

## AFFIDAVIT

STATE OF OREGON       )  
                          ) ss.  
County of Multnomah)

I, JAMES A. ZEHREN, being duly sworn, do hereby depose and state:

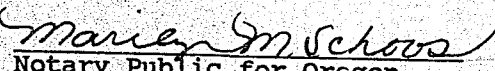
1. I am one of the attorneys for Bakke Corporation with respect to its construction work for PacifiCorp on the New Dairy Substation in Dairy, Oregon. This affidavit is given pursuant to ORS 87.081.

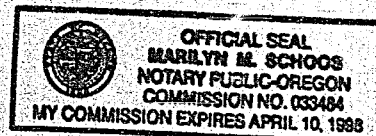
2. On behalf of Bakke Corporation, on June 21, 1994, I mailed via certified mail, return receipt requested, a notice to the president and registered agent of A-C Construction, Inc. ("A-C") informing the recipients of the notice that a construction lien release bond had been filed by Bakke Corporation with the Recording Officer of Klamath County, Oregon on June 21, 1994, releasing the property encumbered by the claim of lien filed by A-C on the New Dairy Substation in Dairy, Oregon.

3. A true copy of the notice referenced in paragraph 2 is attached hereto as Exhibit A and incorporated herein by this reference.

  
JAMES A. ZEHREN

Subscribed and sworn to before me this 22nd day of June, 1994.

  
Marilyn M. Schoos  
Notary Public for Oregon  
My commission expires: \_\_\_\_\_



STOEL RIVES BOLEY  
JONES & GREY

19701

ATTORNEYS AT LAW  
SUITE 2300  
STANDARD INSURANCE CENTER  
900 SW FIFTH AVENUE  
PORTLAND, OREGON 97204-1268

Telephone (503) 224-3380  
Telecopier (503) 220-2480  
Cable Lawport  
Telex 703455  
Writer's Direct Dial Number

(503) 294-9616

June 22, 1994

VIA CERTIFIED MAIL NO. P922494082/  
RETURN RECEIPT REQUESTED

Mr. Stephen R. Anderson  
President  
A-C Construction, Inc.  
4875 Spring Road  
Moorpark, CA 03021

VIA CERTIFIED MAIL NO. P922494083/  
RETURN RECEIPT REQUESTED

Mr. Frank Morello  
Registered Agent  
A-C Construction, Inc.  
36210 McCartie Lane  
Bonanza, OR 97632

NOTICE OF FILING OF CONSTRUCTION LIEN RELEASE BOND:  
A-C CONSTRUCTION, INC. V. BAKKE CORPORATION

Notice is hereby given pursuant to ORS 87.078 that a construction lien release bond releasing the property encumbered by the claim of lien filed by A-C Construction, Inc. on the New Dairy Substation in Dairy, Oregon, a copy of which bond is attached, was filed by Bakke Corporation with the Recording Officer of Klamath County, Oregon on June 21, 1994. The bond was recorded by the Recording Officer on June 21, 1994 in Volume M94, on Page 19343, as Document No. 83080.

Very truly yours,



James A. Zehren

JAZ:c-w  
Enclosure  
cc (w/encl): Mr. Michael Ratliff

PDX3-67750.1 17876 0002

PORTLAND,  
OREGON

SEATTLE,  
WASHINGTON

BELLEVUE,  
WASHINGTON

VANCOUVER,  
WASHINGTON

BOISE,  
IDAHO

SALT LAKE CITY,  
UTAH

WASHINGTON,  
DISTRICT OF COLUMBIA



Bond # U2465578

## RELEASE OF LIEN BOND

KNOW ALL MEN BY THESE PRESENTS, that Bakke Corporation, as Principal, and United Pacific Insurance Company, as Surety, are held and firmly bound unto A-C Construction, Inc., as Obligee, in the sum of ONE HUNDRED EIGHTEEN THOUSAND SIX HUNDRED EIGHTY-SIX AND NO/100 DOLLARS (\$118,686.00), lawful money of the United States of America, to the payment of which, well and truly to be paid, we bond ourselves, and our legal representatives, jointly and severally, by these presents.

WHEREAS, A-C Construction, Inc. is the claimant under that certain construction lien in the amount of \$79,124.00, recorded in Volume M93, Page 34457 of the records of construction liens in the County of Klamath, State of Oregon, with respect to the Phase I Sitework at the New Dairy Substation.

WHEREAS, the Principal disputes the correctness or validity of such claim of lien and desires to execute and record a bond to enable the above-described real property to be freed from the effect of the claim of lien and any action brought to foreclose the lien.

NOW THEREFORE, THE CONDITION OF THIS OBLIGATION IS to guarantee the payment of the judgment entered in any action to recover the amount claimed in the claim of lien, or on the claim asserted in the claim of lien. The effect of recording this bond shall be to release the real property described in the claim of lien from the lien and any action brought to recover the amount claimed. Unless otherwise prohibited by law, if no timely action is filed to recover on the claim of lien, the surety shall be discharged from liability under the bond. If such an action is timely filed, then on payment of any judgment entered in the action or on payment of the full amount of the bond to the holder of the judgment, whichever is less, the surety shall be discharged from liability under the bond.

DATED this 9th day of June, 1994.

Principal - Bakke Corporation

By: K. S. Bakke Pres. Title

Surety - United Pacific Insurance Company

By: Gloria Bruning Attorney-in-fact

ADMINISTRATIVE OFFICE, PHILADELPHIA, PENNSYLVANIA

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that RELIANCE SURETY COMPANY is a corporation duly organized under the laws of the State of Delaware, and that RELIANCE INSURANCE COMPANY and UNITED PACIFIC INSURANCE COMPANY, are corporations duly organized under the laws of the Commonwealth of Pennsylvania and that RELIANCE NATIONAL INDEMNITY COMPANY is a corporation duly organized under the laws of the State of Wisconsin (hereinafter collectively called "the Companies") and that the Companies by virtue of signature and seal do hereby make, constitute and appoint Gloria Brestag, Vicki L. Nickelson, John D. Klump, K.C. Kralig, W. Kent Thib, James P. Dasey, Kenneth L. deLoe, Philip Fortner, of Portland, Oregon their true and lawful Attorney-in-Fact, to make, execute, seal and deliver for and on time behalf, and as their act and deed any and all bonds and undertakings of suretyship and to bind the Companies thereby as full and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the Companies and sealed and attested by one or more of such officers, and hereby ratifies and confirms all that their said Attorney-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by the authority of Article VII of the By-Laws of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY which provisions are in full force and effect, reading as follows:

ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKINGS

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officers designated by the Board of Directors shall have power and authority to (a) execute Attorney-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney-in-Fact at any time and revoke the power and authority given to them.

2. Attorney-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute and deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorney-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to comply with the By-Laws of the Company or any article or section thereof.

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the Executive and Finance Committees of the Boards of Directors of Reliance Surety Company, United Pacific Insurance Company and Reliance National Indemnity Company by Unanimous Consent dated as of February 28, 1994 and by the Executive and Financial Committee of the Board of Directors of Reliance Surety Company by Unanimous Consent dated as of March 31, 1994.

"Resolved that the signatures of such directors and officers and the seal of the Company may be affixed to any such Power of Attorney or any certificates relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such Power so executed and certified by two such signatures and facsimile seal shall be valid and binding upon the Company, in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the Companies have caused these presents to be signed and by their corporate seals to be hereto affixed, April 1, 1994.



RELIANCE SURETY COMPANY  
RELIANCE INSURANCE COMPANY  
UNITED PACIFIC INSURANCE COMPANY  
RELIANCE NATIONAL INDEMNITY COMPANY

Mark W. Klump

STATE OF Washington )  
COUNTY OF King ) ss.

On this, April 1, 1994, before me Janet D. Blankley, personally appeared Mark W. Klump, who acknowledged himself to be the Vice President of the Reliance Surety Company, Reliance Insurance Company, United Pacific Insurance Company, and Reliance National Indemnity Company and that as such, being authorized to do so, executed the foregoing instruments for the purpose therein contained by signing the name of the corporation by himself as its duly authorized officer.

In witness whereof, I hereunto set my hand and official seal.



Janet D. Blankley  
Notary Public in and for the State of Washington  
Residing at Puyallup

I, Robyn Layng, Assistant Secretary of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 9th day of June 19 94



Robyn Layng  
Assistant Secretary

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Stoel, Rives et al the 24th day  
of June A.D., 19 94 at 9:53 o'clock A.M., and duly recorded in Vol. M94,  
of Construction Liens on Page 19700.

Evelyn Biehn County Clerk

By Wendy M. Miller

FEE \$25.00