**Standby Letter of Credit**

**Note to Applicants:**

The Standby Letter of Credit must be issued by a bank found in Schedule I or Schedule II of the *Bank Act* (federal), or a credit union or caisse populaire registered under the *Credit Unions and Caisses Populaires Act, 1994*, and must be callable at the counters of the bank/credit union/caisse populaire in Toronto, Ontario.

Letter of Credit Number:

MM / DD / YYYY

Alcohol and Gaming Commission of Ontario (AGCO)

90 Sheppard Avenue East, Suite 200

Toronto ON M2N OA4

Attn: Registrar

Dear Sir:

**Re:** **Letter of Credit in respect of an Expression of Interest Application to apply for a licence to legally operate a cannabis retail store in Ontario, in accordance with *Cannabis Licence Act, 2018*, Ontario Regulation 468/18 (as amended) and related Allocation Lottery Rules.**

At the request of our client Insert Client Name (“Applicant”), we, Insert Name and Address of Issuing Bank / Credit Union / caisse populaire, hereby issue in favour of the Alcohol and Gaming Commission of Ontario as representative of HMQ, an irrevocable standby letter of credit (the “Letter of Credit”) in the amount of fifty-thousand dollars ($50,000) Canadian.

The amount available under this Letter of Credit is payable at such time as the Applicant has received a Notification Letter from the Registrar of the AGCO (“Registrar”), (“Notification Letter”), that the Applicant’s Expression of Interest Application has been selected by the Registrar in the Expression of Interest Allocation Lottery and that the Applicant may apply for a Retail Operator Licence pursuant to the *Cannabis Licence Act, 2018.*

The Allocation Lottery Rules may be found at: <https://www.agco.ca/second-allocation-expression-interest-lottery-rules>.

A request for payment shall be initiated upon (a) receipt by us of a written demand for payment, accompanied by a certificate signed by two officers of the Alcohol and Gaming Commission of Ontario certifying that the Alcohol and Gaming Commission of Ontario is entitled to draw on this Letter of Credit pursuant to the Allocation Lottery Rules for the Expression of Interest Allocation Lottery and (b) presentation of this Letter of Credit.

The above documents may be presented to the Insert Name and Address of Issuing Bank / Credit Union / caisse populaire at Insert Toronto Address of Bank/Credit Union/caisse populaire.

This Letter of Credit will expire at 5:00 PM EST on July 3, 2020, and the Alcohol and Gaming Commission of Ontario may call for payment of any amount outstanding under this Letter of Credit at any time up to 5:00 PM EST on that date should this Letter of Credit not be extended.

We hereby agree that demands delivered under this Letter of Credit will be duly honoured upon presentation provided that all terms and conditions herein have been complied with.

Written demands drawn under this Letter of Credit shall state on their face that they are drawn under this Letter of Credit #     .

It is understood that Insert Name and Address of Issuing Bank / Credit Union / caisse populaire is obligated under this Letter of Credit for payments of monies only.

The Allocation Lottery Rules are referred to herein for reference purposes only and do not form part of the terms of this Letter of Credit.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision) of the International Chamber of Commerce (ICC Publication No. 600) the (“UCP”) with the exception of Articles 18-30 inclusive (other than Article 29a, which shall apply) and Articles 31b, 31c and 32 except to the extent, if any, inconsistent with the express terms of this Letter of Credit. Notwithstanding Article 36 of the UCP, if this Letter of Credit expires during an interruption of business as contemplated in Article 36, we shall honour any demand made under this Letter of Credit prior to the expiration date, within 30 days after the date in which such interruption of business ends (and we shall notify you promptly when it does so end). For matters not covered by such publication, it shall be governed by and construed in accordance with the laws of the Province of Ontario.

Yours very truly,

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| Insert Name and Address of Issuing Bank / Credit Union / caisse populaire |  |  |
| Name of Issuing Bank/Credit Union/Caisse Populaire |  |  |

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