

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): January 28, 2022

4FRONT VENTURES CORP.

(Exact name of registrant as specified in its charter)

British Columbia
(State or Other Jurisdiction
of Incorporation)

000-56075
(Commission
File Number)

83-4168417
(IRS Employer
Identification No.)

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

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

Item 1.01. Entry into a Material Definitive Agreement.

The information set forth in Item 2.01 below is incorporated by reference into this Item 1.01.

Item 2.01. Completion of Acquisition or Disposition of Assets.

Merger Agreement

On January 28, 2022 (the “Closing Date”), 4Front Ventures Corp. (the “Company”) entered into the First Amendment to that certain agreement and plan of merger (the “Merger Agreement”) by and among the Company, New England Cannabis Corporation, Inc., a Massachusetts corporation (“NECC”), Kenneth V. Stevens (“Mr. Stevens”), who is the sole owner of all of the issued and outstanding capital stock of NECC, and 4Front NECC Acquisition Co., a Massachusetts corporation (the “Merger Sub”). Pursuant to the terms and conditions of the Merger Agreement, NECC would be merged with and into the Merger Sub, which will change its name to New England Cannabis Corporation, Inc., and continue its corporate existence as a wholly-owned subsidiary of the Company (the “Merger”).

Also on the Closing Date, the parties to the Merger Agreement, as amended, consummated the Merger. At the effective time of the Merger, pursuant to the terms and conditions of the Merger Agreement, as amended, the Company (i) paid Mr. Stevens cash in the amount of USD\$9,000,000, and (ii) issued Mr. Stevens 28,571,428 Class A Subordinate Voting shares of the Company (the “SVS”), with a deemed value of \$1.05 U.S. dollars per share, or a total estimated valuation of USD\$30,000,000.

The foregoing description of the Merger Agreement, as amended, is qualified in its entirety by reference to the Merger Agreement, a complete copy of which was filed as Exhibit 10.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on October 8, 2021, and the First Amendment to the Merger Agreement, a complete copy of which is filed as Exhibit 10.3 hereto, each of which is incorporated herein by reference.

Membership Interest Purchase Agreement

In connection with the consummation of the Merger, on the Closing Date, the Company, Mission Partners RE, LLC, a Delaware limited liability company wholly-owned by the Company (“Mission Partners RE”), and Mr. Stevens entered into the First Amendment to that certain membership interest purchase agreement (the “Purchase Agreement”), pursuant to which the Company (through Mission Partners RE) completed its acquisition of 100% of the issued and outstanding membership interests of 29 Everett Street LLC, a Massachusetts limited liability company (the “Everett LLC”), which was solely held by Mr. Stevens and which owns certain real property that is currently leased to and used by NECC. Pursuant to the terms and conditions of the Purchase Agreement, as amended, the Company (i) paid Mr. Stevens cash in the amount of USD\$16,000,000, and (ii) issued Mr. Stevens a promissory note (the “Note”) in the initial principal amount of USD\$2,000,000, which will bear interest at an annual rate of ten percent (10%) and will mature on the six-month anniversary of the Closing Date.

The foregoing description of the Purchase Agreement, as amended, is qualified in its entirety by reference to the Purchase Agreement, a complete copy of which was filed as Exhibit 10.2 to the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on October 8, 2021, the First Amendment to the Purchase Agreement, a complete copy of which is filed as Exhibit 10.4 hereto, and the Note, a complete copy of which is filed as Exhibit 10.5 hereto, each of which is incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 2.01 is hereby incorporated by reference into this Item 2.03.

Item 3.02. Unregistered Sales of Equity Securities.

The information set forth in Item 2.01 above is hereby incorporated by reference into this Item 3.02. Mr. Stevens is an accredited investor within the meaning of the Securities Act of 1933, as amended (the “Securities Act”), and the issuance of the Note and SVS to Mr. Stevens will be made without registration in reliance on Rule 506(b) of Regulation D under the Securities Act, as well as corresponding provisions of state securities laws.

This Current Report on Form 8-K does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein, and there shall not be any offer, solicitation or sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangement of Certain Officers.

On January 28, 2022, Eric Rey resigned as a member of the Board of Directors (the “Board”) and committees of the Board of the Company. Mr. Rey’s resignation was not in connection with any known disagreement with the Company on any matter relating to the Company’s operations, policies, or practices.

Mr. Rey served as the chairman of the Board’s audit committee. As a result of Mr. Rey’s resignation, the Board appointed current Board member David Daily as chairperson of the Company’s audit committee, effective as of February 2, 2022.

Item 7.01. Regulation FD Disclosure.

On January 31, 2022, the Company issued a press release regarding the consummation of the Merger. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The information furnished pursuant to this Item and the related exhibit shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as may be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired

The financial statements required by Item 9.01(a) will be filed with the Securities and Exchange Commission by amendment to this Current Report on Form 8-K not later than 71 days after the date on which this Current Report on Form 8-K is required to be filed.

(b) Pro Forma Financial Information

The pro forma financial information required by Item 9.01(b) will be filed with the Securities and Exchange Commission by amendment to this Current Report on Form 8-K not later than 71 days after the date on which this Current Report on Form 8-K is required to be filed.

(d) Exhibits:

<u>Exhibit No.</u>	<u>Exhibit</u>
10.1	Agreement and Plan of Merger, dated as of October 6, 2021, by and among 4Front Ventures Corp., New England Cannabis Corporation, Inc., Kenneth V. Stevens, and 4Front NECC Acquisition Co., filed as Exhibit 10.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on October 8, 2021 and incorporated herein by reference.
10.2	Membership Interest Purchase Agreement, dated as of October 6, 2021, by and among 4Front Ventures Corp., Kenneth V. Stevens, and Mission Partners RE, LLC, filed as Exhibit 10.2 to the Current Report on Form 8-K filed with the Securities and Exchange Commission by the Company on October 8, 2021 and incorporated herein by reference.
<u>10.3</u>	<u>First Amendment to Agreement and Plan of Merger, dated as of January 28, 2022, by and among 4Front Ventures Corp., New England Cannabis Corporation, Inc., Kenneth V. Stevens, and 4Front NECC Acquisition Co.</u>
<u>10.4</u>	<u>First Amendment to Membership Interest Purchase Agreement, dated as of January 28, 2022, by and among 4Front Ventures Corp., Kenneth V. Stevens, and Mission Partners RE, LLC.</u>
<u>10.5</u>	<u>Promissory Note and Pledge Agreement, dated as of January 28, 2022, between 4Front Ventures Corp. and Kenneth V. Stevens.</u>
<u>99.1</u>	<u>Press Release dated January 31, 2022.</u>

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 3, 2022

4FRONT VENTURES CORP.

/s/ Leonid Gontmakher

Leonid Gontmakher

Chief Executive Officer

FIRST AMENDMENT
TO
AGREEMENT AND PLAN OF MERGER

THIS FIRST AMENDMENT TO AGREEMENT AND PLAN OF MERGER (this “**Amendment**”), dated as of January 28, 2022, is entered into among New England Cannabis Corporation, Inc., a Massachusetts corporation (the “**Company**”), Kenneth V. Stevens, an individual residing in the Commonwealth of Massachusetts (the “**Shareholder**”), 4Front Ventures Corp., a corporation amalgamated under the Laws of the Province of British Columbia, Canada (“**4Front**”), and 4Front NECC Acquisition Co., a Massachusetts corporation (“**Merger Sub**”). All initially capitalized terms used but not defined in this Amendment shall have the meanings assigned to such terms in the Merger Agreement (as defined below).

BACKGROUND

WHEREAS, on October 6, 2021, the parties entered into an Agreement and Plan of Merger (the “**Merger Agreement**”), pursuant to which, among other things, 4Front agreed to acquire the Company via a merger of the Company with and into Merger Sub, with Merger Sub surviving the merger on the terms and subject to the conditions set forth in the Merger Agreement; and

WHEREAS, the parties desire to amend the Merger Agreement, as set forth in this Amendment.

AGREEMENT

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

1. Amendments to the Merger Agreement.

(a) Article I (Definitions) shall be amended to include the following new defined term:

“**Brighton Distribution Agreement**” means that certain Distribution and Contribution Agreement, dated as of January 27, 2022, by and among the Company, the Shareholder, Deborah Stevens and Debken Corp., a Massachusetts corporation.

(b) Section 2.03 (Merger Consideration) of the Merger Agreement is hereby deleted and replaced in its entirety with the following:

“**Section 2.03 Merger Consideration.** The consideration for the Merger shall be as follows (collectively, the “**Merger Consideration**”):

(a) cash in the amount of (i) Nine Million Dollars (\$9,000,000.00 USD), minus (ii) the amount outstanding under the Stevens Note as of the Closing Date, as evidenced by a payoff letter provided by the Shareholder to 4Front prior to the Closing plus (iii) the amount of all operational expenses of the Company incurred subsequent to January 25, 2022 and agreed to between the Shareholder and 4Front (the amount calculated by items (i), (ii), and (iii), collectively, the “**Closing Date Payment**”); and

(c) Thirty Million Dollars (\$30,000,000.00 USD), payable by 4Front in the form of 28,571,428 Class A Subordinate Voting Shares (the “**Consideration Shares**”) in the capital of 4Front (the “**4Front Shares**”), with a deemed value of One Dollar and Five Cents (\$1.05 USD) per share.”

(c) Section 2.14 (Adjustment of Inventory Payment Amount) of the Merger Agreement is hereby deleted in its entirety.

(d) Section 2.04(b)(ii) of the Merger Agreement is hereby deleted and replaced in its entirety with:

“(ii) [intentionally omitted;]”

(e) The words “the Seller Note (if applicable)” in Section 2.09(d) of the Merger Agreement are hereby deleted.

(f) Article V (Covenants) of the Merger Agreement is hereby amended by inserting Section 5.14 as follows:

“**Section 5.14 Prepaid Expenses.** In the event that the Surviving Corporation receives a refund or reimbursement from any insurance company, vendor or service provider for any prepaid insurance premiums or other expenses paid by the Company (or by the Shareholder on behalf of the Company, so long as the Shareholder has provided written documentation pertaining to such prepaid expenses to 4Front) prior to the Closing, the Surviving Corporation shall, and 4Front shall cause the Surviving Corporation to, remit such refund or reimbursement to the Shareholder within ten (10) days of receipt of the same.”

(g) Section 6.03 (Tax Indemnification) of the Merger Agreement is hereby deleted and replaced in its entirety with the following:

“**Tax Indemnification.** The Shareholder shall indemnify the Company, 4Front and each 4Front Indemnitee and hold them harmless from and against (a) any Loss attributable to any breach of or inaccuracy in any representation or warranty made in **Section 3.12**; (b) any Loss attributable to any breach or violation of, or failure to fully perform, any covenant, agreement, undertaking or obligation in **Article VI**; (c) all Taxes of the Company or relating to the business of the Company for all Pre-Closing Tax Periods, including Taxes resulting from, arising out of or relating to the transactions contemplated by the Brighton Distribution Agreement; (d) all Taxes of any member of an affiliated, consolidated, combined or unitary group of which the Company (or any predecessor of the Company) is or was a member on or prior to the Closing Date by reason of a liability under Treasury Regulation Section 1.1502-6 or any comparable provisions of foreign, state or local Law; and (e) any and all Taxes of any person imposed on the Company arising under the principles of transferee or successor liability or by contract, relating to an event or transaction occurring before the Closing Date. In each of the above cases, together with any out-of-pocket fees and expenses (including attorneys’ and accountants’ fees) incurred in connection therewith, the Shareholder shall reimburse 4Front for any Taxes of the Company that are the responsibility of the Shareholder pursuant to this **Section 6.03** within 10 Business Days after payment of such Taxes by 4Front or the Company.”

(h) Section 6.04(b) (Tax Returns) of the Merger Agreement is hereby amended to include the following new final sentence:

“The Shareholder shall pay to 4Front Taxes shown to be due and owing on any Tax Returns with respect to Pre-Closing Tax Period at least five (5) days before the due date of such Taxes.”

(i) Section 8.02 (Indemnification By The Shareholder) is hereby amended to include the following new clause (d):

“(d) the Company’s entry into the Brighton Distribution Agreement, the transactions contemplated thereby, and any and all matters arising out of or relating to any of the Distributed Assets.”

(j) Exhibit A (Seller Note) of the Merger Agreement is hereby deleted.

2. Miscellaneous.

(a) Governing Law. This Amendment shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Massachusetts or any other jurisdiction).

(b) Entire Agreement. This Amendment, together with the Merger Agreement, constitutes the entire agreement of the parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

(c) Reference to the Agreement. From and after the date hereof, each reference in the Merger Agreement to “this Agreement,” “hereunder,” “hereof,” “herein,” or words of like import referring to the Merger Agreement, mean and are a reference to the Merger Agreement as amended by this Amendment.

(d) No Other Modification. Except as expressly amended by the terms of this Amendment, all other terms of the Merger Agreement remain unchanged and in full force and effect.

(e) Counterparts. This Amendment 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 Amendment delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Amendment.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first written above by their respective officers thereunto duly authorized.

COMPANY:

NEW ENGLAND CANNABIS CORPORATION, INC.

By: /s/ Kenneth V. Stevens
Name: Kenneth V. Stevens
Title: President

SHAREHOLDER:

By: /s/ Kenneth V. Stevens
Name: Kenneth V. Stevens

4FRONT:

4FRONT VENTURES CORP.

By: /s/ Leonid Gontmakher
Name: Leonid Gontmakher
Title: Chief Executive Officer

MERGER SUB:

4FRONT NECC ACQUISITION CO.

By: /s/ Leonid Gontmakher
Name: Leonid Gontmakher
Title: President

[Signature Page to First Amendment to Agreement and Plan of Merger]

FIRST AMENDMENT
TO
MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO MEMBERSHIP INTEREST PURCHASE AGREEMENT (this “**Amendment**”), dated as of January 28, 2022, is entered into among Kenneth V. Stevens, an individual residing in the Commonwealth of Massachusetts (“**Seller**”), 4Front Ventures Corp., a corporation amalgamated under the Laws of the Province of British Columbia, Canada (“**4Front**”), and Mission Partners RE, LLC, a Delaware limited liability company (“**Buyer**”). All initially capitalized terms used but not defined in this Amendment shall have the meanings assigned to such terms in the Purchase Agreement (as defined below).

BACKGROUND

WHEREAS, on October 6, 2021, the parties entered into a Membership Interest Purchase Agreement (the “**Purchase Agreement**”), pursuant to which, among other things, Buyer agreed to acquire 29 Everett Street, LLC, a Massachusetts limited liability company (the “**Company**”), via the purchase from Seller of all of the outstanding membership interests of the Company on the terms and subject to the conditions set forth in the Purchase Agreement; and

WHEREAS, the parties desire to amend the Purchase Agreement, as set forth in this Amendment.

AGREEMENT

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

1. Amendments to the Purchase Agreement.

(a) Section 2.02 (Purchase Price) of the Purchase Agreement is hereby deleted and replaced in its entirety with the following:

“**Section 2.02 Purchase Price.** The aggregate purchase price for the Membership Interests shall be Eighteen Million Dollars (\$18,000,000 USD) (the “**Purchase Price**”). The Purchase Price shall be paid as follows:

(a) the sum of Sixteen Million Dollars (\$16,000,000 USD) (the “**Closing Date Payment**”) shall be paid by Buyer at the Closing in cash or other immediately available funds, in accordance with the wire instructions provided by Seller prior to the Closing; and

(b) a Promissory Note in the initial principal amount of Two Million Dollars (\$2,000,000.00 USD), substantially in the form attached hereto as Exhibit A (the “**Seller Note**”), issued by 4Front bearing interest at an annual rate equal to ten percent (10%) and maturing on the six (6)-month anniversary of the Closing Date.”

- (b) Section 2.03(a)(i) of the Purchase Agreement is hereby deleted and replaced in its entirety with the following:
“(i) pay the Closing Date Payment to Seller and deliver the duly executed Seller Note to Seller;”
- (c) Each of Section 2.03(a)(iii) and section 2.03(b)(iii) of the Purchase Agreement is hereby deleted and replaced in its entirety with the following:
“(iii) [intentionally omitted];”
- (d) The Purchase Agreement is hereby amended by adding Exhibit A in the form attached hereto.

2. Miscellaneous.

(a) Governing Law. This Amendment shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Massachusetts or any other jurisdiction).

(b) Entire Agreement. This Amendment, together with the Purchase Agreement, constitutes the entire agreement of the parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

(c) Reference to the Agreement. From and after the date hereof, each reference in the Purchase Agreement to “this Agreement,” “hereunder,” “hereof,” “herein,” or words of like import referring to the Purchase Agreement, mean and are a reference to the Purchase Agreement as amended by this Amendment.

(d) No Other Modification. Except as expressly amended by the terms of this Amendment, all other terms of the Purchase Agreement remain unchanged and in full force and effect.

(e) Counterparts. This Amendment 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 Amendment delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Amendment.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first written above by their respective officers thereunto duly authorized.

SELLER:

By: /s/ Kenneth V. Stevens
Name: Kenneth V. Stevens

4FRONT:

4FRONT VENTURES CORP.

By: /s/ Leonid Gontmakher
Name: Leonid Gontmakher
Title: Chief Executive Officer

BUYER:

MISSION PARTNERS RE, LLC

By: /s/ Leonid Gontmakher
Name: Leonid Gontmakher
Title: Authorized Signatory

[Signature Page to First Amendment to Membership Interest Purchase Agreement]

EXHIBIT A

Seller Note

(See attached)

PROMISSORY NOTE AND PLEDGE AGREEMENT

USD\$2,000,000.00 [•], 2022

FOR VALUE RECEIVED, 4Front Ventures Corp., a corporation amalgamated under the laws of the Province of British Columbia, Canada (“**4Front**” or “**Maker**”), promises to pay to the order of Kenneth V. Stevens, an individual residing in the Commonwealth of Massachusetts (“**Holder**”), or his permitted transferees or assigns, in lawful money of the United States of America and in immediately available funds, the aggregate principal amount of Two Million Dollars and No/100 Cents (USD\$2,000,000.00), together with interest thereon calculated as provided below, in accordance with, and subject to, the provisions of this Promissory Note and Pledge Agreement (this “**Note and Pledge**”).

1. Membership Interest Purchase Agreement. This Note and Pledge is being executed in connection with the transactions contemplated by that certain Membership Interest Purchase Agreement, dated as of October 6, 2021, as amended on the date hereof (the “**Purchase Agreement**”), by and among Holder, 4Front and Mission Partners RE, LLC, and is subject to the provisions thereof. Initially capitalized terms used but not defined in this Note and Pledge have the meanings assigned to such terms in the Purchase Agreement.

2. Maturity Date; Prepayments. The outstanding principal amount of this Note and Pledge, all accrued but unpaid interest thereon, and all other amounts payable under this Note and Pledge shall be due and payable on the date that is six (6) months after the date of this Note and Pledge (the “**Maturity Date**”). Maker may prepay its obligations under this Note and Pledge in whole or in part, at any time or from time to time, without penalty or premium, by paying the outstanding principal amount together with all accrued but unpaid interest thereon.

3. Interest. Except as otherwise provided herein, the outstanding principal amount of this Note and Pledge shall bear interest at an annual rate of ten percent (10%) from the date hereof until such time as Maker’s obligations under this Note and Pledge are paid in full, whether at maturity, upon acceleration, by prepayment or otherwise. Interest shall be payable monthly in arrears to Holder within ten (10) days after the end of each calendar month. All computations of interest shall be made on the basis of a year of 365/366 days, as the case may be, and the actual number of days elapsed.

4. Payment Mechanics. All payments of interest and principal shall be made in lawful money of the United States of America on the date on which such payment is due by wire transfer of immediately available funds to Holder’s account at a bank specified by Holder in writing to Maker from time to time. All payments made hereunder shall be applied first, to the payment of any fees or charges outstanding hereunder, second, to accrued but unpaid interest and third, to the payment of the principal amount outstanding under this Note and Pledge. Whenever any payment to be made hereunder shall be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension will be taken into account in calculating the amount of interest payable under this Note and Pledge.

5. Intentionally Deleted.

6. Representations and Warranties of Maker. Maker hereby represents and warrants to Holder as follows:

(a) 4Front is a corporation duly amalgamated, validly existing and in good standing under the laws of the Province of British Columbia, Canada.

(b) 4Front has the power and authority, and the legal right, to execute and deliver this Note and Pledge, and to perform its obligations hereunder.

(c) The execution and delivery of this Note and Pledge by 4Front, and the performance of 4Front's obligations hereunder, have been duly authorized by all necessary action in accordance with all applicable laws. 4Front has duly executed and delivered this Note and Pledge.

(d) No consent or authorization of, filing with, notice to or other act by, or in respect of, any Governmental Authority or any other Person is required in order for 4Front to execute, deliver or perform any of its obligations under this Note and Pledge.

(e) The execution and delivery of this Note and Pledge, and the consummation by 4Front of the transactions contemplated hereby, do not and will not (i) violate any provision of the organizational documents of 4Front; (ii) violate any law or governmental order applicable to 4Front (or by which any of its properties or assets may be bound); or (iii) constitute a default under any material agreement or contract by which 4Front may be bound.

(f) This Note and Pledge is a valid, legal and binding obligation of 4Front, enforceable against 4Front in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

7. Covenants of Maker. Until such time as all of Maker's obligations under this Note and Pledge have been paid in full, 4Front covenants and agrees that it will not:

(a) create, incur, assume or suffer to exist any indebtedness secured by the Pledged Interest (as defined below);

(b) create, incur, assume or suffer to exist any Encumbrances on the Pledged Interest (except for Permitted Encumbrances);

(c) sell, transfer or otherwise dispose of the Pledged Interest (except for transfers to wholly owned subsidiaries of 4Front); or

(d) enter into any contract or arrangement expressly prohibiting or limiting Maker's ability to pay its obligations under this Note and Pledge in accordance with the terms hereof.

8. Events of Default; Remedies. The existence or occurrence of one or more than one of the following events shall constitute an "**Event of Default**" under this Note and Pledge:

(a) the failure by Maker to make any payment of principal when due under this Note and Pledge in accordance with the terms hereof;

(b) the failure by Maker to make any payment of interest due under this Note and Pledge in accordance with the terms hereof within five (5) days of written notice from Holder to Maker;

(c) any representation or warranty made or deemed made by Maker to Holder herein is incorrect in any material respect on the date as of which such representation or warranty was made or deemed made;

(d) Maker fails to observe or perform any material covenant, obligation, condition or agreement contained in this Note and Pledge, other than the covenants specified in clauses (a) and (b) above, and such failure continues for thirty (30) days after written notice to Maker;

(e) the involuntary filing against or voluntary filing by Maker of a petition or application for relief under federal bankruptcy law or any similar state or federal law, or the issuance of any writ of garnishment, replevin, execution or attachment for service with respect to Maker or any property of Maker, provided that such receiver, trustee, custodian, conservator, bankruptcy petition, writ of garnishment, replevin, execution or attachment is not removed or dismissed within sixty (60) days of issuance;

(f) the failure by Maker to provide Holder with written notice of the occurrence of any of the events in the foregoing clause (e) within five (5) days of Maker becoming aware of such event.

Upon the occurrence of any Event of Default: (i) the entire unpaid principal balance due and owing under this Note and Pledge, together with all accrued but unpaid interest thereon, and all other amounts payable hereunder, shall, at the option of Holder upon written notice to Maker, immediately become due and payable, and (ii) Holder shall have and may exercise any and all rights and remedies available at law or in equity and also any and all rights and remedies provided in this Note and Pledge or under applicable law.

9. Additional Security for Maker's Obligations.

(a) Pledge. 4Front (“**Pledgor**”) hereby pledges to Holder, and grants to Holder a security interest in, 100% of the shares of capital stock of 4Front NECC Acquisition Co., a Massachusetts corporation, in its capacity as the Surviving Corporation as defined in and pursuant to the terms of that certain Agreement and Plan of Merger, dated as of October 6, 2021, as amended on the date hereof, by and among New England Cannabis Corporation, Inc., a Massachusetts corporation, Holder, 4Front and 4Front NECC Acquisition Co., a Massachusetts corporation (the “**Pledged Interest**”), as security for the prompt and complete payment of the unpaid principal of and interest on this Note and Pledge when such amounts become due and payable from time to time in accordance with the terms and provisions hereof. Pledgor shall not, directly or indirectly, create, permit or suffer to exist, and shall defend the Pledged Interest against and take such other action as is necessary to remove, any lien on the Pledged Interest, or any portion thereof, and shall not otherwise sell, transfer or encumber the Pledged Interest without the prior written consent of Holder.

(b) Delivery of Pledged Interest. Upon the execution of this Note and Pledge, Pledgor shall deliver to Holder the certificate(s) representing the Pledged Interest (to the extent such Pledged Interest is certificated), together with duly executed forms of assignment sufficient to transfer title thereto to Holder. Pledgor authorizes Holder to take such action as may be necessary or desirable to record the pledge granted hereunder, including, without limitation, filing appropriate financing statements to record the security interests granted hereby. To the extent that the Pledged Interest is not currently certificated but one or more certificates are issued in the future representing the Pledged Interest, Pledgor covenants and agrees to promptly deliver to Holder such certificate(s), together with duly executed forms of assignment sufficient to transfer title thereto to Holder.

(c) Voting Rights; Cash Distributions. Notwithstanding anything to the contrary contained herein, until such time as there exists an Event of Default hereunder, Pledgor shall be entitled to all voting rights (if any) with respect to the Pledged Interest and, shall be entitled to receive all distributions paid in respect of the Pledged Interest, if any.

(d) Distributions of Interests. If, prior to the Maturity Date, Pledgor becomes entitled to receive or receives any securities or other non-cash property in addition to, in substitution of, or in exchange for the Pledged Interest (whether as a distribution in connection with any recapitalization, reorganization or reclassification, a distribution or otherwise), Pledgor shall accept such securities or other property on behalf of and for the benefit of Holder as additional security for Pledgor's obligations hereunder and shall promptly deliver such additional security to Holder, together with duly executed forms of assignment, and such additional security shall be deemed to be part of the Pledged Interest hereunder.

(e) Default. This Note and Pledge constitutes a security agreement for purposes of the Uniform Commercial Code in all relevant jurisdictions. If an Event of Default occurs hereunder, Holder may exercise any and all rights, powers and remedies of any owner of the Pledged Interest (including the right to vote the Pledged Interest and receive distributions with respect to such Pledged Interest) and shall have and may exercise without demand any and all of the rights and remedies granted to a secured party upon default under the Uniform Commercial Code of the Commonwealth of Massachusetts or otherwise available to Holder under applicable law.

10. Payment of Indebtedness and Release of Pledged Interest. Upon payment in full of the indebtedness evidenced by this Note and Pledge, Holder shall take all necessary action required to release any security interests Holder has with respect to the Pledged Interest.

11. Waiver of Presentment. Maker, on behalf of itself and its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and nonpayment of this Note and Pledge, and expressly agrees that this Note and Pledge, or any payment hereunder, may be extended from time to time and that Holder may accept security for this Note and Pledge or release security for this Note and Pledge, all without in any way affecting the liability of Maker hereunder.

12. Amendment and Waiver. Except as otherwise expressly provided herein, the provisions of this Note and Pledge may be amended and Maker may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if Maker has obtained the prior written consent of Holder.

13. Further Assurances. Maker agrees that at any time and from time to time upon the written request of Holder, Maker will execute and deliver such further documents and do such further acts and things as Holder may reasonably request in order to effect the purpose of this Note and Pledge.

14. Replacement. Upon receipt of evidence reasonably satisfactory to Maker of the ownership and the loss, theft, destruction or mutilation of this Note and Pledge and, in the case of any such loss, theft or destruction, upon receipt of an indemnity reasonably satisfactory to Maker, or, in the case of any such mutilation, upon the surrender of this Note and Pledge to Pledgor, Maker shall execute and deliver, in lieu thereof, a new Note and Pledge representing the same rights represented by such lost, stolen, destroyed or mutilated Note and Pledge and dated so that there will be no loss of interest on such Note and Pledge. Any Note and Pledge in lieu of which any such new Note and Pledge has been so executed and delivered by Maker shall not be deemed to be an outstanding Note and Pledge for any purpose.

15. Severability. Any provision of this Note and Pledge which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

16. No Waiver. Holder shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by an officer or director of Holder, and then only to the extent therein set forth. A waiver by Holder of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which Holder would otherwise have on any future occasion. No failure to exercise or any delay in exercising on the part of Holder, any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

17. Governing Law; Jurisdiction.

(a) This Note and Pledge shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Massachusetts or any other jurisdiction).

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS NOTE AND PLEDGE OR THE TRANSACTIONS CONTEMPLATED HEREBY MAY BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA OR THE COURTS OF THE COMMONWEALTH OF MASSACHUSETTS IN EACH CASE LOCATED IN SUFFOLK COUNTY, MASSACHUSETTS, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS NOTE AND PLEDGE 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 NOTE AND PLEDGE OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY TO THIS NOTE AND PLEDGE CERTIFIES AND ACKNOWLEDGES THAT (1) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (2) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (3) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (4) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS NOTE AND PLEDGE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 17(c).

18. Attorney's Fees and Costs. In the event of any legal action to enforce any provision of this Note and Pledge, the prevailing party in such action shall be entitled to all of its reasonable attorney's fees and costs incurred in connection with such enforcement action.

19. Successors and Assigns. This Note and Pledge shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

20. Counterparts. This Note and Pledge 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 Note and Pledge delivered by email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Note and Pledge.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, 4Front has executed and delivered this Promissory Note and Pledge Agreement as of the date first written above.

4FRONT:

4FRONT VENTURES CORP.

By:
Name:
Title:

ACCEPTED BY HOLDER:

By:
Name:

[Signature Page to Project Mayflower Promissory Note and Pledge Agreement]

PROMISSORY NOTE AND PLEDGE AGREEMENT

USD\$2,000,000.00

January 28, 2022

FOR VALUE RECEIVED, 4Front Ventures Corp., a corporation amalgamated under the laws of the Province of British Columbia, Canada (“**4Front**” or “**Maker**”), promises to pay to the order of Kenneth V. Stevens, an individual residing in the Commonwealth of Massachusetts (“**Holder**”), or his permitted transferees or assigns, in lawful money of the United States of America and in immediately available funds, the aggregate principal amount of Two Million Dollars and No/100 Cents (USD\$2,000,000.00), together with interest thereon calculated as provided below, in accordance with, and subject to, the provisions of this Promissory Note and Pledge Agreement (this “**Note and Pledge**”).

1. Membership Interest Purchase Agreement. This Note and Pledge is being executed in connection with the transactions contemplated by that certain Membership Interest Purchase Agreement, dated as of October 6, 2021, as amended on the date hereof (the “**Purchase Agreement**”), by and among Holder, 4Front and Mission Partners RE, LLC, and is subject to the provisions thereof. Initially capitalized terms used but not defined in this Note and Pledge have the meanings assigned to such terms in the Purchase Agreement.

2. Maturity Date; Prepayments. The outstanding principal amount of this Note and Pledge, all accrued but unpaid interest thereon, and all other amounts payable under this Note and Pledge shall be due and payable on the date that is six (6) months after the date of this Note and Pledge (the “**Maturity Date**”). Maker may prepay its obligations under this Note and Pledge in whole or in part, at any time or from time to time, without penalty or premium, by paying the outstanding principal amount together with all accrued but unpaid interest thereon.

3. Interest. Except as otherwise provided herein, the outstanding principal amount of this Note and Pledge shall bear interest at an annual rate of ten percent (10%) from the date hereof until such time as Maker’s obligations under this Note and Pledge are paid in full, whether at maturity, upon acceleration, by prepayment or otherwise. Interest shall be payable monthly in arrears to Holder within ten (10) days after the end of each calendar month. All computations of interest shall be made on the basis of a year of 365/366 days, as the case may be, and the actual number of days elapsed.

4. Payment Mechanics. All payments of interest and principal shall be made in lawful money of the United States of America on the date on which such payment is due by wire transfer of immediately available funds to Holder’s account at a bank specified by Holder in writing to Maker from time to time. All payments made hereunder shall be applied first, to the payment of any fees or charges outstanding hereunder, second, to accrued but unpaid interest and third, to the payment of the principal amount outstanding under this Note and Pledge. Whenever any payment to be made hereunder shall be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension will be taken into account in calculating the amount of interest payable under this Note and Pledge.

5. Intentionally Deleted.

6. Representations and Warranties of Maker. Maker hereby represents and warrants to Holder as follows:

- (a) 4Front is a corporation duly amalgamated, validly existing and in good standing under the laws of the Province of British Columbia, Canada.
- (b) 4Front has the power and authority, and the legal right, to execute and deliver this Note and Pledge, and to perform its obligations hereunder.
- (c) The execution and delivery of this Note and Pledge by 4Front, and the performance of 4Front's obligations hereunder, have been duly authorized by all necessary action in accordance with all applicable laws. 4Front has duly executed and delivered this Note and Pledge.
- (d) No consent or authorization of, filing with, notice to or other act by, or in respect of, any Governmental Authority or any other Person is required in order for 4Front to execute, deliver or perform any of its obligations under this Note and Pledge.
- (e) The execution and delivery of this Note and Pledge, and the consummation by 4Front of the transactions contemplated hereby, do not and will not (i) violate any provision of the organizational documents of 4Front; (ii) violate any law or governmental order applicable to 4Front (or by which any of its properties or assets may be bound); or (iii) constitute a default under any material agreement or contract by which 4Front may be bound.
- (f) This Note and Pledge is a valid, legal and binding obligation of 4Front, enforceable against 4Front in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

7. Covenants of Maker. Until such time as all of Maker's obligations under this Note and Pledge have been paid in full, 4Front covenants and agrees that it will not:

- (a) create, incur, assume or suffer to exist any indebtedness secured by the Pledged Interest (as defined below);
- (b) create, incur, assume or suffer to exist any Encumbrances on the Pledged Interest (except for Permitted Encumbrances);
- (c) sell, transfer or otherwise dispose of the Pledged Interest (except for transfers to wholly owned subsidiaries of 4Front); or
- (d) enter into any contract or arrangement expressly prohibiting or limiting Maker's ability to pay its obligations under this Note and Pledge in accordance with the terms hereof.

8. Events of Default; Remedies. The existence or occurrence of one or more than one of the following events shall constitute an “**Event of Default**” under this Note and Pledge:

(a) the failure by Maker to make any payment of principal when due under this Note and Pledge in accordance with the terms hereof;

(b) the failure by Maker to make any payment of interest due under this Note and Pledge in accordance with the terms hereof within five (5) days of written notice from Holder to Maker;

(c) any representation or warranty made or deemed made by Maker to Holder herein is incorrect in any material respect on the date as of which such representation or warranty was made or deemed made;

(d) Maker fails to observe or perform any material covenant, obligation, condition or agreement contained in this Note and Pledge, other than the covenants specified in clauses (a) and (b) above, and such failure continues for thirty (30) days after written notice to Maker;

(e) the involuntary filing against or voluntary filing by Maker of a petition or application for relief under federal bankruptcy law or any similar state or federal law, or the issuance of any writ of garnishment, replevin, execution or attachment for service with respect to Maker or any property of Maker, provided that such receiver, trustee, custodian, conservator, bankruptcy petition, writ of garnishment, replevin, execution or attachment is not removed or dismissed within sixty (60) days of issuance;

(f) the failure by Maker to provide Holder with written notice of the occurrence of any of the events in the foregoing clause (e) within five (5) days of Maker becoming aware of such event.

Upon the occurrence of any Event of Default: (i) the entire unpaid principal balance due and owing under this Note and Pledge, together with all accrued but unpaid interest thereon, and all other amounts payable hereunder, shall, at the option of Holder upon written notice to Maker, immediately become due and payable, and (ii) Holder shall have and may exercise any and all rights and remedies available at law or in equity and also any and all rights and remedies provided in this Note and Pledge or under applicable law.

9. Additional Security for Maker’s Obligations.

(a) Pledge. 4Front (“**Pledgor**”) hereby pledges to Holder, and grants to Holder a security interest in, 100% of the shares of capital stock of 4Front NECC Acquisition Co., a Massachusetts corporation, in its capacity as the Surviving Corporation as defined in and pursuant to the terms of that certain Agreement and Plan of Merger, dated as of October 6, 2021, as amended on the date hereof, by and among New England Cannabis Corporation, Inc., a Massachusetts corporation, Holder, 4Front and 4Front NECC Acquisition Co., a Massachusetts corporation (the “**Pledged Interest**”), as security for the prompt and complete payment of the unpaid principal of and interest on this Note and Pledge when such amounts become due and payable from time to time in accordance with the terms and provisions hereof. Pledgor shall not, directly or indirectly, create, permit or suffer to exist, and shall defend the Pledged Interest against and take such other action as is necessary to remove, any lien on the Pledged Interest, or any portion thereof, and shall not otherwise sell, transfer or encumber the Pledged Interest without the prior written consent of Holder.

(b) Delivery of Pledged Interest. Upon the execution of this Note and Pledge, Pledgor shall deliver to Holder the certificate(s) representing the Pledged Interest (to the extent such Pledged Interest is certificated), together with duly executed forms of assignment sufficient to transfer title thereto to Holder. Pledgor authorizes Holder to take such action as may be necessary or desirable to record the pledge granted hereunder, including, without limitation, filing appropriate financing statements to record the security interests granted hereby. To the extent that the Pledged Interest is not currently certificated but one or more certificates are issued in the future representing the Pledged Interest, Pledgor covenants and agrees to promptly deliver to Holder such certificate(s), together with duly executed forms of assignment sufficient to transfer title thereto to Holder.

(c) Voting Rights; Cash Distributions. Notwithstanding anything to the contrary contained herein, until such time as there exists an Event of Default hereunder, Pledgor shall be entitled to all voting rights (if any) with respect to the Pledged Interest and, shall be entitled to receive all distributions paid in respect of the Pledged Interest, if any.

(d) Distributions of Interests. If, prior to the Maturity Date, Pledgor becomes entitled to receive or receives any securities or other non-cash property in addition to, in substitution of, or in exchange for the Pledged Interest (whether as a distribution in connection with any recapitalization, reorganization or reclassification, a distribution or otherwise), Pledgor shall accept such securities or other property on behalf of and for the benefit of Holder as additional security for Pledgor's obligations hereunder and shall promptly deliver such additional security to Holder, together with duly executed forms of assignment, and such additional security shall be deemed to be part of the Pledged Interest hereunder.

(e) Default. This Note and Pledge constitutes a security agreement for purposes of the Uniform Commercial Code in all relevant jurisdictions. If an Event of Default occurs hereunder, Holder may exercise any and all rights, powers and remedies of any owner of the Pledged Interest (including the right to vote the Pledged Interest and receive distributions with respect to such Pledged Interest) and shall have and may exercise without demand any and all of the rights and remedies granted to a secured party upon default under the Uniform Commercial Code of the Commonwealth of Massachusetts or otherwise available to Holder under applicable law.

10. Payment of Indebtedness and Release of Pledged Interest. Upon payment in full of the indebtedness evidenced by this Note and Pledge, Holder shall take all necessary action required to release any security interests Holder has with respect to the Pledged Interest.

11. Waiver of Presentment. Maker, on behalf of itself and its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and nonpayment of this Note and Pledge, and expressly agrees that this Note and Pledge, or any payment hereunder, may be extended from time to time and that Holder may accept security for this Note and Pledge or release security for this Note and Pledge, all without in any way affecting the liability of Maker hereunder.

12. Amendment and Waiver. Except as otherwise expressly provided herein, the provisions of this Note and Pledge may be amended and Maker may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if Maker has obtained the prior written consent of Holder.

13. Further Assurances. Maker agrees that at any time and from time to time upon the written request of Holder, Maker will execute and deliver such further documents and do such further acts and things as Holder may reasonably request in order to effect the purpose of this Note and Pledge.

14. Replacement. Upon receipt of evidence reasonably satisfactory to Maker of the ownership and the loss, theft, destruction or mutilation of this Note and Pledge and, in the case of any such loss, theft or destruction, upon receipt of an indemnity reasonably satisfactory to Maker, or, in the case of any such mutilation, upon the surrender of this Note and Pledge to Pledgor, Maker shall execute and deliver, in lieu thereof, a new Note and Pledge representing the same rights represented by such lost, stolen, destroyed or mutilated Note and Pledge and dated so that there will be no loss of interest on such Note and Pledge. Any Note and Pledge in lieu of which any such new Note and Pledge has been so executed and delivered by Maker shall not be deemed to be an outstanding Note and Pledge for any purpose.

15. Severability. Any provision of this Note and Pledge which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

16. No Waiver. Holder shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by an officer or director of Holder, and then only to the extent therein set forth. A waiver by Holder of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which Holder would otherwise have on any future occasion. No failure to exercise or any delay in exercising on the part of Holder, any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

17. Governing Law; Jurisdiction.

(a) This Note and Pledge shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Massachusetts or any other jurisdiction).

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS NOTE AND PLEDGE OR THE TRANSACTIONS CONTEMPLATED HEREBY MAY BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA OR THE COURTS OF THE COMMONWEALTH OF MASSACHUSETTS IN EACH CASE LOCATED IN SUFFOLK COUNTY, MASSACHUSETTS, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS NOTE AND PLEDGE 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 NOTE AND PLEDGE OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY TO THIS NOTE AND PLEDGE CERTIFIES AND ACKNOWLEDGES THAT (1) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (2) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (3) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (4) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS NOTE AND PLEDGE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 17(c).

18. Attorney's Fees and Costs. In the event of any legal action to enforce any provision of this Note and Pledge, the prevailing party in such action shall be entitled to all of its reasonable attorney's fees and costs incurred in connection with such enforcement action.

19. Successors and Assigns. This Note and Pledge shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

20. Counterparts. This Note and Pledge 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 Note and Pledge delivered by email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Note and Pledge.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, 4Front has executed and delivered this Promissory Note and Pledge Agreement as of the date first written above.

4FRONT:

4FRONT VENTURES CORP.

By: /s/ Leonid Gontmakher
Name: Leonid Gontmakher
Title: Chief Executive Officer

ACCEPTED BY HOLDER:

By: /s/ Kenneth V. Stevens
Name: Kenneth V. Stevens

[Signature Page to Project Mayflower Promissory Note and Pledge Agreement]



4Front Ventures Corp. Further Strengthens Massachusetts Footprint, Closes Accretive Acquisition of New England Cannabis Corporation

Significantly expands strategic position and broadens market penetration in important limited-license state of Massachusetts

Acquisition expected to be immediately accretive to the Company's 2022 EBITDA

Fully operational, technologically advanced, 55,000 sq. ft. cultivation facility adds scale and depth in the State

PHOENIX, Jan. 31, 2022 /CNW/ - 4Front Ventures Corp. (CSE: FFNT) (OTCQX: FFNTF) ("4Front" or the "Company"), a vertically integrated, multi-state cannabis operator and retailer, today announced it has closed on the purchase of New England Cannabis Corporation ("NECC"), a best-in-class cannabis cultivator with state-of-the-art facilities based in Holliston, Massachusetts (the "Transaction"). The Massachusetts Cannabis Control Commission approved of the Transaction during its public meeting on January 20, 2022. The Transaction was first announced in the Company's press release dated October 7, 2021.

The acquisition of NECC and its licensed, fully operational 55,000 sq. ft. cultivation facility immediately scales 4Front's presence as a dominant wholesaler and producer in Massachusetts, a competitive limited-license state. The Transaction more than doubles the Company's total flower canopy in Massachusetts to over 30,000 sq. ft., with expansion potential for an additional 10,000 sq. ft.

Furthermore, the NECC facility nearly triples 4Front's kitchen, processing and distribution space in Massachusetts, and will supplement the products currently sold via wholesale distribution and through 4Front's existing "Mission" dispensaries. 4Front's full suite of popular brands has already achieved wide-scale consumer support in the State's rapidly growing adult-use cannabis market and has won several awards, including first place for Hi-Burst as the best fruity non-gummy edible in *High Times'* 2021 Massachusetts People's Choice Cannabis Cup.

"We are thrilled to welcome New England Cannabis to the 4Front team, enabling us to further expand our award winning and popular products into the most dynamic market in the Northeast," said Leo Gontmakher, Chief Executive Officer of 4Front. "This acquisition firmly establishes our presence as a leading operator in the region and allows us to expand the distribution of our products in the wholesale market, supporting our goal of being the premier low-cost finished goods wholesaler in Massachusetts. Overnight, the advanced Holliston facility has significantly expanded our cultivation, manufacturing, and distribution capabilities, which will help to drive our growth in the expanding Massachusetts market for years to come."

"This significant step in Massachusetts represents yet another successful execution of our investment thesis and is an encouraging start to an already active 2022. I look forward to working together with the NECC team to leverage their impressive technology and our extensive operational expertise as we continue to scale and execute on our goal of achieving dominant market share and building value for our shareholders."

About 4Front Ventures Corp.

4Front Ventures Corp. ("4Front" or the "Company") (CSE: FFNT) (OTCQX: FFNTF) is a national, vertically integrated multi-state cannabis operator who owns or manages operations and facilities in strategic medical and adult-use cannabis markets, including California, Illinois, California, Michigan and Washington. Since its founding in 2011, 4Front has built a strong reputation for its high standards and low-cost cultivation and production methodologies earned through a track record of success in facility design, cultivation, genetics,

growing processes, manufacturing, purchasing, distribution, and retail. To date, 4Front has successfully brought to market more than 20 different cannabis brands and over 1800 products, which are strategically distributed through its fully owned and operated Mission dispensaries and retail outlets in its core markets. As the Company continues to drive value for its shareholders, its team is applying its decade of expertise in the sector across the cannabis industry value chain and ecosystem. For more information, visit <https://4frontventures.com/>.

Forward Looking Statements

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in 4Front Ventures' periodic filings with securities regulators. When used in this news release, words such as "will, could, plan, estimate, expect, intend, may, potential, believe, should," and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, statements related to future developments and the business and operations of 4Front Ventures, statements regarding when or if transactions will close or required conditions to closing will be attained, statements regarding future financial performance of the Company, statements regarding commencement and completion of construction of facilities and distribution of product, the availability of financing, the accretive nature of transactions, the ability to enter into definitive agreements for funding and acquisition opportunities, the impact of the transactions on the current and future business of 4Front and other statements regarding future developments of the business. Although 4Front Ventures has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended, including, but not limited to: dependence on entering into definitive agreements and satisfying closing conditions, obtaining regulatory approvals; and engagement in activities currently considered illegal under U.S. federal laws; change in laws; limited operating history; reliance on management; the impact of Covid-19; requirements for additional financing; competition; hindering market growth and state adoption due to inconsistent public opinion and perception of the medical-use and adult-use marijuana industry; and regulatory or political change.

There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the results or events predicted in these forward-looking statements may differ materially from actual results or events.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this release. 4Front Ventures disclaims any intention or obligation to update or revise such information, except as required by applicable law, and 4Front Ventures does not assume any liability for disclosure relating to any other company mentioned herein.

View original content to download multimedia:<https://www.prnewswire.com/news-releases/4front-ventures-corp-further-strengthens-massachusetts-footprint-closes-accretive-acquisition-of-new-england-cannabis-corporation-301471156.html>

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For further information: 4Front Investor Contacts: Andrew Thut, Chief Investment Officer and Interim Chief Financial Officer, IR@4frontventures.com, 602-633-3067; Brian Pinkston, MATTIO Communications, brian@mattio.com, 703-926-9159; Media Contact: Ellen Mellod, MATTIO Communications, ellen@mattio.com, 570-209-2947

CO: 4Front Ventures Corp.

CNW 08:00e 31-JAN-22