

Contractor's Services, Inc. 3 Talbott avenue, Suite 202A, Timonium, MD 21093

Dear Agent, Broker and Contractor:

We Appreciate the opportunity to consider bonding for you. To expedite this application, please give special attention to filling out all questions as completely as possible. We consider phone numbers of suppliers, subs, etc., particularly important since our staff uses them to verify statements of fact that you have made. Leaving phone numbers out will delay consideration of this application.

A note to the contractor about bonding

We believe it will be helpful to you to read these few words about bonding, whether or not a bond is issued for you.

Although bonds are issued by insurance companies through their agents, they are quite different from insurance transactions in at least one major respect, i.e. in order for your company to obtain a bond, owners, their wives and sometimes additional indemnitors must sign a General Indemnity Agreement which among other things provides that should the insurance company pay any money out because of a claim on the bond, each individual indemnitor is legally bound to reimburse the insurance company for all its expenditures. This is why our insurance company asks detailed questions to determine the ability of your company and its owners and others to meet their contractual obligations and pay all bills.

Because claims processing usually involves substantial additional expenses on the part of the insurance company and these additional expenses become your expenses through the General Indemnity Agreement, it is prudent business procedure to avoid claims. However, sometimes claims are unavoidable. It has been our experience that it is very helpful to you and the insurance company should a claim arise to have a detailed daily log so that your attorney and the insurance company attorney can properly analyze the merits or demerits of claims.

Thank you very much for your efforts in filling out this application.

Instructions

This form must be completed by first time applicants and those applicants who have not completed this form within ONE YEAR.

1. Organization and Background

1. Company Name: _____

The company name is the entity for which bonding is requested and is referred to in the surety business as the Principal. The name of the company must be its exact legal name.

2. This company is a Sole Proprietorship _____ Partnership _____ Corporation _____ Joint Venture _____

3. How long in Business _____ If incorporated, incorporation date: ___/___/___ State _____

4. Company address: _____ City _____ State _____ Zip _____

Company Phone (____) _____

5. Your Name and Position: _____ Home Phone (____) _____

6. Is your business required by law to carry a state license? Yes ___ No ___

If yes, what type(s) of license(s) _____

7. List all owners, officers and / or partners of the company and attach resumes for each

Name	Address	Home Phone No.	Date of Birth	Soc.Sec.No.	% Interest
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8. List company's key employees, such as project managers, estimators, superintendents, other than those persons listed in question #7, and indicate their construction experience. (Resumes for each containing the necessary information can be substituted.)

Individual's Name	Present Position	Yrs. Of Const.Exp.	Age	Summarize education, magnitude & type of work handled, and in what capacity	List the last two Prior Employers

9. Have stockholders elected to be considered an "S" Corporation? _____

10. Is a Buy-Sell Agreement in effect? _____ If so, include copy.

If no Buy-Sell, what are plans for continuity of firm in event of major owners's death? _____

II. Operations

11. Profile of work:

A	B	C	D
% . Classes of Construction	% . Type of Owner	% . Work Performed As	Trades kept in house
General Building	Residential	Subcontractor	
Engineering	Public	Prime Contractor *	
Underground	Commercial	*If any % as prime, answer Column D	

12. Territory (Present and Planned) _____

13. What percentage of an average job is: Labor? _____ Material? _____ Subcontracted? _____

14. Normal Work Program (Bonded and Unbonded jobs):

Average Job Size: (From) \$ _____ (To) \$ _____

Average Total Work on Hand: (From) \$ _____ (To) \$ _____

15. Largest work on hand in the past: \$ _____ Year: _____

16. Bonding capacity desired: Single Job Size: \$ _____ Total work on hand: \$ _____

17. List the five largest contracts completed in the last three years.

Owner	Kind of Work and Location	Name and Phone Number of Person to Contact	Approximate Contract Price	Year Completed	Disputes Yes / No

18. Has the company, any owner, officer, or partner of the company, or any business owned by any of them, ever been bonded? Yes _____ No _____ If yes, for each bond list:

Person or Entity Bonded	Type of Bond	Surety	Dates	Amount

Explain why surety was changed: _____

19. Has the company, any officer or partner or any business owned by any of them had a bond request DECLINED, list:

Person or Entity requesting bond	Surety	Size of Bond	Reason Declined

20. Please list names and phone numbers of architects or engineers familiar with your work: _____

21. Please list the 3 most recent jobs you have bid, including jobs you did not get.

Job	Bid Date	Your Approximate Bid	Approximate Lowest and Highest Bids other than yours

22. LIST 3 MAJOR SUPPLIERS AND 3 MAJOR SUBCONTRACTORS.

NAME	CITY / STATE	phone NO:
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		()
		()
		()
		()
		()

iii. Disputes, Financial Difficulties, Problems, Etc.
 23. Please check YES or NO to the following questions. Any officer, owner or Company partner

- A. Failed in business..... YES__NO__ YES__NO__
- B. Declared bankruptcy, including successful and unsuccessful Chapters 11 and 13..... YES__NO__ YES__NO__
- C. Had an ownership interest in company that declared bankruptcy, including successful and unsuccessful Chapters 11 & 13 YES__NO__ YES__NO__
- D. Failed to complete a job or been assessed with delay damages YES__NO__ YES__NO__
- E. Had a bond canceled by a surety..... YES__NO__ YES__NO__
- F. Been in claim with a Surety..... YES__NO__ YES__NO__
- G. Had any disputes within the last 5 years*..... YES__NO__ YES__NO__
- H. Been involved with a related company that has had disputes within The last 5 years* (One, but by NO means the only, example of Related companies is where there is common ownership between Or among companies.)..... YES__NO__ YES__NO__
- I. Been involved in any lawsuits in the last 5 years..... YES__NO__ YES__NO__
- J. Been delinquent in the payment of any taxes**..... YES__NO__ YES__NO__
- K. Had any tax liens..... YES__NO__ YES__NO__
- L. Been audited by IRS..... YES__NO__ YES__NO__
- M. Been delinquent in any contributions to any trust funds***..... YES__NO__ YES__NO__

If the answer to any of the previous questions is YES, please attach a full explanation. *Disputes include disagreements with owners, suppliers, architects, engineers, laborers and other contractors; disagreements about accounts receivables and payables; bond claims; and other job or contract related disagreements. Disregard minor disputes which were completely resolved within 30 days.

**Taxes include income taxes, withholding taxes like FICA and FUTA, sales taxes, B&O taxes, excise taxes, real and personal property taxes

24. Do you use an attorney? _____ If yes, please give name and telephone number:

IV. ACCOUNTING, BANKING AND INSURANCE

25. Do you use a C.P.A.? _____ If YES, please give name and telephone number:

26. Fiscal Year End: _____

27. There ___ Have or ___ Have not been IMPORTANT CHANGES since the date of the last financial statement* If there have been important changes, a copy of the last financial statement with notes explaining the IMPORTANT CHANGES must be attached, and the notes must be signed by an owner or officer of the company.

28. Name and address of Bank: _____

29. Bank Officer _____ Telephone NO: () _____

30. Line of credit established: \$ _____ Current portion borrowed \$ _____

31. Type of security required by bank: _____

32. **INSURANCE INFORMATION:**

Liability Insurance Company _____

Liability Insurance Agent and telephone number (if different from Surety agent) _____

Workmens Comp. Insurance Company _____

Workmens Comp. Agent (If different than Surety or Liability agent) _____

Life Insurance Information:

NAME:	Insurance Co. Name	Amount	Beneficiary
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* IMPORTANT CHANGES that must be reported are changes exceeding 25% in the following categories: CASH, ACCOUNTS RECEIVABLE, INVENTORY, ACCOUNTS PAYABLE, NOTES PAYABLE ANT TAXES DUE.

THE FOLLOWING STATEMENT MUST BE SIGNED BY AN OWNER OR OFFICER OF THE COMPANY FOR WHICH BONDING IS BEING REQUESTED.

I acknowledge that all information is complete and correct and is given to induce the insurance company and its general agent to execute surety bonds. I understand that false information may constitute misrepresentation or fraud. I authorize you to investigate the credit, character, capacity and capital of the company and its employees and owners for bonding purposes.

SIGNATURE

DATE