

-----Original Message-----

**From:** Paul R Horvath [mailto:morningstarks@juno.com]

**Sent:** Wednesday, March 03, 2004 4:37 PM

**To:** jwyatt@ci.lawrence.ks.us

**Subject:** Re: 933 Rhode Island (barn)

Dear Julie,

Attached is an application for bond of which much of it "the City" will have to fill out. The company indicated that it was an unusual request. Based on what my agent told me there is a process that takes time. Once application is made there is no guarantee that a bond would be issued. I believe a more sure, simpler and faster alternative would be for me to issue a 2<sup>nd</sup> mortgage to the City that can be foreclosed upon if I don't perform. Associated with it would be a promissory note in the amount of \$19,500.00 which is secured by the mortgage. I understand that permission must be given by the commission. If they agree I'm sure Dave Corliss and I can work out the appropriate paperwork. If you think it would be helpful to have the note and mortgage worked out ahead of time let me know. I'd be happy to supply a draft for Dave's Inspection.

I'm faxing a copy of the 2004 evaluation of 933 Rhode Island which shows an appraised value of \$155,600. I owe about \$65,000 on it with First State Bank and Trust. You can verify this with Cindy Dunn at 749-0400. Clearly this is enough equity to secure a "safe" 2<sup>nd</sup>. I look forward to hearing from you.

Sincerely,

Paul R. Horvath  
Morning Star Management

03/01/2004 23:29

7858410275

HEDGES INSURANCE

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Application for  
Contract Bond  
FIDELITY AND SURETY  
DEPARTMENT



**United Fire & Casualty Company**  
Home Office: Cedar Rapids, Iowa

Agency Name:

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**NOTE:** Copy of Contract, Specifications, Plans, Bond Form required (In case Bid Bond, Advertisement and Instructions to Bidders), and applicant's Financial Statement must accompany this Application and all questions be fully answered.

1. Full name of Applicant \_\_\_\_\_ Age \_\_\_\_\_  
(If corporation, give exact corporate title)

2. Business address (Street, City and State) \_\_\_\_\_

3. If Applicant is a firm, name all partners of firm; if a corporation, name principal officers and directors

NAME	AGE	ADDRESS

4. Have you complied with all local ordinances and statutes governing licenses and permits? \_\_\_\_\_

5. Kinds and amounts of bonds required: Bid Bond \$ \_\_\_\_\_ Contract Bond \$ \_\_\_\_\_  
Labor and Material Bond \$ \_\_\_\_\_ Maintenance Bond \$ \_\_\_\_\_

6. To whom is bond to be given \_\_\_\_\_  
(GIVE FULL NAME AND ADDRESS, ETC.)

7. Does Bid bond operate as final bond? \_\_\_\_\_ Bids are to be opened \_\_\_\_\_ 20 \_\_\_\_\_

8. Amount of Bid or Contract is \$ \_\_\_\_\_ Date of Contract \_\_\_\_\_

9. Nature of Contract (Give concise description of proposed work and locality) \_\_\_\_\_

10. Name and address of Architect or Engineer in charge \_\_\_\_\_

What is his estimate of cost of work? \$ \_\_\_\_\_ Your estimate? \$ \_\_\_\_\_

11. OTHER BIDDERS on above contract including highest and lowest:

	NAME	ADDRESS	BID
1.			
2.			
3.			
4.			
5.			

If more than five bids, tabulate them on separate paper and attach to above.

Claims of any kind pending against you: \_\_\_\_\_

28. Give full details of any controversy you have or are experiencing in regard to taxes, Federal, State or any other: \_\_\_\_\_
29. Are you the indemnitor of any other person or corporation; or are you participating in any other contract as a joint venturer? \_\_\_\_\_

The undersigned hereby represents and declares that the statements made herein are true and are made as an inducement to the UNITED FIRE & CASUALTY COMPANY (hereinafter called Company) to execute or procure the execution of the bond or bonds herein applied for, and should the Company execute or procure the execution of said bond or bonds, the undersigned agrees with the Company, its successors and assigns, as follows:

- 1st. To pay the Company, in advance, the following premiums:
- the premium of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_)
- for the bid bond, for its term, or any part thereof,
- the premium of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_)
- for the full maintenance or guarantee period, or any part thereof,
- the premium of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_)
- for the contract bond and the labor and material bond, if any for the term of \_\_\_\_\_ Year \_\_\_\_\_

beginning on the date of said contract bond, or for any part of said term; and an annual premium in advance for each year after said term based on currently filed Company rates as applied to said contract price, and an additional term and annual premium at said rates, based on any increase of said contract price as shown by the certificate of the engineer or architect in charge, and to be adjusted upon completion of said contract, such annual premiums to be paid as long as liability on said contract bond shall continue after said term and until the undersigned shall deliver to the Company at its Home Office in Cedar Rapids, Iowa, written evidence satisfactory to the Company, of its discharge from such liability.

2nd. To indemnify the Company and save it harmless from and against every claim demand, liability loss costs, damages, expenses and attorneys' fees whatever, and any and all liability therefore, sustained or incurred by the Company by reason of executing said bond or bonds or any of them, in making any investigation an account thereof, in prosecuting or defending any action brought in connection therewith, in obtaining a release therefrom, in recovering or attempting to recover salvage or any unpaid bond premium, and in enforcing any of the agreements therein contained, and the undersigned shall place the Company in funds to meet the same as soon as the Company shall become liable therefor, whether it shall have paid out such sum or not; and in case the undersigned requests the Company to join in the prosecution or defense of any legal proceeding, the undersigned shall, on demand of the Company deposit with it sufficient funds to be used by it to pay all expenses and judgments that may be rendered therein.

3rd. The Company shall have the right at its option and in its sole discretion, (a) to take possession of all or any part of the work of the said contract whenever in its sole opinion, such action is desirable or necessary and at the expense of the undersigned to complete or to contract for the completion of the same, or to consent to the re-letting or completion thereof by the owner or obligee in said bond; (b) to pay, settle or compromise any claim, demand, suit or judgment upon said bond or bonds and the voucher or other evidence of such payment shall be prima facie evidence of the fact and extent of the undersigned's liability to the Company; (c) to fill up any blanks left herein, and to correct any errors in the description of said bond or bonds, or in the amount or date of payment of said premium or premiums.

4th. For the better protection of the Company, to assign, transfer and convey, and does hereby assign, transfer and convey to the Company, to be effective as of the date hereof, but only in the event of any breach, delay or default on the part of the undersigned in the performance of the contract covered by said bond or bonds, failure or inability of the undersigned to promptly pay, satisfy and discharge any and all obligations which might constitute possible claim under the bond or bonds, or breach of any of the terms of this agreement.

- (a) all right, title and interest of the undersigned in and to all tools, plant, equipment and materials of every nature and description that may now or hereafter be upon said work, or in, on or about the site thereof, including as well all materials purchased for or chargeable to said contract which may now be in the process of construction, or in storage elsewhere, or in transportation to said site, and
- (b) all rights of the undersigned in and to all subcontracts which have been or may hereafter be entered into, and the materials embraced therein, and
- (c) all earned estimates, deferred payments and retained percentages and any and all other monies or properties that may be due and payable or that hereafter may become due and payable to the undersigned on account of said contract or any other contract of the undersigned on which the Company is or may become surety or an account of extra work or materials supplied in connection therewith, and any and all other monies or properties of the undersigned.

and in the event of any breach, delay or default on the part of the undersigned in the performance of the contract covered by said bond or bonds, failure or inability of the undersigned to promptly pay, satisfy and discharge any and all obligations which might constitute possible claim under the bond or bonds, or breach of any of the terms of this agreement, the undersigned hereby authorizes and empowers the Company, its authorized representatives, to enter upon and take possession of said tools, plant, equipment, materials and subcontracts, and to enforce use and enjoy title thereto and possession thereof, and to sell the same as owner thereof, and agrees that all monies and the proceeds



## DOUGLAS COUNTY APPRAISER'S OFFICE

1100 Massachusetts St.

Lawrence, Kansas 66044-3099

785-832-5197

Date Mailed February 27, 2004

Last Day To Appeal

Tuesday March 30, 2004 5:00pm

## 2004 ANNUAL NOTICE OF VALUE \*\*THIS IS NOT A TAX BILL\*\*

PIN: 079-31-0-20-18-014.00-0

Property Address: 933 #1-6 RHODE ISLAND

Legal Desc: RHODE ISLAND STREET LT 85

HORVATH PAUL R  
HORVATH MARIANNE  
917 TENNESSEE  
LAWRENCE, KS 66044

14294

All current values are listed at [www.douglas-county.com](http://www.douglas-county.com)

Current and prior year's values assigned by the county appraiser to the above property:

Classification	2003 VALUATION	
	Appraised Value	Assessed Value
R	146400	16835

Classification	2004 VALUATION	
	Appraised Value	Assessed Value
R	155600	17890

Note: According to Kansas law, property must be valued at its "fair market value" as it exists on January 1 each year, except for land devoted to agricultural production which is appraised at its "use value" not "market value".

Valuation history for your property:

2001 126100

2002 134900

Valuation history is provided for properties that have had the same classification the last four years.

Listed below is the valuation method used for your property and, if applicable, the sales considered in the valuation of your property.

## Sales Comparison Approach

PIN: 079-31-0-30-35-003.00-0 Date: 10/02 Sale Price \$229,900 Adjusted Sale Price \$156,957 Situs: 1400 TENN

PIN: 079-31-0-30-08-010.00-0 Date: 10/02 Sale Price \$245,000 Adjusted Sale Price \$159,731 Situs: 1127 OHIO

PIN: 079-31-0-30-26-013.01-0 Date: 06/02 Sale Price \$135,000 Adjusted Sale Price \$170,016 Situs: 1346 OHIO

PIN: 079-31-0-40-05-001.00-0 Date: 09/03 Sale Price \$140,900 Adjusted Sale Price \$150,819 Situs: 1101 PENN

PIN: 079-31-0-30-23-008.00-0 Date: 03/02 Sale Price \$245,000 Adjusted Sale Price \$151,377 Situs: 1224 OHIO

Real property is classified &amp; assessed at a percentage of appraised value.

Classification	Description	Assessment Rate
R	Residential use including apartments and condominiums	11.5%
F	Residences on farm home sites	11.5%
A	Land devoted to agricultural use	30%
A	Improvements on land devoted to agricultural use	25%
V	Vacant lots / Undeveloped land	12%
N	Real property owned and operated by not-for-profit organizations	12%
C	Real property used for commercial and industrial purposes	25%
O	All other rural and urban real property	30%
U	Public utility real property	33%
E	Tax exempt property	0%

**\*What is "Adjusted Sale Price?"** The adjusted sale price is the result of adjusting the sale price of a similar property to match the characteristics of your property. Since no two properties are identical, the appraisers analyze a large number of sales to find patterns. Then they are able to assign dollar amounts to the major differences and "adjust" actual selling prices for the differences.

For example, your neighbor's house sold recently for \$125,000. Assume also that your house is identical to that house in every respect except for the fact that your neighbor's house has an attached garage and your house has none. If sales in your market area indicated that an attached garage added \$5,000 to the selling prices of homes, your neighbor's selling price of \$125,000 would have to be reduced by \$5,000 to reflect the characteristics of your house. Therefore, that sale would indicate your home to be worth \$120,000, representing the "adjusted sales price." Each sale shown above has had similar adjustments made to the actual sale prices similar to this example.

"A Guide to the Property Tax Appeals Process in Kansas" published by the Kansas Division of Property Valuation is available without charge at your local public library, the Appraiser's office, and the Treasurer's satellite offices in Lawrence.

Please see reverse side for additional information on appealing your valuation.