KNOW ALL MEN BY THESE PRESENTS:

That __________________________, as Principal, and __________________________, a Corporation organized under the laws of the State of __________________________, duly authorized to transact business in the State of Alabama, as Surety, are held and firmly bound unto the State of Alabama in the sum of __________________________ ($_____________________), lawful money of the United States of America, for the payment of which well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

The condition of the foregoing obligation is this:

WHEREAS, the number of individual cigarettes sold in the state by the applicable tobacco product manufacturer or importer, whether directly or through a distributor, retailer, or similar intermediary or intermediaries, during the quarter in question, under the provisions of the Code of Alabama 1975, Sections 6-12-3 and 6-12A-5 a non-participating manufacturer/importer shall post a bond for the benefit of the commissioner, in accordance with the provisions of 6-12A-5(f), which is conditioned that the non-participating manufacturer/importer shall fully comply with the escrow obligations.

AND WHEREAS, the bond shall be posted at least 10 days in advance of each calendar quarter as a condition to the non-participating manufacturer/importer and its brand families being included in the state Directory of Cigarettes Approved for Stamping and Sale in Alabama for that quarter. The amount of the bond shall be the greater of (i) the greatest required escrow amount due from the non-participating manufacturer/importer or its predecessor for any of the 12 preceding calendar quarters or (ii) $25,000.

NOW THEREFORE, if a non-participating manufacturer/importer that posted a bond has failed to make or have made on its behalf deposits equal to the full amount owed for a quarter within 15 days following the due date for the quarter under subsection (e) of Section 6-12A-5, the commissioner may execute upon the bond in the amount equal to any remaining amount of the escrow due including any applicable penalties or other charges allowable by law. Amounts the commissioner or the State collects on a bond shall be deposited into the general fund for the benefit of the State and shall reduce the amount of escrow due from that non-participating manufacturer or importer in the amount collected. Escrow obligations above the amount collected on the bond remain due from that non-participating manufacturer and any importer liable as provided in Subsection (b) of Section 6-12-3.

The manufacturer/importer and the corporate surety, identified herein, waive any right or privilege that the State of Alabama must first start an action or otherwise exhaust remedies against either the manufacturer/importer or the corporate surety be-
fore pursuing such remedies. If the manufacturer/importer or the corporate surety breach any condition of this bond, the State of Alabama may pursue remedies against the manufacturer/importer and/or the corporate surety.

The Surety of this bond may be released and discharged from any and all liability to the State of Alabama accruing on said bond after the expiration of sixty days from the date upon which this Surety shall have filed with the Alabama Department of Revenue written request to be released and discharged; provided, however, that such request shall not operate to relieve, discharge, or release such Surety from any liability already accrued, or which shall accrue, before the expiration of said sixty-day period.

In the event that the corporate surety elects to cancel this bond, the manufacturer/importer must secure an alternative bond by the expiration of the aforementioned sixty (60) day period. Failure to secure a supplemental bond will result in immediate removal of the manufacturer/importer from the Directory of Cigarettes Approved for Stamping and Sale in Alabama. The manufacturer/importer and corporate surety shall remain liable for all obligations accrued prior to the effective date of the bond cancellation.

IN WITNESS WHEREOF, we have hereunto set our hands and seals, at: (Surety complete address)

______________________________
SURETY STREET ADDRESS/CITY/STATE/ZIP CODE

this the____ day of _____________________________, ____________

IN THE PRESENCE OF:

______________________________
Principal

______________________________
Witness Signature

______________________________
Type Witness Signature

______________________________
Officer's Signature

______________________________
Type Officer’s Name and Title

______________________________
Surety

______________________________
Witness Signature

______________________________
Type Witness Signature

______________________________
Agent of Surety Company

______________________________
Type Agent’s Name

______________________________
Surety Telephone Number

______________________________
Alabama Resident Agent

______________________________
Type Agent’s Name

______________________________
Type Agent’s License Number