

## **Contract Bonds**

### **Performance, Payment and Bid Bonds**

Thank you for your request. Please provide the following items to enable us to underwrite and respond in a timely matter.

#### **1. Completed Contractors Questionnaire**

Job References Contact Information with Job Description and Supplier References Contact Information should be included.

#### **2. Business Financial Statements**

Last 2 fiscal year end financial statements of business entity, plus current interim financial statements. If this statement is more than six months old, we require a current interim statement. Note: All financial statements are to include both a balance sheet, a profit & loss statement, AR & AP and notes.

#### **3. Personal Financial Statement(s) of Owners (Format Attached)**

Required on all Stockholders of a Corporation who own more than 10% of the stock or all Partners of a Partnership, or the Sole Proprietor.

#### **4. Bank Verification & 3 Months Personal and Business Bank Statements and/or Bank Letter (sample attached)**

#### **5. Work on Hand (Format Attached)**

#### **6. Resumes of Key personnel**

#### **7. Business Plan**

#### **8. Bond Request Sheet**

Copy of Construction Contract, Bond Forms, Bid Results (If Bid, Bid Specifications)

If you have any questions regarding **Contract Bonds**, please do not hesitate to call us. We look forward to working with you and your clients.

Thank you for your business!

**CONTRACTORS QUALIFICATION QUESTIONNAIRE  
ORGANIZATION AND BACKGROUND**

Name _____	( ) Individual
Address _____ Fed. I.D. # _____	( ) Partnership
City, State, Zip _____	( ) Corporation
Phone _____ Fax _____	

Date business formed \_\_\_\_\_ Date Incorporated \_\_\_\_\_

If SUCCESSOR to prior business, Name of Predecessor \_\_\_\_\_

Has there been any recent changes in control of your company? -- Yes -- No

If so, describe \_\_\_\_\_

**Principal Officers of the Company**

NAME	POSITION	% OF OWNERSHIP	AGE	DATE OF EMPLOY	SOCIAL SECURITY NO.	NAME OF SPOUSE

Please asterisk officers who are authorized to execute documents for the Company under the Corporate Seal. Have provisions been made for continuation of their duties in the event of their death or disability? \_\_\_\_\_ Attach details.

**List of Affiliated, Subsidiary or Related Companies in which this Firm or its Stockholders have an interest:**

NAME AND ADDRESS	STOCK OWNERSHIP	SCOPE OF OPERATIONS	ENDORSEMENT BY PRINCIPAL OR STOCKHOLDERS

**SCOPE OF OPERATION**

**Key Operating Personnel, General Manager, Superintendents, Engineers, etc.**

Name	Position	Age	Experience

A. Type of work usually performed:

- |  |                                       |  |
|--|---------------------------------------|--|
| <input type="checkbox"/> Public Bldgs. | <input type="checkbox"/> Excavation   | <input type="checkbox"/> Plumbing          |
| <input type="checkbox"/> Commercial    | <input type="checkbox"/> Water System | <input type="checkbox"/> Heating/Air Cond. |
| <input type="checkbox"/> Highways      | <input type="checkbox"/> Sewers       | <input type="checkbox"/> Other _____       |
| <input type="checkbox"/> Bridges       | <input type="checkbox"/> Electrical   | _____                                      |

B. Geographical Areas of Operation

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

- C. Percentage of work usually done as a 1. Prime \_\_\_\_\_% 2. Sub \_\_\_\_\_%  
 D. How much of an average job is Sublet? \_\_\_\_\_%  
 Type of work sublet \_\_\_\_\_

Are bonds required from Suppliers or Subcontractors?  Yes  No If yes, over what amount \$ \_\_\_\_\_

Has Supplier or Subcontractor ever failed to complete a contract?  Yes  No If so, describe \_\_\_\_\_

Has your company ever experienced a bankruptcy?  Yes  No

Been in receivership?  Yes  No If so, explain \_\_\_\_\_

Are any liens for labor and/or material filed against your company on any contracts which have been done or are being done by your company?  Yes  No If yes, explain \_\_\_\_\_

What size contracts do you feel the company is qualified to do:

- 1.) on a single job \$ \_\_\_\_\_  
 2.) perform during any one year \$ \_\_\_\_\_  
 3.) have as work on hand at any one time \$ \_\_\_\_\_

What is the anticipated expenditure in respect to the purchase of equipment within the next 12 months?

Total Cost \$ \_\_\_\_\_ Down payment and amount payable within 12 months \$ \_\_\_\_\_

**INSURANCE**

TYPE	LIMITS	ISSUING COMPANY	EXPIRATION DATE	AGENCY
Fidelity				
Liability				
Workers Compensation				
Fire				
Equipment Floater				

Attach a current Certificate of Insurance.

List the six most important contracts completed in the last five years

Owner's Name	Address & Phone Number	Contract Amount	Time Required to Complete
1.)			
2.)			
3.)			
4.)			
5.)			
6.)			

Largest work-on-hand position of company, at any one time was \$ \_\_\_\_\_

During \_\_\_\_\_ and consisted of \_\_\_\_\_ contracts.

Give the names of five principal suppliers.

Name	Address	Phone #
		Fax#
1.)		
2.)		
3.)		
4.)		
5.)		

**Surety Information**

Present Surety \_\_\_\_\_ Present Rate \_\_\_\_\_

Address \_\_\_\_\_

With present surety \_\_\_\_\_ years.

Largest single contract previously bonded \_\_\_\_\_

Why change of surety? \_\_\_\_\_

Covenants provided to present surety

1. Personal indemnities:  Yes  No If yes, list indemnitors \_\_\_\_\_

2. Additional Corporate indemnities:  Yes  No If yes, list additional indemnitors \_\_\_\_\_

3. Is collateral provided:  Yes  No If yes, explain \_\_\_\_\_

**FINANCIAL INFORMATION**

**Banking**

Name of Bank \_\_\_\_\_  
Address \_\_\_\_\_  
Manager \_\_\_\_\_  
With bank since \_\_\_\_\_  
Previous bank \_\_\_\_\_  
Address \_\_\_\_\_  
Term with previous bank \_\_\_\_\_  
Are any assets in Trust(s)? \_\_\_\_\_

**Line of Credit**

Amount \_\_\_\_\_  
Amount in Use \_\_\_\_\_  
Secured by:  
A. Accounts receivable  
B. Collateral  
C. Personal covenants  
D. Additional corp. covenants

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

**Accounting**

Name of Accounting firm \_\_\_\_\_  
Address \_\_\_\_\_  
How long has this firm acted as your auditor? \_\_\_\_\_ years.  
Date last audited Financial Statement was prepared \_\_\_\_\_, \_\_\_\_\_.  
Is statement prepared on an (A) audited or (B) unaudited basis? \_\_\_\_\_  
Completed Job? \_\_\_\_\_ % of Completion \_\_\_\_\_ Accrual? \_\_\_\_\_ Other \_\_\_\_\_  
Have (or are) any of your accounts receivables or retentions been assigned, pledged, hypothecated, sold or discounted?  Yes  No  
If so, describe \_\_\_\_\_

ATTACH PERSONAL FINANCIAL STATEMENTS OF INDEMNITORS CONCURRENT WITH FISCAL YEAR-END OF CONTRACTOR.

ATTACH LAST THREE (3), COMPLETE FISCAL YEAR-END FINANCIAL STATEMENTS (IF NOT FULL CPA AUDITS, ATTACH SCHEDULES OF ALL BALANCE SHEET ITEMS AS WELL AS UNCOMPLETED WORK-ON-HAND SCHEDULES)

The Undersigned hereby represents that the herein statements are true and authorizes any bank or other reference to verify the correctness of items in the above statement to the Surety. Surety is authorized to investigate, at any time, the Undersigned's credit, employment history, and department of motor vehicle records.

Name of Company \_\_\_\_\_

Dated this \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
IF CORPORATION SIGN AND SEAL HERE

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
SIGNATURE OF APPLICANT IF NOT A CORPORATION

# INTEGRITY SURETY LLC

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## AUTHORIZATION AND CONSENT FORM

(To be signed by all applicants as principals or indemnitors.)

Authority is hereby granted to any individual, firm, corporation, bank or any financial institution to furnish Integrity Surety LLC or surety companies represented by Integrity Surety LLC any information pertaining to the undersigned's financial standing, credit history and manner of meeting their obligations. As consideration for services, Integrity Surety LLC may charge a fee, not to exceed one point five per cent of the contract amount at the time a bond is issued. **All individuals are expected to sign a General Agreement of Indemnity before any bond will be issued.** A copy of this agreement shall be considered the same as the original. This authorization is to remain in effect until rescinded in writing by the undersigned.

Applicant for surety credit: \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_/\_\_/\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

### Individual indemnitors

1. Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_/\_\_/\_\_ SS# \_\_\_\_\_

Home address: \_\_\_\_\_

2. Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_/\_\_/\_\_ SS# \_\_\_\_\_

Home address: \_\_\_\_\_

3. Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_/\_\_/\_\_ SS# \_\_\_\_\_

Home address: \_\_\_\_\_

4. Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_/\_\_/\_\_ SS# \_\_\_\_\_

Home address: \_\_\_\_\_

5. Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_/\_\_/\_\_ SS# \_\_\_\_\_

Home address: \_\_\_\_\_

6. Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_/\_\_/\_\_ SS# \_\_\_\_\_

Home address: \_\_\_\_\_

**PERSONAL FINANCIAL STATEMENT  
NOT TO BE USED FOR BUSINESS STATEMENTS.**

**To induce COMPANY to become surety for the Undersigned, or to accept  
the Undersigned as Indemnitor, the Undersigned submits the following Financial Statement**

Personal financial statement of \_\_\_\_\_ SS. NO. \_\_\_\_\_  
(Name)

(Street Address, City, State, Zip)  
HOME PHONE NO. ( ) \_\_\_\_\_ BUS. PHONE NO. ( ) \_\_\_\_\_  
NAME OF SPOUSE \_\_\_\_\_

AS OF \_\_\_\_\_,  
(Date)

CURRENT ASSETS		CURRENT LIABILITIES	
Cash on hand (not in bank) . . . . .		Notes payable to (names and addresses):	
Cash in following banks (names and addresses):		.....	
.....		.....	
.....		Sales Contracts & Chattel Mtgs. (Sch. 6) . . . . .	
Stocks and bonds (Schedule 1) . . . . .		Accounts payable . . . . .	
Accounts receivable (Schedule 2) . . . . .		Current portion of long term debt . . . . .	
Notes receivable (Schedule 3) . . . . .		Other current liabilities (Schedule 6) . . . . .	
Other current assets (Schedule 6)		.....	
.....		.....	
.....		Current Year's Income Taxes Unpaid . . . . .	
.....		Prior Year's Income Taxes Unpaid . . . . .	
.....		Real Estate Taxes Unpaid . . . . .	
.....			
<b>TOTAL CURRENT ASSETS</b>		<b>TOTAL CURRENT LIABILITIES</b>	
FIXED ASSETS		LONG TERM LIABILITIES	
Real estate (Schedule 4):		Real estate debt (Schedule 4):	
Residence . . . . .		Residence . . . . .	
Other . . . . .		Other . . . . .	
Cash value of life insurance (Schedule 5) . . . . .		Borrowed on life insurance (Schedule 5) . . . . .	
.....		.....	
Other assets and investments (Schedule 6) . . . . .		Other long term debt (Schedule 6) . . . . .	
.....		.....	
.....		.....	
.....		.....	
.....		<b>TOTAL LONG TERM LIABILITIES</b>	
<b>TOTAL FIXED ASSETS</b>		<b>NET WORTH</b>	
<b>TOTAL ASSETS</b>		<b>TOTAL LIABILITIES AND NET WORTH</b>	

CONTINGENT LIABILITIES

FOR ENDORSEMENTS OR GUARANTEES \$ \_\_\_\_\_ FOR OTHER PURPOSES \$ \_\_\_\_\_

GIVE DETAILS \_\_\_\_\_

\_\_\_\_\_

**1. STOCKS AND BONDS**

Name of Security	No. Shares	If any pledge, State to Whom and for What Purpose	Dividends Paid Last Two Years	Market Value	Book Value
TOTALS				\$	\$

**2. ACCOUNTS RECEIVABLE**

Name and Address (street and city) From Whom Due	For What is it Due	When Sold	When Due	Amount
TOTAL				\$

**3. NOTES RECEIVABLE**

Name and Address (street and city) From Whom Due	For What Due	How Secured	Date	Maturity	Amount
TOTAL					\$

**4. REAL ESTATE**

Description of Property	Title in Name of	Market Value	Cost	Date Acquired	Amount Encumbrance	Monthly Payments	Monthly Income
TOTAL							

**5. LIFE INSURANCE – CASH VALUE**

Name of Company	Policy Number	Name of Insured	Beneficiary	Face Value	Cash Value	Amount Borrowed

**6. OTHER ASSETS AND LIABILITIES**

Other Current Assets (itemize)	Other Current Liabilities (itemize)	Amount

The information contained in this statement is provided for the purpose of obtaining, or maintaining credit with you on behalf of the undersigned, or persons, firms or corporations in whose behalf the undersigned may either severally or jointly with other, execute a guaranty in your favor. Each undersigned understands that you are relying on the information provided herein (including the designation made as to ownership of property) in deciding to grant or continue credit. Each undersigned represents and warrants that the information provided is true and complete and that you may consider this statement as continuing to be true and correct until a written notice of a change is given to you by the undersigned. You are authorized to make all inquiries you deem necessary to verify the accuracy of the statements made herein, and to determine my/our credit worthiness. You are authorized to answer questions about your credit experience with me/us.

Signature \_\_\_\_\_  
 S.S. No. \_\_\_\_\_ Date of Birth \_\_\_\_\_

Signature \_\_\_\_\_  
 S.S. No. \_\_\_\_\_ Date of Birth \_\_\_\_\_

Date Signed \_\_\_\_\_, \_\_\_\_\_.



(SAMPLE BANK REFERENCE LETTER - CONTRACTOR)

June 12, 2008

Integrity Surety LLC  
938 N 200<sup>th</sup> Street, Suite D  
Seattle, WA 98133

Re: Sample Contractor, Inc.

Dear Sir or Madam:

I am pleased to write this reference letter on behalf of our good client Sample Contractor, Inc. Sample Contractor, Inc. has maintained checking and savings accounts with Bank of Anywhere since 1988. Average deposit balances for the past six months have been \$54,000 (checking) and \$157,000 (savings). Current balances are \$36,000 (checking) and \$175,000 (savings). There have never been any checks returned due to insufficient funds.

Bank of Anywhere provides Sample Contractor, Inc. with a \$500,000 operating line of credit. The line renews September 1, 2008 and is secured by an UCC filing on accounts receivable and other corporate assets. High usage during the past six months has been \$75,000 and average usage has been \$5,000. Currently \$100,000 is owed and \$400,000 available on the line.

Bank of Anywhere has also provided a variety of other loans over the years. All have been handled as agreed.

Sample Contractor, Inc. is an excellent long term customer of the Bank of Anywhere. I believe them to be well qualified to meet their normal financial obligations. Please feel free to contact me at (206)555-5555 if you require additional information.

Sincerely,

John Q. Public  
Vice President

# WORK ON HAND

Name and Address of Contractor		Uncompleted Contracts as of _____										
		Bonded Yes/No	Contract Description and Location	Date Started		1 Contract Price Including Approved Change Orders	2 Contractor's Estimated Cost At Time of Bid (1)	3 Total Amount Billed To Date Including Retainage (2)	4 Total Costs To Date	5 Revised Estimated Costs To Complete	Completion Date	
				Mo.	Yr.						Mo.	Yr.
1.												
2.												
3.												
4.												
5.												
6.												
7.												
8.												
9.												
10.												
11.												
12.												
<b>TOTALS</b>												

Contracts Completed Since Last Fiscal Closing Statement or Last Status Report				Principal Signature _____	Date _____
Contract Description and Location	Date Started		Gross Profit or Loss		
	Mo.	Yr.	Total Cost	Final Contract Price	

1. Include contractor's original estimated total cost plus cost of all change orders and extra work orders approved to date.
2. Do not include "claims" or disputed items." If desired, attach an explanation.

As your surety, we are as interested as you in accurate progress reports on your construction work. This form is intended to help present such a report.

As a guide, the following definitions are given so that the data presented will be more meaningful.

**CONTRACT PRICE and CONTRACTOR'S ESTIMATED COST AT TIME OF BID** should include **approved change** orders only and, in original estimated costs, the costs applicable thereto. Exclude claims and disputed items. If desired, an explanation of these items may be attached.

If contracts are on a unit price basis, and the estimated number of units approved has increased or decreased since bid date, adjust the original contract price and costs accordingly, using the original price and cost per unit as a base, and enter these amounts unless the change in unit quantity had contractually operated to change the unit price.

All projects should be listed: Bonded, non-bonded, lump sum and cost plus.

**COSTS** should be entered consistent with financial statement (Profit and Loss Report) allocation, excluding general and administrative (specifically unallocated) overhead.

**BILLED TO DATE and COSTS TO DATE** should be entered as of the same date or, when this schedule is provided in conjunction with a financial statement, consistent with their treatment in the financial report.

**ESTIMATED COSTS TO COMPLETE** should be a revised figure reflecting developments which have occurred subsequent to bid date causing a change in total cost (or cost per unit), if any, unit merely a subtraction exercise. After approximately 50% completion, it is imperative that a re-evaluation of costs be made. In the early stages of a project, a re-evaluation of costs may be difficult and perhaps impractical.

# BOND REQUEST

**I. Contractor/Principal:** \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Fed Ex/UPS #: \_\_\_\_\_

***What is the total cost to complete of all Work on Hand? \$*** \_\_\_\_\_ (IMPORTANT)

**II.  BID BOND**

Date of Bid: \_\_\_\_\_

Time of Bid: \_\_\_\_\_

Percentage of Bid Bond: \_\_\_\_\_ %

Estimated Contract/Bid Price \$ \_\_\_\_\_

Engineer's Estimate \$ \_\_\_\_\_

Project/Solicitation No.: \_\_\_\_\_

**III.  FINAL BOND**

Contract Amount \$ \_\_\_\_\_

Bond Amount \$ \_\_\_\_\_

Percentage of Performance: \_\_\_\_\_ %

Percentage of Payment: \_\_\_\_\_ %

Contract Date: \_\_\_\_\_

Contract No.: \_\_\_\_\_

Bid Bond Required?:  Y  N Negotiated?:  Y  N

Bid Results: \_\_\_\_\_ 2<sup>nd</sup>

\_\_\_\_\_ 3<sup>rd</sup>

Number of Originals: \_\_\_\_\_ Date Needed: \_\_\_\_\_

Bond Form:  Owner/Obligee Form  Surety/Generic Form

***Please be sure to fax Capstone either the Notice to Bidders Page, or a copy of the Contract***

**IV. Project Name:** \_\_\_\_\_

Project Description: \_\_\_\_\_

Project No.: \_\_\_\_\_

Approx. Start Date: \_\_\_\_\_ Approx. Completion Date: \_\_\_\_\_ Time to Complete: \_\_\_\_\_

Liquidated Damages:  YES  NO If yes amount: \$ \_\_\_\_\_ per \_\_\_\_\_

Length of Warranty: \_\_\_\_\_ Subcontractor Involved:  YES  NO % Subcontracted: \_\_\_\_\_

City the work is being done in: \_\_\_\_\_

% Retainage: \_\_\_\_\_ % Material: \_\_\_\_\_ % Labor: \_\_\_\_\_ % Profit: \_\_\_\_\_

**V. Owner/Obligee:** \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

***For Surety Use Only:***

Approved

Declined

Rate: \_\_\_\_\_

Bid Bond # \_\_\_\_\_

Surety: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

SBA: \_\_\_\_\_

Final Bond # \_\_\_\_\_

**Conditions:** \_\_\_\_\_