



## **SUBDIVISION BONDS**

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

1. **Completed HCC Surety Subdivision Improvement Questionnaire and Bond Information Sheet (Attached)**
2. **Copy of Business Entity Documents**
  - A. Articles of Incorporation
  - B. Partnership Agreement
  - C. Joint Venture Agreement
3. **Personal Financial Statement(s) of Owners (Format Attached)**
  - A. Last 2 Fiscal Year End Financial Statements of Business Entity, plus current interim financial statements.  
**Note:** All Business Entity statements must include both a balance sheet and a profit and loss statement.
  - B. If Business Entity is a Partnership, we require the financial statements of the General Partner(s).  
If the General Partner is a corporation, we require the last two fiscal year end financial statements on the corporation and an interim statement if the fiscal year end is more than six months past.
  - C. Personal financial statements on all owners who own more than 10% of the corporation and/or financial statement of the General Partner (individual)
4. **Bank Verification & 3 Months Personal and Business Bank Statements**
5. **Prior Project Reference(s) (Include Contact Information and Job Description)**
6. **Completed Bond/Project Information Sheet**
7. **Copy of Improvement Agreement;** drafted by obligee
8. **Engineer's Estimates with Seal**
9. **Financing Information (Source of funds copy of loan documents or letter of intent)**
10. **Appraisal/Market Analysis of the subject project**
11. If project is funded, **Setaside Letter on approved form** (our format is required, copy attached)
12. **Information on Contractor performing the work (e.g. bid amount, copy of contract if available)**

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

**Thank you for your business!**

# AMERICAN CONTRACTORS INDEMNITY COMPANY

## 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 Indemnitator, 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>	
<b>FIXED ASSETS</b>	<b>LONG TERM LIABILITIES</b>	
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
<b>TOTALS</b>				\$	\$

**2. ACCOUNTS RECEIVABLE**

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

**3. NOTES RECEIVABLE**

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

**4. REAL ESTATE**

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

**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 \_\_\_\_\_, \_\_\_\_\_.

**SUBDIVISION IMPROVEMENT QUESTIONNAIRE**  
**(Not to be completed by agent)**

1. Name (Must be exactly as it is to appear on bond) \_\_\_\_\_ Tax I.D. # \_\_\_\_\_

2. Business Address \_\_\_\_\_  
 \_\_\_\_\_ Business Phone (\_\_\_\_\_) \_\_\_\_\_

3.	Owners of Property	Percent of Ownership	Position in Company
A	_____	_____	_____
B	_____	_____	_____
C	_____	_____	_____

4.	Owners' Residence Address	Soc. Sec. #	Spouse	Residence Phone
A	_____	_____	_____	_____
B	_____	_____	_____	_____
C	_____	_____	_____	_____

5. Number of years in business \_\_\_\_\_ Annual Sales \_\_\_\_\_

6. Name and Address of Accountant \_\_\_\_\_  
 \_\_\_\_\_ Phone (\_\_\_\_\_) \_\_\_\_\_

7.	Prior Experience of Subdivider/Developer Location of Tract	Amt. Of Improvements	Bond Company	Date or Percent Completed
A	_____	_____	_____	_____
B	_____	_____	_____	_____
C	_____	_____	_____	_____

8.	Name of Lender on Prior Tracts	Loan Officer	Phone
A	_____	_____	_____
B	_____	_____	_____
C	_____	_____	_____

9. Prior surety on other projects \_\_\_\_\_

10. Any surety declined to furnish a bond? \_\_\_\_\_ If yes, explain \_\_\_\_\_

11. Has company, any affiliated company, or any owner failed to complete a project or declared bankruptcy? \_\_\_\_\_

12.	Name of Bank and Address	Account Number	Phone
	_____	_____	_____
	_____	_____	_____

13. Name of Banker \_\_\_\_\_ Phone (\_\_\_\_\_) \_\_\_\_\_

14. Any liens filed against jobs in the last two years? \_\_\_\_\_

Date Filed	Amount	Date Released	Reason and Details

15. Any other suits, claims, or judgments within the last two years? \_\_\_\_\_ If yes, explain. \_\_\_\_\_

16. Information on tract for which bond is being requested

City/County Requiring Bond/Address \_\_\_\_\_

Bonds Required (type) \_\_\_\_\_ Amount \_\_\_\_\_  
\_\_\_\_\_ Amount \_\_\_\_\_  
\_\_\_\_\_ Amount \_\_\_\_\_

Description (Tract Name) \_\_\_\_\_

Lender (This Project) \_\_\_\_\_

Loan Officer \_\_\_\_\_ Phone (\_\_\_\_\_) \_\_\_\_\_

What is being constructed? \_\_\_\_\_

If houses, number \_\_\_\_\_ Number of lots \_\_\_\_\_

Name of Contractor Doing Off-site Work \_\_\_\_\_ License # \_\_\_\_\_

Starting Date \_\_\_\_\_ Anticipated Completion Date \_\_\_\_\_

17. Documents to be returned with questionnaire for expediting underwriting.

1. Corporate, partnership, or sole proprietorship Financial Statement, including a Profit and Loss Statement
2. Personal financial statements from all major stockholders or partners
3. Copy of civil engineers' cost breakdown on bonded improvements
4. Copy of Subdivision Agreement
5. Bond Forms

18. The maker or makers of the foregoing statement hereby authorize the company to investigate my statements and to check my credit with any creditors or lending institutions. The undersigned and each of them hereby certify that each statement herein contained is true and that this statement and/or answers to the questions are made for the purpose of inducing American Contractors Indemnity Company and/or U. S. Specialty Insurance Company to execute or continue certain bonds or undertaking.

\_\_\_\_\_  
Firm Name

Date \_\_\_\_\_

By \_\_\_\_\_

PRODUCER INFORMATION

Name \_\_\_\_\_ Phone (\_\_\_\_\_) \_\_\_\_\_

Address \_\_\_\_\_ Fax (\_\_\_\_\_) \_\_\_\_\_

City & Zip \_\_\_\_\_ HCCS Producer No. \_\_\_\_\_

## SUBDIVISION BOND INFORMATION SUMMARY

THIS IS **NOT** AN APPLICATION FOR BONDING CREDIT. INCLUSION OF THE FOLLOWING INFORMATION WITH THIS SUBDIVISION BOND REQUEST WILL EXPEDITE OUR UNDERWRITING AND APPROVAL PROCESS:

- SET ASIDE LETTER FROM CONSTRUCTION LENDER
- ENGINEER'S ESTIMATE OF COSTS TO COMPLETE OFFSITE IMPROVEMENTS
- REQUIRED BOND FORMS
- SUBDIVISION AGREEMENT
- VICINITY MAP

DEVELOPER \_\_\_\_\_  
 PROJECT NAME \_\_\_\_\_ TYPE OF PRODUCT \_\_\_\_\_  
 DESCRIBE LOCATION \_\_\_\_\_  
 \_\_\_\_\_  
 TRACT NUMBER \_\_\_\_\_ NUMBER OF UNITS \_\_\_\_\_  
 SELLING PRICE OF UNITS: FROM \$ \_\_\_\_\_ TO \$ \_\_\_\_\_  
 SQUARE FEET OF UNITS: FROM \_\_\_\_\_ TO \_\_\_\_\_

CONSTRUCTION LENDER: \_\_\_\_\_  
 LOAN OFFICER \_\_\_\_\_  
 ADDRESS \_\_\_\_\_ PHONE (\_\_\_\_) \_\_\_\_\_  
 \_\_\_\_\_ FAX (\_\_\_\_) \_\_\_\_\_  
 AMOUNT OF CONSTRUCTION LOAN \$ \_\_\_\_\_  
 AMOUNT ALLOCATED TO OFFSITE IMPROVEMENTS \$ \_\_\_\_\_  
 IS SET ASIDE LETTER AVAILABLE? YES \_\_\_\_\_ NO \_\_\_\_\_  
 TYPE OF DISBURSEMENT: CASHIER'S CHECK \_\_\_\_\_ VOUCHER \_\_\_\_\_ STAGED \_\_\_\_\_ REIMBURSEMENT \_\_\_\_\_

IMPROVEMENTS	COST	NAME OF SUBCONTRACTOR (if applicable)
EXCAVATION, GRADING, CLEARING	\$ _____	_____
ENGINEERING	\$ _____	_____
STREETS, CURBS, GUTTERS	\$ _____	_____
WATER	\$ _____	_____
SEWERS	\$ _____	_____
UTILITIES	\$ _____	_____
OTHER _____	\$ _____	_____

OBLIGEE (MUNICIPALITY REQUIRING BONDS): \_\_\_\_\_  
 ADDRESS OF OBLIGEE: \_\_\_\_\_  
 \_\_\_\_\_

TYPE OF BOND	PERFORMANCE	LABOR & MATERIALS
GRADING IMPROVEMENTS	\$ _____	\$ _____
STREET IMPROVEMENTS	\$ _____	\$ _____
WATER IMPROVEMENTS	\$ _____	\$ _____
SEWER IMPROVEMENTS	\$ _____	\$ _____
STORM DRAIN IMPROVEMENTS	\$ _____	\$ _____
MONUMENT	\$ _____	\$ _____
MAINTENANCE GUARANTEE	\$ _____	\$ _____
PROPERTY TAX	\$ _____	\$ _____
EROSION CONTROL	\$ _____	\$ _____
UNDERGROUND UTILITIES	\$ _____	\$ _____

## SAMPLE SET ASIDE LETTER

**Sample: To be typed on Bank stationary and returned to the Company's Branch Office servicing the account.**

To: American Contractors Indemnity Company  
9841 Airport Blvd., 9th Floor  
Los Angeles, CA 90045

Re:

Gentlemen:

\_\_\_\_\_ has approved a loan for \_\_\_\_\_ in the amount of \$ \_\_\_\_\_ for the construction of *(Name of Project)* and the off-site improvements required by law in a project legally described as *(Legal Description)* and *(Name of Bank)* has received from said *(Name of Principal)* a promissory note and deed of trust as security for the above-referenced loan. *(Name of Bank)* is desirous of making public its record of this loan, however, in accordance with the provisions of the California Tract Map Act of 1975, *(Name of Bank)* cannot record its loan until the subject Tract Map is recorded. This recordation requires surety bond(s) guaranteeing to the *(Name of City/County)* that the off-site improvements referenced above will be completed in said Tract. Therefore, in consideration of AMERICAN CONTRACTORS INDEMNITY COMPANY furnishing the surety bond(s) on behalf of *(Name of Principal)* in favor of the *(Name of City/County)* in the amount of \$ \_\_\_\_\_ enabling *(Name of Bank)* to record its loan, *(Name of Bank)* will pay into a special impound account the sum of \$ \_\_\_\_\_ within ten (10) days after the Tract Map and bond(s) are filed and recorded.

The escrow covering the project will provide that the funds in said impound account are subject to withdrawal upon the approval of *(Name of Principal)*, and said funds are to be disbursed for payment of the subdivision improvements mentioned above and only after *(Name of Bank)* has satisfied itself that the work paid for has actually been performed.

*(Name of Bank)* further agrees that in the event it is necessary to institute foreclosure proceedings against *(Name of Principal)* on the property legally described herein, it will immediately notify AMERICAN CONTRACTORS INDEMNITY COMPANY and further, take all necessary steps to protect the interests of AMERICAN CONTRACTORS INDEMNITY COMPANY as respects its liability on surety bond(s) issued pursuant to this letter howsoever AMERICAN CONTRACTORS INDEMNITY COMPANY'S liability may be affected by said foreclosure.

In the event *(Name of Principal)* fails to complete and/or pay for improvements or meet its obligations to parties with which *(Name of Principal)* has contracted to do the work (as required by the City/County under said bond(s) described herein) all funds remaining in said impound account shall be immediately available to AMERICAN CONTRACTORS INDEMNITY COMPANY to complete and pay the costs of said improvements, and in such event, *(Name of Principal)* waives any claim or interest in the remaining funds. AMERICAN CONTRACTORS INDEMNITY COMPANY shall not in any way be obligated to repay said funds so used to *(Name of Bank)*.

**Continued on next page . . .**

*(Name of Bank)* acknowledges that the surety is relying on the availability of funds under such lending agreement with *(Name of Principal)* pledged for its use and benefit and as a condition to the issuing of any bond obligations entered into on behalf of *(Name of Principal)* as surety on the above described project and as such *(Name of Bank)* agrees that, in the event that the final lending agreement referenced herein with *(Name of Principal)* is not entered into, the *(Name of Lender)* shall, within 24 hours of its determining that the final lending agreement shall not be entered into, notify the surety, by certified mail, that it has not and will not enter into such a lending agreement and the surety shall within 48 hours of receipt of such notice return the set aside letter to *(Name of Bank)*.

This is an irrevocable commitment of funds which is not subject to recall or offset by *(Name of Bank)*.

We agree and consent to the foregoing agreement:

*(NAME OF BANK)*

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Signature

---

Typed Name and Title

AMERICAN CONTRACTORS INDEMNITY COMPANY

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Signature

---

Typed Name and Title

*(NAME OF PRINCIPAL)*

---

Signature

---

Typed Name and Title



## Bank Verification

(To be completed by bank or savings & loan)

**Please complete a separate form for each account**

Re: Account Holder \_\_\_\_\_

Account Number \_\_\_\_\_

The above account holder has applied to this Company for bonding credit and has given your name as a reference. Authorization has been given to us to verify their financial statement. Therefore, we would appreciate the courtesy of a prompt reply to the following questions. Your response will be treated in confidence and without responsibility on your part. You may return this inquiry by fax to the number below. Thank you for your cooperation.

1. When was the account opened? \_\_\_\_\_
2. The average balance is \$ \_\_\_\_\_ for the period of \_\_\_\_\_ months.
3. Has a line of credit been established? \_\_\_\_\_  
If so, what amount? \$ \_\_\_\_\_ It is secured by \_\_\_\_\_  
The renewal date is \_\_\_\_\_ Amount available \$ \_\_\_\_\_
4. What is your opinion of the applicant's character, ability and financial responsibility?  
\_\_\_\_\_

Name of Bank \_\_\_\_\_

Address \_\_\_\_\_

Phone Number (\_\_\_\_\_) \_\_\_\_\_ Fax Number (\_\_\_\_\_) \_\_\_\_\_

Information has been provided by \_\_\_\_\_

Signature

Date \_\_\_\_\_

Printed Name

***Fax to Attn: Home Office Branch Office 310.645.9274***