

**STATE OF VERMONT
OFFICE OF ATTORNEY GENERAL
TOBACCO MANUFACTURER SURETY BOND**

SURETY: _____
BOND NUMBER: _____

We,

(NAME OF TOBACCO PRODUCT MANUFACTURER)

(ADDRESS)

as Principal, and

(SURETY COMPANY)

(ADDRESS)

as Surety authorized to do business in the State of Vermont, are held and firmly bound to the State of Vermont in the full and just sum of Fifty Thousand Dollars (\$50,000) for the payment of which we bind ourselves, our employees, officers, heirs, executors, administrators, successors and assigns, jointly and severally.

(EFFECTIVE DATE)

This bond is effective when the Vermont Office of the Attorney General accepts this bond; notice of acceptance will be made to the manufacturer (hereafter the "Principal").

PURPOSE AND PROTECTION AFFORDED

WHEREAS, pursuant to Vermont Statutes Annotated Title 33 Chapter 19, Subchapters 1-A and 1-B (33 V.S.A. §§ 1912 – 1925), a tobacco product manufacturer that wishes to initiate sales of cigarettes and/or roll-your-own tobacco in the State must be listed on the Vermont Tobacco Directory and has certain obligations under such statute, and

WHEREAS, the Principal has submitted a Tobacco Product Manufacturers Certification application with the intention of becoming listed on the Vermont Tobacco Directory, and has agreed to the posting of a bond in the amount of \$50,000 as a condition precedent to such listing,

NOW THEREFORE, the parties agree to the following;

Action Against the Bond:

1. The State may proceed against this bond in the event that the Principal declares bankruptcy, or fails to meet its obligations under 33 V.S.A. § 1914. The State may execute upon the bond first to recover delinquent escrow and then to recover civil penalties and costs authorized under 33 V.S.A. § 1914.
2. Before proceeding against the bond, the State will give written notice of a claim to the Principal. Where the Principal has not remedied the default within 30 days of said notice, then the State may file a claim with the surety. If the claim is not paid within 45 days, the State may bring an action based upon this bond and recover against the surety.

Cancellation by Surety:

3. The surety may not cancel this bond without the consent of the Office of the Attorney General. Written notice of any request for consent to cancel this bond must be provided at least ninety (90) days prior to the effective date. The liability of the Principal and surety shall apply as provided herein to any acts or omissions which occurred prior to the effective date of the cancellation.
4. Failure to secure a replacement bond will result in immediate notice of removal of the Principal from the Directory.

Cancellation by Principal:

5. If the Principal elects to no longer sell its products within the State of Vermont, upon voluntary removal of the Principal's brand families from the Vermont Tobacco Product Manufacturer Directory and satisfaction of any escrow obligation accrued under 33 V.S.A. § 1914 including any applicable penalties, costs, fees and interest owing to the State of Vermont, the Principal may cancel the bond after notice to and approval by the State of Vermont.

We witness our hands and seals on this _____ day of _____, 201_.

1. Signed, sealed and delivered in the presence of:

Authorized representative for Principal:

Authorized representative for Surety;

Signature

Signature

Printed Name

Printed Name

Title

Title

Date

Date

Business seal of Principal:

Business seal of Surety:

(Affix Principal business seal)

(Affix Surety seal)

Signed, sealed and dated _____ day of _____, 201_.

Principal

Surety

BY: _____

BY: _____

(SEAL OF SURETY)