicenseCo, as applicable, that are attributable to any pre-Closing tax period, including any Pre-Closing Straddle Period, including any Taxes (including any interest, penalties and reasonable costs arising in connection with any audits by a taxing authority) arising in connection with any audits by a taxing authority.

(d) After the Closing, Buyer shall promptly notify the Seller Parties in writing of any written notice of a proposed assessment or claim in an audit or administrative or judicial Tax proceeding involving LicenseCo that, if determined adversely to the taxpayer, would be grounds for indemnification under this Agreement. In the case of an audit or administrative or judicial proceeding that relates to pre-Closing tax periods or the Pre-Closing Straddle Period, the Seller Parties shall have the option to control the conduct of such audit or proceeding; provided, however, that the Seller Parties shall not settle such audit or proceeding without the consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed. If the Seller Parties do not assume the defense of any such audit or proceeding at their sole cost and expense, Buyer may defend the same in such manner as it may deem appropriate at the sole cost and expense of the Seller Parties, provided that Buyer shall not settle such audit or proceeding without the consent of the Seller Parties, which consent shall not be unreasonably withheld, conditioned or delayed.

ARTICLE IX
INDEMNIFICATION

Section 9.1 Survival. The representations and warranties contained in this Agreement shall survive the Closing for a period of 24 months after the Closing Date. All covenants and agreements of the parties contained in this Agreement shall survive the Closing and remain in full force and effect until fully performed in accordance with their terms.

Section 9.2 Indemnification by the Seller Parties. The Seller Parties shall jointly and severally defend, indemnify and hold harmless Buyer, LicenseCo and their Affiliates, and each of

their respective representatives (collectively, the "Buyer Indemnified Parties"), for, from and against any and all Losses, incurred or sustained by, or imposed upon, any Buyer Indemnified Party based upon, arising out of or relating to:

(a) any inaccuracy in or breach of any representation or warranty made by any Seller Party in this Agreement or any Ancillary Document;

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by the Seller Parties contained in this Agreement or any Ancillary Document;

(c) the Pending Litigation Matter;

(d) any Indebtedness of Seller or LicenseCo outstanding as of the Closing Date (to the extent not taken into account as a specific reduction to the Purchase Price paid at Closing pursuant to Section 3.1(b));

(e) any unpaid Transaction Expenses of the Seller Parties or LicenseCo as of the Closing Date (to the extent not taken into account as a specific reduction to the Purchase Price paid at Closing pursuant to Section 3.1(b));

(f) (i) Taxes of LicenseCo with respect to any pre-Closing tax period (including any Pre-Closing Straddle Period); (ii) Taxes of any Seller Party (including, without limitation, capital gains taxes or other income taxes arising as a result of the transactions contemplated by this Agreement) or any of their respective Affiliates for any pre-Closing tax period (including any Pre-Closing Straddle Period); (iii) Taxes for which LicenseCo is held liable under Section 1.1502-6 of the United States Treasury Regulations (or any similar provision of state, local or foreign law) by reason of such entity being included in any consolidated, affiliated, combined or unitary group at any time on or before the Closing Date; and (iv) any Taxes imposed on or payable by third parties with respect to which LicenseCo has an obligation to indemnify such third party pursuant to a transaction consummated prior to the Closing.

Section 9.3 Indemnification by Buyer. Buyer shall defend, indemnify and hold harmless the Seller Parties and their Affiliates, and each of their respective 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 inaccuracy in or breach of any representation and warranty made by Buyer in this Agreement or any Ancillary Document; or

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Buyer contained in this Agreement.

Section 9.4 Indemnification Procedure. In the event that any claim is asserted against any party hereto by a third party, or any party hereto is made a party defendant in any such action or proceeding, and such claim, action or proceeding involves a matter which is the subject of this indemnification, then such party (an "Indemnified Party") shall give written notice to the other party hereto (the "Indemnifying Party") of such claim, action or proceeding; provided that the failure to give such notice shall not affect the rights of the Indemnified Party except to the extent the Indemnifying Party is materially prejudiced by such failure. The Indemnifying Party shall have the

right to join in the defense of said claim, action or proceeding at such Indemnifying Party's own cost and expense and, if the Indemnifying Party agrees in writing to be bound by and to promptly pay the full amount of any final judgment from which no further appeal may be taken and if the Indemnified Party is reasonably assured of the Indemnifying Party's ability to satisfy such agreement, then at the option of the Indemnifying Party, such Indemnifying Party may take over the defense of such claim, action or proceeding, except that, in such case, the Indemnified Party shall have the right to join in the defense of said claim, action or proceeding at its own cost and expense. Each Indemnified Party shall take, and cause its Affiliates to take, all reasonable steps to mitigate any Losses upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such Losses. Notwithstanding the foregoing, with respect to any claim involving or relating to Seller's (a) ownership of the Assets, free and clear of any encumbrances, or (b) right and ability to transfer all right, title and interest in and to the Assets to Buyer, or (c) right and ability to transfer control of LicenseCo, as contemplated by this Agreement, Seller shall have the express right to control the defense of any such matters; provided, however, that Buyer shall have the right to approve or reject any settlement or other proposed final resolution if, and only if, such settlement or resolution would subject Buyer, LicenseCo or their Affiliates to non-monetary penalties or restrictions, including (without limitation) restrictive covenants, injunctions or other equitable relief.

Section 9.5 Limitations; Survival; Interpretation.

(a) All representations, warranties, covenants and obligations in this Agreement or in any agreement, instrument or other document delivered in connection herewith shall survive the execution and delivery hereof, the Closing Date and any investigation or audit conducted by any party hereto at any time, whether before or after the execution and delivery of this Agreement or the Closing Date. Notwithstanding the preceding sentence, no party may make or assert any claim under any representation or warranty of any other party contained herein later than 24 months after the Closing Date, except that the representations and warranties contained in Section 5.4 (Authorization; Enforceability), Section 5.10 (Tax Matters), Section 5.11 (Benefit Plans), Section 5.14 (All Necessary Assets; Title to Property), Section 5.18 (Employment Matters), Section 5.23 (Brokers; Finders) and Section 6.2 (Authorization; Enforceability) (collectively, the "Fundamental Representations") shall survive until thirty days following the expiration of the applicable statute of limitations with respect to the matters addressed therein (including all waivers and extensions thereof); provided that any claims made or asserted by a party within the applicable time period prescribed above shall survive such expiration until such claim is finally resolved and all obligations with respect thereto are fully satisfied. All Retained Liabilities and covenants shall remain the obligations of the Seller Parties and shall survive indefinitely and shall not be subject to the limitations or thresholds set forth in subsections (b), (c) and (d) below.

(b) The total aggregate liability of the Seller Parties and Buyer for any claims for Losses for breaches of representations and warranties arising under Section 9.2(a) or Section 9.3(a), as applicable, shall not exceed $[redacted] In addition, except (i) in the case of fraud or (ii) with respect to the Seller Parties' obligations pursuant to Section 9.2(f) (relating to unpaid Taxes) and Section 9.2(c) (relating to the Pending Litigation Matter), the Seller Parties' aggregate liability for any and all claims for indemnification pursuant to Section 9.2 shall not exceed the Purchase Price.

(c) The Seller Parties shall have no liability in respect of their indemnification obligations under Section 9.2(a), and there shall be no claim for indemnification asserted by Buyer pursuant to Section 9.2(a), until the aggregate amount of Losses exceeds $40,000 (the "Deductible").

Once the aggregate amount of Losses exceeds the Deductible, the Seller Parties shall be jointly and severally liable only for such Losses to the extent that they exceed Deductible, subject to the limitation set forth in Section 9.5(b). The Seller Parties shall have no liability in respect of their indemnification obligations under Section 9.2(c), and there shall be no claim for indemnification asserted by Buyer pursuant to Section 9.2(c), until the aggregate amount of such Losses exceeds $[redacted] (the "Pending Litigation Deductible"). Once the aggregate amount of such Losses exceeds the Pending Litigation Deductible, the Seller Parties shall be jointly and severally liable only for such Losses to the extent that they exceed the Pending Litigation Deductible.

(d) For purposes of this Article IX and for purposes of determining the amount of Losses for which an Indemnified Party is entitled to indemnification hereunder (but not for purposes of determining whether such representation and warranty was true and correct when made), any breach of or inaccuracy in any representation or warranty that has occurred shall be determined without regard to any materiality qualifications set forth in such representation or warranty, and all references to the terms "material", "materially", "materiality", "material adverse effect," or any similar terms shall be ignored for purposes of determining the amount of Losses.

(e) 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 Article IX.

(f) Except in the case of fraud and subject to Section 8.7 and Section 10.11, 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 Article IX. Nothing in this Section 9.5(f) shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled pursuant to Section 8.7.

(g) 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 Law.

Section 9.6 Attorneys' Fees. In any claim for indemnification under this Article IX that is adjudicated in a court of law, or by agreement of the parties that is determined by binding arbitration, the court or arbitrator shall include in any final order or award, a determination that either the Indemnifying Party(ies) or the Indemnified Party(ies), as the case may be, is or are the "substantially prevailing" party(ies) in the proceeding. The substantially prevailing party shall be entitled to an award of reasonable attorneys' fees incurred in asserting or defending the indemnification claim; and a party not substantially prevailing shall not be entitled to attorneys' fees incurred in asserting or defending such claim as Losses.

ARTICLE X

MISCELLANEOUS

Section 10.1 Expenses. Each party to this Agreement shall pay its own expenses in connection with the preparation of this Agreement and the consummation of the transactions contemplated hereunder, including the fees of the attorneys, accountants or others engaged by such party.

Section 10.2 Notices. All notices, requests, demands and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally, mailed certified or registered mail (return receipt requested) with postage prepaid, or sent by next day or overnight mail or courier, addressed as follows:

If to the Seller Parties:
c/o 4Front Ventures Corp.
5060 N. 40th Street
Suite 120
Phoenix, Arizona 85018
Attn: General Counsel
[redacted]

with a copy to:
Snell and Wilmer L.L.P.
400 E. Van Buren Street
Phoenix, Arizona 85004
Attn: Jeffrey A. Scudder
Email: jscudder@swlaw.com

If to Buyer:
[redacted]

with a copy to:
Aronberg Goldgehn
330 N. Wabash Avenue
Suite 1700
Chicago, Illinois 60611
Attn: Paul Gilman
Email: pgilman@agdglaw.com

The foregoing addresses may be changed, from time to time, by means of a notice given in the manner provided in this Section. All notices, requests, demands and other communications sent hereunder shall be deemed to have been received (a) if delivered personally, on the day delivered, (b) if mailed registered or certified mail (return receipt requested), on the next business day after the day on which the written receipt of such mail is signed, and (c) if sent by next day or overnight mail or courier, on the day delivered.

Section 10.3 Headings. The headings contained in this Agreement are intended solely for convenience and shall not affect the rights of the parties to this Agreement.

Section 10.4 Entire Agreement. This Agreement, including the Exhibits and Schedules and documents and certificates delivered pursuant hereto, is intended by the parties to and does constitute the entire agreement of the parties with respect to the transactions contemplated by this Agreement. This Agreement supersedes any and all prior understandings, written or oral, between the parties, and this Agreement may not be amended, modified or waived orally, but only by an instrument in writing signed by the party against whom enforcement of the amendment, modification or waiver is sought.

Section 10.5 Severability. If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to this Agreement to the fullest extent possible. In any event, all other provisions of this Agreement shall be deemed valid and enforceable to the fullest extent possible.

Section 10.6 Waiver. Waiver of any term or condition of this Agreement by any party hereto shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach or failure of the same term or condition or any other term or condition of this Agreement.

Section 10.7 Binding Effect; Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned (whether voluntarily, involuntarily, by operation of law or otherwise) by any of the parties hereto without the prior written consent of the other parties; provided, however, that Buyer may assign this Agreement, in whole or in any part, and from time to time, to a wholly owned, direct or indirect, subsidiary of Buyer or an Affiliate of Buyer or LicenseCo.

Section 10.8 No Third-Party Beneficiaries. Nothing in this Agreement shall confer any rights or liabilities upon any person or entity that is not a party to this Agreement except as expressly provided hereunder.

Section 10.9 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 10.10 Governing Law and Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Arizona without giving effect to any choice or conflict of law provision or rule (whether of the State of Arizona 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 ARIZONA, IN EACH CASE LOCATED IN THE CITY OF PHOENIX, ARIZONA, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. 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.

Section 10.11 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures to each counterpart were upon a single instrument, and all such counterparts together shall be deemed an original of this Agreement. A signed copy of this Agreement delivered by facsimile, 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.

[Signature page follows.]

IN WITNESS WHEREOF, each of the parties has executed this Asset Purchase Agreement in multiple counterparts on the day and date first above written.

SELLER PARTIES:

PHX Interactive LLC

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Authorized Signatory

4Front Holdings LLC

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Authorized Signatory

Mission Partners USA, LLC

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Authorized Signatory

BUYER:

EXHIBIT A

Bill of Sale

(See attached)

WARRANTY BILL OF SALE

THIS WARRANTY BILL OF SALE, is made as of March 20, 2020, **by PHX Interactive LLC**, an Arizona limited liability company ("Seller"), in favor of [redacted] a Delaware limited liability company ("Buyer").

W I T N E S S E T H:

WHEREAS, Seller and Buyer have entered into that certain Asset Purchase Agreement, of even date herewith (the "Purchase Agreement"; capitalized terms used but not defined herein are defined in the Purchase Agreement), pursuant to which, among other things, Buyer has agreed to purchase from Seller, and Seller has agreed to sell, convey, transfer, assign and deliver to Buyer, for the consideration set forth in the Purchase Agreement, the Assets, free and clear of all Liens.

NOW, THEREFORE, in consideration of the promises and covenants contained in the Purchase Agreement, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and notwithstanding that the following property may be conveyed by separate and specific transfer documents, Seller does hereby sell, assign, transfer, set over, convey and deliver to Buyer all of the right, title and interest of Seller in, to and under the Assets, free and clear of all Liens.

FURTHER, Seller hereby represents and warrants to Buyer that it is the sole owner of, and has good and marketable title to, all of the Assets, free and clear of any and all Liens, and that is has full and unencumbered power and authority to transfer unencumbered title to the Assets to Buyer. Seller further agrees to execute and deliver to Buyer such further instruments of transfer and assignment as Buyer may from time to time reasonably request in order to transfer and assign to, and vest in, Buyer all of the rights, privileges, and property hereby transferred and assigned or intended to be transferred and assigned hereunder.

AND FURTHER THAT, this instrument is executed and delivered pursuant to the Purchase Agreement and is subject to all representations, warranties, covenants, agreements, rights and obligations contained therein (it being understood that, in the event of conflict between the terms of the Purchase Agreement and the terms of this Warranty Bill of Sale, the terms of the Purchase Agreement govern and control), and shall be construed in accordance with and governed by the laws of the State of Arizona without giving effect to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, the undersigned has caused this Warranty Bill of Sale to be duly executed as of the day and year first above written.

PHX INTERACTIVE LLC
an Arizona limited liability company

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Authorized Signatory

EXHIBIT B

Assignment and Assumption Agreement

(See attached)

4836-4620-9206, v. 7

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement"), effective as of March 20, 2020 (the "Effective Date"), is made by and between by and between **PHX Interactive LLC**, an Arizona limited liability company ("Seller"), in favor of [redacted], a Delaware limited liability company ("Buyer").

WHEREAS, Seller and Buyer have entered into that certain Asset Purchase Agreement, of even date herewith (the "Purchase Agreement"; capitalized terms used but not defined herein are defined in the Purchase Agreement), pursuant to which, among other things, Seller has agreed to assign all of its rights, title and interests in, and Buyer has agreed to assume all of Seller's duties and obligations under, the Assigned Contracts.

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment and Assumption. Seller hereby sells, assigns, grants, conveys and transfers to Buyer all of Seller's right, title and interest in and to the Assigned Contracts and the other intangible assets included in the Assets, including (without limitation) the Intellectual Property. Buyer hereby accepts such assignment and assumes all of the Assumed Liabilities, including (without limitation) Seller's duties and obligations under the Assigned Contracts, and agrees to pay, perform and discharge, as and when due, all of the obligations of Seller under the Assigned Contracts accruing on and after the Effective Date.

2. Terms of the Purchase Agreement. The terms of the Purchase Agreement, including, but not limited to, the representations, warranties, covenants, agreements and indemnities relating to the Assigned Contracts and the Assumed Liabilities are incorporated herein by this reference. The parties hereto acknowledge and agree that the representations, warranties, covenants, agreements and indemnities contained in the Purchase Agreement shall not be superseded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms hereof, the terms of the Purchase Agreement shall govern.

3. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona (other than the choice of law principles thereof).

4. 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 facsimile, 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.

5. Further Assurances. Each of the parties hereto shall execute and deliver, at the reasonable request of the other party hereto, such additional documents, instruments, conveyances and assurances and take such further actions as such other party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date first above written.

SELLER:

PHX Interactive LLC
An Arizona limited liability company

By: *"Joshua N. Rosen"*
Name: Joshua N. Rosen
Title: Authorized Signatory

BUYER:

[redacted]

Exhibit B

Form of Amendment Fee Note

(See attached.)

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY, PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT, IN THE CASE OF (C)(1) AND (D) ABOVE, AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY IS PROVIDED TO THE EFFECT THAT SUCH TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE US. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS.

4FRONT VENTURES CORP.
CANNEX HOLDINGS (NEVADA) INC.
4FRONT U.S. HOLDINGS, INC.

SENIOR SECURED CONVERTIBLE NOTE

Second Amendment **Date: March 20, 2020**

ARTICLE 1
PRINCIPAL AND INTEREST

1.1 Promise to Pay

FOR VALUE RECEIVED, the undersigned, **4FRONT VENTURES CORP.**, a corporation amalgamated under the laws of the Province of British Columbia (the "**Company**"), **CANNEX HOLDINGS (NEVADA) INC.**, a Nevada corporation (the "**Cannex Borrower**") and **4FRONT U.S. HOLDINGS, INC.**, a Delaware corporation (the "**4Front Borrower**, and collectively with the Company and the Cannex Borrower, the "**Borrowers**", and each a "**Borrower**"), jointly and severally, each hereby acknowledges itself indebted to and promises to pay to the order of _____, a Delaware limited partnership, and its successors and assigns (the "**Holder**" or "**Lender**") on the earlier of (i) November 21, 2021 and (ii) such earlier date as the Principal Amount (as hereinafter defined) may become payable (the "**Maturity Date**") in accordance with the provisions of this senior secured convertible note (this "**Note**"), the principal amount of $_____ in lawful money of the United States (the "**Principal Amount**") and to accrue interest ("**Interest**") on the Principal Amount outstanding from time to time at the Applicable Interest Rate (as hereinafter defined) until the Principal Amount of the Note is repaid in full in accordance with its terms.

The Borrowers shall pay Interest in accordance with Section 3.1. Any Obligations (as defined in the Amended & Restated Securities Purchase Agreement, defined below) arising out of this Note, including without limitation the Principal Amount and the Interest, shall be referred to herein as the "**Obligations**".

The Holder acknowledges that this Note is one of a series of notes of substantially identical terms and conditions (collectively, the "**Notes**") issued by the Borrowers to other holders (with the Holder, collectively, the "**Holders**") under the terms of the Amended & Restated Securities Purchase Agreement.

ARTICLE 2
INTERPRETATION AND GENERAL PROVISIONS

2.1 Interpretation

Capitalized terms used herein without definition shall have the meaning ascribed thereto in the secured amended and restated securities purchase agreement (the "**Amended and Restated Securities Purchase Agreement**") dated July 31, 2019 among the Holders and the Borrowers.

2.2 Plurality and Gender

Words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine gender and words importing Persons shall include firms and corporations and vice versa.

2.3 Headings, etc.

The division of this Note into Articles, Sections, subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Note.

2.4 Day Not a Business Day

In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day.

2.5 Currency

Any reference in this Note to "**Dollars**", "**dollars**" or the sign "**$**" shall be deemed to be a reference to lawful money of the United States.

ARTICLE 3
PAYMENT OF PRINCIPAL AND INTEREST

3.1 The Obligations shall be due and payable without deduction or withholding for taxes of any kind or nature immediately on the earlier of:

(a) the Maturity Date; and

(b) the occurrence and continuance of an Event of Default (as defined below).

3.2 Interest shall accrue at the Applicable Interest Rate and shall be calculated on the basis of the actual days elapsed in the period for which such Interest is to accrue and on the basis of a year of 360 days. The Borrowers shall pay Interest as follows:

(a) Fifty percent (50%) of the Interest due on any Interest Payment Date shall be paid in cash in arrears to the Holder, by wire transfer of immediately available funds to the account designated by Holder from time to time; and

(b) Fifty percent (50%) of the Interest due on any Interest Payment Date shall accrue and be added to the Principal Amount, and such Interest paid in kind shall be payable on the date that all remaining Principal Amount is due and payable pursuant hereto.

3.3 For purposes of this Note, the following terms shall have the definitions set forth in this Section 3.3:

(a) "**Applicable Interest Rate**" means, as of any date, the rate per annum applicable to such date as follows:

(i) For the period beginning on the date hereof and ending on November 21, 2020, LIBOR plus ten percent (10%);

(ii) For the period beginning on November 22, 2020 and continuing thereafter, LIBOR plus nine and one half percent (9.5%).

(b) "**Interest Payment Date**" means the last Business Day of each month, with the first Interest Payment Date occurring on April 30, 2020.

(c) "**Interest Period**" means, with respect to periods in which clause (b) of the definition of LIBOR applies, the period beginning on the day after the applicable Interest Payment Date and ending on the next Interest Payment Date.

(d) "**LIBOR**" means the greater of (a) 2.5% and (b) for any Interest Period, the rate per annum equal to the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other Person that takes over the administration of such rate), as published by Reuters (or any other commercially available source providing quotations of such rate as designated by the Lender from time to time) at approximately 11:00 a.m., London time, two (2) business days prior to the commencement of such Interest Period, for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; provided, that in no event shall such rate be less than zero or exceed five percent (5%); and provided further, that if a rate determined under clause (b) is not available at such time for such Interest Period, the parties will work in good faith to agree upon an alternative floating rate.

ARTICLE 4
CONVERSION

4.1 Conversion Right

The Holder has the right (the "**Conversion Right**"), from time to time and at any time on or prior to 5:00 p.m. (Toronto time) on the earlier of the Business Day immediately preceding (i) the Maturity Date and (ii) the date fixed for redemption of this Note in accordance with terms hereof, to convert all or any portion of the outstanding Principal Amount plus, at the Holder's option, all accrued and unpaid Interest

with respect to such Principal Amount and any unpaid fees, into Shares, at a price equal to $23.801 per Share (the "**Conversion Price**"). For purposes of this Note, "**Shares**" means Class B subordinate proportionate voting shares in the capital of the Company.

Notwithstanding any other provision of this Agreement, the Conversion Right shall not be exercisable by the Holder or any person who does not deal at arm's length with the Holder for purposes of the *Income Tax Act* (Canada) (collectively, "**Holder Related Parties**") to the extent that, after giving effect to such conversion, the Holder Related Parties would beneficially own or have a right to acquire shares of the Company that, in aggregate, represent: (i) 25% or more of the votes that could be cast at the annual meeting of the shareholders of the Company; or (ii) 25% or more of the fair market value of the issued and outstanding shares of the Company at such time.

4.2 **Exercise of Conversion Right**

The Conversion Right may be exercised by the Lender by completing and signing the notice of conversion (the "**Conversion Notice**") and delivering the Conversion Notice and this Note to the Borrower. The Conversion Notice shall provide that the Conversion Right is being exercised, shall specify the amount being converted, and shall set out the date (the "**Issue Date**") on which Shares are to be issued upon the exercise of the Conversion Right (such date to be no earlier than three (3) Business Days and no later than seven (7) Business Days after the day on which the Conversion Notice is issued). The conversion shall be deemed to have been effected immediately prior to the close of business on the Issue Date and the Shares issuable upon conversion shall be deemed to be issued as fully paid and non-assessable at such time. Within seven (7) Business Days after the Issue Date, a certificate for the required number of Shares shall be issued to the Lender. If less than all of the Principal Amount of this Note is the subject of the Conversion Right, then within seven (7) Business Days after the Issue Date, the Borrowers shall deliver to the Lender a replacement Note in the form hereof in the principal amount of the unconverted principal balance hereof, plus the unconverted portion of any accrued and unpaid Interest and fees, and this Note shall be cancelled. If the Conversion Right is being exercised in respect of the entire Principal Amount of this Note (and, if applicable, all accrued and unpaid Interest and fees), this Note shall be cancelled.

4.3 **Adjustment of Conversion Price**

The Conversion Price in effect at any date shall be subject to adjustment from time to time as follows:

(a) If and whenever at any time prior to the Maturity Date, the Company shall:

(i) subdivide or redivide the outstanding Shares into a greater number of Shares;

(ii) reduce, combine or consolidate the outstanding Shares into a smaller number of Shares;

(iii) issue Shares (or securities convertible into or exchangeable for Shares) to the holders of all or substantially all of the outstanding Shares by way of stock dividend; or

(iv) make a distribution on its outstanding Shares payable in Shares or securities exchangeable for or convertible into Shares,

the Conversion Price in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Shares (or securities convertible into or exchangeable for Shares) by way of a stock dividend or other distribution, as the case may be, shall, in the case of the events referred to in Sections 4.3(a)(i), (iii) and (iv) above, be decreased in proportion to the increase in the number of outstanding Shares resulting from such subdivision, redivision or dividend (including, in the case where securities convertible into or exchangeable for Shares are issued, the number of Shares that would have been outstanding had such securities been converted into or exchanged for Shares on such effective or record date) or shall, in the case of the events referred to in Section 4.3(a)(ii) above, be increased in proportion to the decrease in the number of outstanding Shares resulting from such reduction, combination or consolidation on such effective or record date. Such adjustment shall be made successively whenever any event referred to in this Section 4.3(a) shall occur. Any such issue of Shares (or securities convertible into or exchangeable for Shares) by way of a stock dividend or other distribution shall be deemed to have been made on the record date for the stock dividend or other distribution for the purpose of calculating the number of outstanding Shares under Sections 4.3(b) and (g); to the extent that any such securities are not converted into or exchanged for Shares prior to the expiration of the conversion or exchange right, the Conversion Price shall be readjusted effective as at the date of such expiration to the Conversion Price which would then be in effect based upon the number of Shares actually issued on the exercise of such conversion or exchange right.

(b) If and whenever at any time prior to the Maturity Date, the Company shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Shares entitling them, for a period expiring not more than forty-five (45) days after such date of issue (such period from the record date to the date of expiry being referred to in this Section 4.3(b) as the "**Rights Period**"), to subscribe for or purchase Shares (or securities convertible into or exchangeable for Shares) (such subscription price per Share (inclusive of any cost of acquisition of securities exchangeable for or convertible into Shares in addition to any direct cost of Shares) being referred to in this Section 4.3(b) as the "**Per Share Cost**"), the Borrowers shall give written notice to the Lender with respect thereto (any of such events herein referred to as a "**Rights Offering**"), and the Lender shall have fifteen (15) days after receipt of such notice to elect to convert any or all of the Principal Amount of this Note into Shares at the then applicable Conversion Price and otherwise on terms and conditions set out in this Note. If the Lender elects to convert any or all of the Principal Amount of this Note, such conversion shall occur immediately prior to the record date for the issuance of such rights, options or warrants. If the Lender elects not to convert any of the Principal Amount of this Note, there shall continue to be an adjustment to the Conversion Price as a result of the issuance of such rights, options or warrants, in the manner hereinafter provided. The Conversion Price will be adjusted effective immediately after the end of the Rights Period to a price determined by multiplying the Conversion Price in effect immediately prior to the end of the Rights Period by a fraction:

(i) the numerator of which is the aggregate of:

(A) the number of Shares outstanding as of the record date for the Rights Offering; and

(B) the number determined by dividing the product of the Per Share Cost and:

1. where the event giving rise to the application of this Section 4.3(b) was the issue of rights, options or warrants to the holders of Shares under which such holders are entitled to subscribe for or purchase additional Shares, the number of Shares so subscribed for or purchased during the Rights Period, or

2. where the event giving rise to the application of this Section 4.3(b) was the issue of rights, options or warrants to the holders of Shares under which such holders are entitled to subscribe for or purchase securities exchangeable for or convertible into Shares, the number of Shares for which those securities so subscribed for or purchased during the Rights Period could have been exchanged or into which they could have been converted during the Rights Period,

by the trading price of the Class A subordinate voting shares in the capital of the Company (the "**Subordinate Voting Shares**") on the Canadian Securities Exchange (or such other recognized stock exchange or quotation on which the Subordinate Voting Shares are listed for trading), multiplied by eighty (80) (the "**Current Market Price**") as of the record date for the Rights Offering; and

(ii) the denominator of which is:

(A) in the case described in subparagraph 4.3(b)(i)(B)(1), the number of Shares outstanding, or

(B) in the case described in subparagraph 4.3(b)(i)(B)(2), the number of Shares that would be outstanding if all the Shares described in subparagraph 4.3(b)(i)(B)(2) had been issued,

as at the end of the Rights Period.

(c) Any Shares owned by or held for the account of the Company or any subsidiary or affiliate (as defined in the *Securities Act* (British Columbia)) of the Company will be deemed not to be outstanding for the purpose of any such computation.

(d) If by the terms of the rights, options or warrants referred to in Section 4.3(b), there is more than one purchase, conversion or exchange price per Share, the aggregate price of the total number of additional Shares offered for subscription or purchase, or the aggregate conversion or exchange price of the convertible securities so offered, will be calculated for purposes of the adjustment on the basis of:

(1) the lowest purchase, conversion or exchange price per Share, as the case may be, if such price is applicable to all Shares which are subject to the rights, options or warrants, and

(2) the average purchase, conversion or exchange price per Share, as the case may be, if the applicable price is determined by reference to the number of Shares acquired.

(e) To the extent that any adjustment in the Conversion Price occurs pursuant to this Section 4.3(b) as a result of the fixing by the Company of a record date for the distribution of rights, options or warrants referred to in this Section 4.3(b), the Conversion Price will be readjusted immediately after the expiration of any relevant exchange, conversion or exercise right to the Conversion Price which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiration, and will be further readjusted in such manner upon expiration of any further such right.

(f) If the Lender has exercised its Conversion Right in accordance herewith during the Rights Period, the Lender will, in addition to the Shares to which it is otherwise entitled upon such exercise, be entitled to that number of additional Shares equal to the result obtained when the difference, if any, between the Conversion Price in effect immediately prior to, and the Conversion Price in effect immediately following the end of such Rights Offering pursuant to this Section 4.3(b), is multiplied by the number of Shares received upon the exercise of the Conversion Right during such period, and the resulting product is divided by the Conversion Price as adjusted for such Rights Offering pursuant to this Section 4.3(b); provided that no fractional Shares will be issued. Such additional Shares will be deemed to have been issued to the Lender immediately following the end of the Rights Period and a certificate for such additional Shares will be delivered to the Lender within 10 Business Days following the end of the Rights Period.

(g) If and whenever at any time prior to the Maturity Date, the Company shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Shares of (i) shares of any class other than Shares (or other than securities convertible into or exchangeable for Shares), or (ii) rights, options or warrants (other than rights, options or warrants referred to in Section 4.3(b)), or (iii) evidences of its indebtedness, or (iv) assets (in each case, other than dividends paid in the ordinary course) then, in each such case, the Borrowers shall give written notice to the Lender with respect thereto, and the Lender shall have fifteen (15) days after receipt of such notice to elect to convert any or all of the Principal Amount of this Note into Shares at the then applicable Conversion Price and otherwise on terms and conditions set out in this Note. If the Lender elects to convert any or all of the Principal Amount of this Note, such conversion shall occur immediately prior to the record date for the making of such distribution. If the Lender elects not to convert any of the Principal Amount of this Note, there shall continue to be an adjustment to the Conversion Price as a result of the making of such distribution (herein referred to as a "**Special Distribution**"), determined in the manner hereafter set out in 4.3(h). In this Section 4.3(g) the term "**dividends paid in the ordinary course**" shall include

the value of any securities or other property or assets distributed in lieu of cash dividends paid in the ordinary course at the option of shareholders.

(h) In circumstances described in Section 4.3(g), the Conversion Price will be adjusted effective immediately after such record date to a price determined by multiplying the Conversion Price in effect on such record date by a fraction:

(1) the numerator of which is:

(A) the product of the number of Shares outstanding on such record date and the Current Market Price of the Shares on such record date; less

(B) the aggregate fair market value (as determined by action by the directors of the Company, acting reasonably) to the holders of the Shares of such securities or property or other assets so issued or distributed in the Special Distribution; and

(2) the denominator of which is the number of Shares outstanding on such record date multiplied by the Current Market Price of the Shares on such record date.

Any Shares owned by or held for the account of the Company or any subsidiary or affiliate (as defined in the *Securities Act* (British Columbia)) of the Company will be deemed not to be outstanding for the purpose of any such computation.

(i) In the case of any reclassification of, or other change in, the outstanding Shares pursuant to a Change of Control Transaction, if the Lender elects not to redeem this Note in accordance with Article 5, the Lender may elect, prior to the effective date of such Change of Control Transaction, to convert any or all of the Principal Amount of this Note into Shares at the then applicable Conversion Price and otherwise on terms and conditions set out in this Note. To exercise such right the Lender must provide a notice in writing to the Borrowers no later than seven days prior to the effective date of such Change of Control Transaction, failing which the Lender's right to convert this Note as a consequence of such Change of Control Transaction shall cease. If the Lender elects to convert any or all of the Principal Amount of this Note, such conversion shall occur immediately prior to the effective date of such Change of Control Transaction. If the Lender elects not to convert any of the Principal Amount of this Note, the Conversion Price in effect after the effective date of such Change of Control Transaction shall be increased or decreased, as the case may be, in proportion to any decrease or increase in the number of outstanding Shares resulting from such Change of Control Transaction so that the Lender, upon exercising the Conversion Right after the effective date of such Change of Control Transaction, will be entitled to receive the aggregate number of Shares or other securities, if any, which the Lender would have been entitled to receive as a result of such Change of Control Transaction if, on the effective date thereof, the Lender had been the registered holder of the number of Shares to which the Lender was theretofore entitled upon exercise of the Conversion Right.

(j) In the case of any reclassification of, or other change in, the outstanding Shares (other than a change referred to in Section 4.3(a), Section 4.3(b), Section 4.3(g) or 4.3(i) hereof), the Conversion Price shall be adjusted in such manner, if any, and at such time, as the Board of Directors of the Company determines to be appropriate on a basis consistent with the intent of this Section 4.3; provided that if at any time a dispute arises with respect to adjustments provided for in this Section 4.3(j), such dispute will be conclusively determined by the auditors of the Borrowers or if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action by the directors of the Company, acting reasonably, and any such determination will be binding on the Borrowers and the Lender. The Borrowers will provide such auditors or accountants with access to all necessary records of the Borrowers. If and whenever at any time after the date hereof there is a reclassification or redesignation of the Shares outstanding at any time or change of the Shares into other shares or into other securities (other than as set out in Section 4.3(a), (b), (g) or (i) and other than in connection with a holder or holders of Shares exchanging such Shares for Subordinate Voting Shares in accordance with the constating documents of the Company), or a consolidation, amalgamation or merger of the Company with or into any other corporation or other entity (other than a consolidation, amalgamation or merger which does not result in any reclassification or redesignation of the outstanding Shares or a change of the Shares into other shares and other than as set forth in 5.3(a)(i) or a transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or other entity (any of such events being called a "**Capital Reorganization**"), the Lender, upon the exercising the Conversion Right, after the effective date of such Capital Reorganization, will be entitled to receive in lieu of the number of Shares to which the Lender was theretofore entitled upon such exercise, the aggregate number of shares, other securities or other property, if any, which the Lender would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, the Lender had been the registered holder of the number of Shares to which such Lender was theretofore entitled upon exercise of the Conversion Right. If determined appropriate by action of the directors of the Company, appropriate adjustments will be made as a result of any such Capital Reorganization in the application of the provisions set forth in this Section 4.3 with respect to the rights and interests thereafter of the Lender to the end that the provisions set forth in this Section 4.3 will thereafter correspondingly be made applicable as nearly as may reasonably be in relation to any shares, other securities or other property thereafter deliverable upon the exercise of the Conversion Right. Any such adjustment must be made by and set forth in an amendment to this Note approved by action by the directors of the Company, acting reasonably, and will for all purposes be conclusively deemed to be an appropriate adjustment.

(k) In any case in which this Section 4.3 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Company may defer, until the occurrence of such event, issuing to the Lender before the occurrence of such event, the additional Shares issuable upon such conversion by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Borrowers shall deliver to the Lender an appropriate instrument evidencing the Lender's right to receive such additional Shares upon the occurrence of the event requiring such adjustment and the right to

receive any distributions made on such additional Shares declared in favour of holders of record of Shares on and after the Issue Date or such later date as the Lender would, but for the provisions of this Section 4.3(k), have become the holder of such additional Shares pursuant to Section 4.3(b).

(l) The adjustments provided for in this Section 4.3 are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other event resulting in any adjustment under the provisions of this Section, provided that, notwithstanding any other provision of this Section, no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Price then in effect; provided, however, that any adjustments which by reason of this Section 4.3(l) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

No Conversion Price adjustment will be made to the extent that the Company makes an equivalent distribution to holders of Notes in respect of such Notes. No adjustment to the Conversion Price will be made for distributions or dividends on Shares issuable upon conversion of Notes that have been surrendered for conversion, provided that holders converting their Notes shall be entitled to receive, in addition to the applicable number of Shares, accrued and unpaid interest payable in cash from, and including, the most recent interest payment date to, but excluding, the date of conversion.

ARTICLE 5
REDEMPTION AND PREPAYMENT

5.1 No Early Redemption or Prepayment

Except pursuant to Sections 5.3 and 5.4, the Borrowers shall not be permitted to redeem or repay the Note prior to the Maturity Date without the prior written consent of all the Holders.

5.2 Notice of Change of Control Transaction

Upon the occurrence of any event constituting or reasonably likely to constitute a Change of Control Transaction, the Borrowers shall give written notice to the Lender of such Change of Control Transaction at least thirty (30) days or, with the prior written consent of the Lender, as soon as reasonably possible prior to the effective date of any such Change of Control Transaction and another written notice on or immediately after the effective date of such Change of Control Transaction (the "**Change of Control Notice**").

5.3 Redemption if Change of Control Transaction

Notwithstanding anything to the contrary herein, upon receipt of a Change of Control Notice with respect to a Change of Control Transaction, the Holder shall, in its sole discretion on or before the closing of the Change of Control Transaction, have the right to require the Borrowers purchase the Note at a price equal to 105% of the then outstanding Principal Amount thereof together, at Holder's option, with accrued and unpaid Interest and fees (the "**Offer Price**"); provided that, if 90% or more of the Principal Amount outstanding on the date of the Change of Control Notice have been tendered for redemption, the Company will have the right, in its sole discretion, to redeem all of the outstanding Notes at the Offer Price.

5.4 **Voluntary Prepayment**

Subject to the rest of this Section 5.4, beginning on the Second Amendment Effective Date, from time to time the Borrowers shall have the right to repay, in whole or in part, the then outstanding Principal Amount of this Note together with accrued and unpaid Interest and fees, plus the Applicable Premium. For purposes of this Note, "**Applicable Premium**" means, with respect to any prepayment occurring on or after the Second Amendment Effective Date and before the first anniversary of the Closing Date, 2% of the Principal Amount being repaid, and thereafter, 1% of the Principal Amount being repaid. The Borrowers shall notify the Lender in writing of their intent to make prepayment under this Section 5.4 at least thirty (30) days (or such shorter time as is acceptable to the Lender in its sole discretion) prior to the proposed prepayment date, and such notice shall include the Principal Amount, interest, fees and Applicable Premium to be paid on such prepayment date. Such prepayment will be paid by wire transfer of immediately available funds to the account designated by the Lender.

ARTICLE 6
SECURITY

6.1 As security for the Obligations under this Note, each Borrower shall grant to the Collateral Agent, for the benefit of the Holder, a first priority security interest over all of such Borrower's present and after acquired personal property in which such Borrower has rights, of whatsoever nature or kind and wherever situate, save and except property specifically excluded in any general security agreement granted by such Borrower to the Collateral Agent, for the benefit of the Holder, which shall rank *pari passu* between and among the Holders (the "**Security Interest**"). The Security Interest shall be evidenced by one or more security agreements entered into between each Borrower and the Holder.

6.2 This Note is entitled to and shall have the benefit of a cross guarantee by each Borrower and a guaranty by each Subsidiary (collectively, the "**Guarantors**"), of all of the Obligations of the Borrowers to the Lender under or in connection with this Note in favour of the Lender dated as of the date of this Note (the "**Guarantees**"). As security for such Obligations under the Guarantees, each Guarantor shall grant in favour of the Collateral Agent, for the benefit of the Holder, a first priority security interest over all of such Guarantor's present and after acquired personal property in which such Guarantor have rights, of whatsoever nature or kind and wherever situate which shall rank *pari passu* between and among the Holders. The security granted to the Collateral Agent, for the benefit of the Holder, by each of the Guarantors shall be evidenced by one or more security agreements entered into between the Guarantors and the Holder.

ARTICLE 7
EVENTS OF DEFAULT

7.1 The occurrence of an "Event of Default" under the Amended and Restated Securities Purchase Agreement shall constitute an event of default ("**Event of Default**") hereunder.

7.2 Upon and during the continuation of an Event of Default, the Interest Rate shall increase by three (3%) per annum, and the Holder shall be entitled to all of the rights and remedies set forth in the Amended and Restated Securities Purchase Agreement and available to it under applicable law.

ARTICLE 8
COVENANTS

8.1 Positive Covenants of the Company

So long as any Obligations remain unpaid, the Company shall perform the covenants and actions as set forth in, and in accordance with, the Amended and Restated Securities Purchase Agreement.

8.2 Tax Treatment

For United States federal income tax purposes, the parties agree to treat the Notes as convertible debt instruments that are excepted from the contingent payment debt instrument rules of Treas. Reg. § 1.1275-4. The parties shall file all federal income tax returns and reports in a consistent manner unless otherwise required pursuant to a final "determination" within the meaning of Section 1313 of the Internal Revenue Code of 1986, as amended.

ARTICLE 9
GENERAL MATTERS

9.1 Amalgamation

The Borrowers acknowledge that if, to the extent permitted under the Amended and Restated Securities Purchase Agreement, either Borrower amalgamates or mergers with any other Person (a) the term "**Company**", where used herein shall extend to and include the amalgamated or surviving Person, and (b) the term, "**Obligations**", where used herein shall extend to and include the Obligations of the Borrowers and the amalgamated Person.

9.2 No Modification or Waiver

No modification, variation or amendment of any provision of this Note shall be made without the prior written consent of all of the Holders. The Holder shall not, by any act, delay, omission or otherwise, be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and executed by an authorized officer of the Holder. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by the Holder of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which the Holder would otherwise have on any future occasion, whether similar in kind or otherwise. ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER THE LAWS OF THE STATE OF WASHINGTON.

9.3 Entire Agreement

This Note together with the Amended and Restated Securities Purchase Agreement and Transaction Agreements defined therein constitute the entire agreement between the parties and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. There are no other agreements between the parties in connection with the subject matter hereof except as specifically set forth or referred to herein or therein.

9.4 **Performance by Holder**

If either Borrower fails to perform any of its obligations hereunder, the Holder may, after notice to the Company, but shall not be obligated to, perform any or all such obligations, and all reasonable costs, charges, expenses, fees, outlays and premiums incurred by the Holder in connection therewith shall be payable by the Borrowers, jointly and severally, forthwith upon demand by the Holder and shall bear interest from the date incurred by the Holder at the Interest Rate then in effect and shall form part of the Obligations. Any such performance by the Holder shall not constitute a waiver by the Holder of any right, power, or privilege under this Note.

9.5 **Notice to the Company and the Holder**

Any notice to be given to the Borrowers or the Holder shall be in writing and shall be deemed to be validly given if such notice is delivered personally, by facsimile or electronic transmission or sent by prepaid registered mail, addressed as follows:

(a) if to Borrowers, at:

4Front Ventures Corp.
5060 North 40th Street, Suite 120
Phoenix, AZ 85018
USA

Attention : Joshua Rosen
E-mail : [redacted]

With a copy to (which shall not constitute notice):

Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
Toronto, ON M5H 2T6
Canada

Attention : Rubin Rapuch
E-mail : rrapuch@fasken.com

(b) if to the Holder, at:

c/o Gotham Green Partners, LLC
Suite 29A, 489 5th Avenue
New York, NY 1008
USA

Attention : David Rosenthal
Email: [redacted]

With a copy to (which shall not constitute notice):

Honigman Miller Schwarz and Cohn LLP
2290 First National Building
660 Woodward Avenue
Detroit, MI 48226-3506
USA

Attention: Michael D. DuBay
E-mail: mdubay@honigman.com

Notice of change of address shall also be governed by this Section 9.5. Any notice given by personal delivery shall be deemed to have been given when received by either Borrower or the Holder, and by prepaid registered mail shall be deemed to have been received by either Borrower or the Holder on the third (3rd) Business Day after the day of such mailing and any notice so given by facsimile or electronic transmission on a Business Day before 5:00 p.m. (local time of the recipient) shall be deemed to have been received by either Borrower or the Holder on such Business Day and otherwise shall be deemed to be received the next Business Day.

9.6 **Replacement of Note**

If this Note shall become mutilated or be lost, stolen or destroyed and in the absence of notice that the Note has been acquired by a *bona fide* purchaser, the Borrowers shall issue a new Note upon surrender and cancellation of the mutilated Note, or, in the event that a Note is lost, stolen or destroyed, in lieu of and in substitution for the same, and the substituted Note shall be in the form hereof and the Holder shall be entitled to benefits hereof. In case of loss, theft or destruction, the Holder shall furnish to the Borrowers such evidence of such loss, theft or destruction as shall be satisfactory to the Borrowers in their discretion acting reasonably together with an indemnity in form and substance mutually acceptable to the Borrowers and the Holder, each acting reasonably. The applicant shall pay reasonable expenses incidental to the issuance of any such new Note.

9.7 **Successors and Assigns**

This Note shall inure to the benefit of the Holder and its successors and its assigns and shall be binding upon the Borrowers and each of their successors.

9.8 **Assignment**

No Party may assign its rights or benefits under this Note except that the Holder may assign all or any portion of its rights and benefits under this Note to any Person or Persons who may purchase all or part of this Note, subject to compliance with applicable securities laws.

9.9 **Registered Obligations**

The Borrowers shall keep a "register" in which the Borrowers shall provide for the recordation of the name and address of, and the amount of outstanding principal and interest owing to, the Holder and its Assignees. The entries in the register shall be conclusive evidence of the amounts due and owing to the Holder or its Assignees in the absence of manifest error. The Borrowers, the Holder, and its successors and assigns shall treat each Person whose name is recorded in the register pursuant to the terms hereof as the Holder for all purposes. Notwithstanding anything to the contrary contained in this Note, the Note is

a registered obligations and the right, title and interest of the Holder and its Assignees in and to this Note shall be transferable only upon notation of such transfer in the register. This Section 9.9 shall be construed so that the Note is at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), and any related regulations (and any other relevant or successor provisions of the Code or such regulations). The register shall be available for inspection by the Holder and its successors and assigns at from time to time upon reasonable prior notice.

9.10 **Invalidity of Provisions**

Each of the provisions contained in this Note is distinct and severable and a declaration of invalidity or unenforceability of any such provision by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof or thereof.

9.11 **Governing Law**

THIS NOTE AND EACH OTHER TRANSACTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REFERENCE TO CONFLICTS OF LAW PROVISIONS (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

9.12 **Maximum Rate of Interest**

Notwithstanding any other provisions of this Note, if the amount of any interest, premium, fees or other monies or any rate of interest required to be paid under this Note or any other document entered into in connection with this Note would, but for this provision, contravene any applicable Law, then such amount or rate of interest shall be reduced to such maximum amount as would not contravene such provisions; and to the extent that any excess has been charged or received the Holder shall apply such excess against the outstanding Obligations and refund to the Borrowers any further excess amount.

9.13 **Time of Essence**

Time shall be of the essence of this Note and a forbearance by the Holder of the strict application of this provision shall not operate as a continuing or subsequent forbearance.

9.14 **Waiver**

Each Borrower hereby waives presentment, notice of dishonor, protest and notice of protest. No failure or delay by the Holder in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right exclude other further exercise thereof or the exercise of any other right.

9.15 **Waiver of Trial by Jury**

TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY TO THIS NOTE HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING HEREUNDER OR IN ANY WAY CONNECTED WITH OR

RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY TRANSACTION AGREEMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY TO THIS NOTE HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS NOTE MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 6.15 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

9.16 **Obligations Joint and Several**

All obligations of the Borrowers under this Note are joint and several.

[Signature Page Follows]

IN WITNESS WHEREOF, each Borrower has caused this Note to be executed by its duly authorized officer as of the date first written above.

4FRONT VENTURES CORP.

Per: _____
Name:
Title:

CANNEX HOLDINGS (NEVADA) INC.

Per: _____
Name:
Title:

4FRONT U.S. HOLDINGS INC.

Per: _____
Name:
Title:

ACCEPTED AND AGREED as of the date first written above by:

_____

By _____, its general partner

Per: _____
Name:
Title: