

After Recording Return To:
Mainlander Services Corporation
P. O. Box 661
Portland, Oregon 97207

MSC Loan #420

ASPEN 03044691

CERTIFICATE AND INDEMNITY AGREEMENT
REGARDING HAZARDOUS SUBSTANCES

In connection with and as partial consideration for the making of a loan (the "Loan") in the amount of Two Hundred Twenty Five Thousand Dollars (\$225,000) by Mainlander Services Corporation, an Oregon corporation (the "Lender"), to Diversified Assets, Inc., a California corporation (the "Borrower"), Borrower provides as follows:

1. Borrower represents and warrants that it has no actual knowledge, after reasonable investigation, of
 - a. the presence of any "Hazardous Substances" (as defined below) on or within the real property more fully described on Exhibit A attached hereto (the "Property"); and
 - b. any spills, releases, discharges or disposals of Hazardous Substances that have occurred or are presently occurring on the Property or at any Other Property (as defined below).
2. Borrower represents and warrants that as of the date of this Certificate it has no actual knowledge, after a reasonable investigation, of any failure to comply with all applicable local, state and federal environmental laws, regulations, ordinances, administrative or judicial orders relating to the generation, recycling, reuse, sale, storage, handling, transport and disposal of any Hazardous Substances by any person on or from the Property.
3. Borrower represents and warrants that it has made a reasonable inquiry into the past uses of the Property and has no actual knowledge that the Property is or has been contaminated with Hazardous Substances or is or has been a site of storage of Hazardous Substances.
4. Borrower represents and warrants that it has not, and covenants that it will not knowingly, release or waive the liability of any previous owner, lessee or operator of the Property or any party who may be potentially responsible for the presence or removal of Hazardous Substances on or from the Property. Borrower has made no previous promises of indemnification regarding Hazardous Substances to any party.
5. Borrower agrees to indemnify and hold Lender harmless, and immediately notify Lender of the existence of, (a) any environmental problem or liability regarding Hazardous Substances involving the Property or Other Property; or (b) any lien,

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action or notice resulting from the violation of any law, regulation, ordinance or order of the type described in this Certificate. At its own cost Borrower will take all actions which are necessary or desirable to clean up any Hazardous Substances affecting the Property, including removal, containment or any other remedial action required by governmental authorities or Lender.

6. Borrower agrees to indemnify and hold Lender harmless from and against any and all claims, demands, injuries, damages, losses, liens, liabilities, penalties, fines, lawsuits and other proceedings, and costs and expenses relating thereto (including attorney's fees, engineering fees, surveying costs and related disbursements) which accrue to or are made against or incurred by Lender on or after transfer of the Property, pursuant to foreclosure proceedings or in lieu thereof, and arise directly or indirectly from or out of, or are in any way connected with:
 - a. the inaccuracy of any representation contained herein;
 - b. any activities on the Property during Borrower's ownership, possession or control of the Property which directly or indirectly result in the Property or Other Property becoming contaminated with Hazardous Substances; and
 - c. the discovery and/or cleanup of Hazardous Substances which were deposited on or were existing on the Property or Other Property prior to such transfer.

As between Borrower and Lender, Borrower acknowledges that it will be solely responsible for all costs and expenses relating to the cleanup of Hazardous Substances from the Property or from Other Property.

7. Borrower agrees that its obligations under this Certificate are unconditional and shall not be limited by any non-recourse or other limitations of liability provided for in any document relating to the Loan (the "Loan Documents"). The representations, warranties and agreements of Borrower set forth in this Certificate (including without limitation the indemnity provided for in paragraph 6 above)
 - a. are separate and distinct obligations from the Borrower's obligations under the Loan and the Loan Documents and are in addition thereto;
 - b. are not secured by the deed of trust and other Loan Documents and shall not be discharged or satisfied by foreclosure of the liens created by the deed of trust or other Loan Documents; and
 - c. shall continue in effect after any transfer of the Property, including without limitation transfers pursuant to foreclosure proceedings (whether judicial or nonjudicial), by any transfer in lieu of foreclosure or otherwise.
8. As used herein, "Hazardous Substances" shall mean: any chemical, substance or material defined, classified or designated as hazardous, toxic or radioactive, or other similar terms, by any federal, state or local environmental statute, regulation or ordinance presently in effect or that may be promulgated in the future, as they may be amended from time to time, including but not limited to:

Federal Resource Conservation And Recovery Act of 1976
42 USC Section 6901 et seq.

Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980
42 USC Section 9601 et seq.

Federal Hazardous Materials Transportation Control Act
49 USC Section 1801 et seq.

Federal Clean Air Act
42 USC Section 7401 et seq.

Federal Water Pollution Control Act, Federal Clean Water Act of 1977
33 USC Section 1251 et seq.

Federal Insecticide, Fungicide and Rodenticide Act, Federal Pesticide Act of 1978
7 USC Section 136 et seq.

Federal Toxic Substances Control Act
15 USC Section 2601 et seq.

Federal Safe Drinking Water Act
41 USC Section 300 (1) et seq.

Hazardous Substances will also include any petroleum product and any substance which after release into the environment and upon exposure, ingestion, inhalation or assimilation, either directly into the environment or indirectly by ingestion through food chains or otherwise, will or may reasonably be anticipated to cause sickness, death, disease, behavior abnormalities, cancer or genetic abnormalities.

As used in this Certificate, "Other Property" means any property which becomes contaminated with Hazardous Substances as a result of construction, operations or other activities on, under, over or about the Property; seepage or migration of Hazardous Substances from the Property; or otherwise where contamination of the Property results in or contributes to contamination of other property.

9. This Certificate shall be binding on the Borrower and shall inure to the benefit of the Lender, and to each of their successors and assigns, and shall be construed under the laws of the State of Oregon. In any suit, action or appeal therefrom to enforce or interpret the provisions of this Certificate, the prevailing party shall be entitled to recover its costs incurred therein, including attorney's fees and disbursements.

Dated as of the 17th day of May, 1996.

BORROWER

Diversified Assets, Inc.

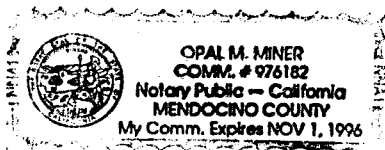
By: William P. HigginsState of California County of MendocinoThis instrument was acknowledged before me on the 21st day of May, 1996 by William P. Higgins
of Diversified Assets, Inc..Opal M. Miner
Notary Public for Mendocino Co.
My Commission Expires: 11/1/96

EXHIBIT A

The SW 1/4 SW 1/4 of Section 27, Township 38 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The NW 1/4 NW 1/4 of Section 34, Township 38 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

EXCEPTING the following described parcels of land:

Beginning at the 1/16 section corner in the center of the NW 1/4 of Section 34; thence North 89 degrees 25' West 561.1 feet; thence North 0 degrees 19' West 776.3 feet; thence South 89 degrees 25' East 561.1 feet; thence South 0 degrees 19' East 776.3 feet to the point of beginning.

Beginning at the Southwest corner of the said NW 1/4 NW 1/4; thence North 0 degrees 28' West 253 feet to the Northerly right of way line of the State Highway; thence along said right of way line South 73 degrees 47' 15" East on the long chord of a curve to the right a distance of 188.1 feet; thence on a 1592.4 foot radius curve right (the long chord of which bears South 67 degrees 29' 15" East 182.1 feet) a distance of 182.2 feet; thence South 73 degrees 31' East 368.5 feet to the North line of a county road; thence South 89 degrees 46' East 70 feet to the East line of I.L.C. Gooding property; thence South 0 degrees 19' East 30 feet to the South line of said NW 1/4 NW 1/4; thence North 89 degrees 46' West 775.9 feet along the South line of said NW 1/4 NW 1/4 to the place of beginning.

ALSO SAVING AND EXCEPTING that portion deeded to the State of Oregon by and through its State Highway Commission by deed recorded January 29, 1965 in Book 359 at Page 112, Deed Records of Klamath County, Oregon.

AND FURTHER SAVING AND EXCEPTING the North 60 feet of the NW 1/4 NW 1/4 of Section 34, Township 38 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

AND FURTHER SAVING AND EXCEPTING that portion deeded to Klamath County by deed recorded September 3, 1992 in Book M-92 at Page 20200.

CODE 156 MAP 3809-2700 TL 600
CODE 154 MAP 3809-34BB TL 200

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 23rd day of May A.D., 19 96 at 11:00 o'clock A M., and duly recorded in Vol. M96 of Mortgages on Page 15030.

FEE \$30.00

By Bernetha G. Letsch, County Clerk