



SURETY BOND

That we \_\_\_\_\_ (dealer) as Principal and \_\_\_\_\_ a surety company with a certificate of authority to transact insurance business in the State of Tennessee, as surety are held and firmly bound unto the duly appointed and qualified Director of Tennessee Motor Vehicle Commission, and the successors in office of said Director, in the penal sum of Twenty-Five Thousand Dollars, for the payment whereof well and truly to be made, we do hereby jointly and severally bind ourselves, our heirs, legal representatives, successors and assigns, firmly by these presents:

Signed and Sealed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

The condition of the above obligation is such that:

WHEREAS, the above named principal has made to the obligee hereunder application for a license, pursuant to Tennessee Code Annotated 55-17-111, to engage in the business of buying, selling or dealing in motor vehicles or offering or displaying motor vehicles for sale, as defined by the said law, and

WHEREAS, the above named principal is required as a condition precedent to this appointment as such dealer to deliver annually to the obligee hereto a good and sufficient surety bond for the license period for protection of any person who suffers loss because of either: A) Nonpayment by the dealer of a retail customer's prepaid title, registration other related fees or taxes. B) The dealer's failure to deliver in conjunction with the sale of a vehicle a valid vehicle title certificate free and clear of any prior owner's interests and all liens except a lien created by or expressly assumed in writing by the buyer of the vehicle.

NOW THEREFORE, the condition of this obligation is such that if the principal shall faithfully perform his duties in conformity with the provisions of Chapter 321 Public Acts of 1993, State of Tennessee, then this obligation shall be considered void; otherwise to remain in full force and effect.

This bond becomes effective as of \_\_\_\_\_, \_\_\_\_\_ and expires \_\_\_\_\_, \_\_\_\_\_ in support of a Tennessee dealer's license issued for the term ending \_\_\_\_\_, \_\_\_\_\_. This bond may be continued by certificate for subsequent periods in support of the Tennessee dealer's license so issued.

Provided, however, that the aggregate liability of the surety hereunder shall in no event exceed the sum of the bond, regardless of the number of years continued.

Provided, further, the surety shall have the right to terminate its liability hereunder whether by cancellation during term or nonrenewal by serving written notices of its election so to do, by United States certified mail, upon the obligee and upon the principal, and thereupon the surety shall be discharged from any liability hereunder for any default of the principal, after the expiration of sixty days from and after service of such notice, but said release shall not discharge or otherwise affect any claim theretobefore or thereafter filed by a person for loss or damage resulting from any act or practice which is a violation of Chapter 321, Public Acts of 1993, alleged to have occurred while said bond was in effect, nor for a dealer's ceasing operations during the term for which said bond was in force.

Witness our hands and official seals this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

NAME OF DEALERSHIP

NAME OF SURETY

SIGNATURE OF PRINCIPAL (SEAL)

ADDRESS OF SURETY

NAME OF SURETY AGENT

APPROVED,

SIGNATURE OF SURETY AGENT (SEAL)

EXECUTIVE DIRECTOR  
MOTOR VEHICLE COMMISSION

ADDRESS OF SURETY AGENT

DATE: \_\_\_\_\_  
IN-1316 (Rev. 12/03)

POWER OF ATTORNEY MUST BE ATTACHED