

RECORDING REQUESTED BY:

WHEN RECORDED, RETURN TO:
Tri-State Livestock Credit Corporation
Attn: Jack Caubin, President
3600 American River Drive, Ste. 250
Sacramento, CA 95824

MTCT 35022mk

**ASSIGNMENT OF
BENEFICIARY'S INTEREST IN TRUST DEED
FOR SECURITY PURPOSES**

The undersigned beneficiaries (collectively "Assignor") hereby grant, assign, transfer and set over to Tri-State Livestock Credit Corporation, a California corporation ("Assignee") all of Assignor's beneficial interest in and under that Deed of Trust dated April 12, 1995, executed by Jeremiah J. Geaney, Grantor, to Mountain Title Company of Klamath County, Trustee, in which John D. O'Connor, Joanne O'Connor, James B. O'Connor, and Rhonda G. O'Connor are Beneficiaries, recorded May 12, 1995 in Book M95, Page 12435, Klamath County Records, covering the property described on Exhibit A attached hereto and incorporated herein by this reference (the "Property"), and hereby pledges the notes, monies, and obligations therein described, with interest thereon, and all rights and benefits whatsoever accrued or to accrue under said Trust Deed.

Assignor hereby warrants and covenants that Assignor is the Beneficiary or their successor in interest under said Trust Deed and is the owner and holder of the beneficial interest therein; that they have good right to sell, transfer, and assign the same; and that there is now unpaid on the obligation secured thereby (the "Geaney Note") the sum of not less than \$110,000, plus interest thereon from May 12, 1995.

This Assignment secures payment of a promissory note (the "Note") dated April 14, 1994, in the original principal amount of \$506,650 and all other sums now or hereafter owing to Assignee by O'Connor Sheep, a general partnership, Temperance Creek Sheep, a joint venture, John D. O'Connor, Joanne O'Connor, James B. O'Connor, and Rhonda G. O'Connor (collectively "Debtor"), and is upon the express condition that if Assignor shall be null and valid, and Assignee shall reassign and reconvey all of its interest assigned hereby; but otherwise shall remain in full force and effect to secure the performance of all the covenants herein and payments of the above-mentioned Note and obligations. It is expressly understood that Assignee, at its option, may apply toward the payment of the Note and other obligations according to their terms all payments received by Assignee for credit of Assignor from the Grantor under said Trust Deed.

The occurrence of any one of the following shall be a default under this Assignment:

1. Failure of Debtor to make payments as required by the Note;
2. Any default under any other agreements between Debtor and Assignee; or
3. Any default under the Geaney Note or the Trust Deed.

Time is of the essence in this agreement. In the event of a default, Assignee shall have the following remedies, each of which shall be distinct and cumulative to any other right or remedy hereunder or afforded by law:

1. Declare the entire unpaid principal balance of the Note or other obligations, with interest thereon, immediately due and payable;
2. Foreclose Assignor's interest in the Trust Deed and the Geaney Note;
3. If Assignee elects to allow Assignor to foreclose the Trust Deed in the event of a default thereunder, Assignee may require Assignor to execute a trust deed on Assignor's interest in the Property, to be recorded prior to commencing the foreclosure. The trustee deed shall be a first lien against Assignor's interest in the Property, and shall secure an amount equal to the debt then owing by Assignor to Assignee. In the event that Assignor is not the successful bidder at a trustee's sale or sheriff's sale of the Property, Assignor hereby instructs the Trustee or sheriff to distribute the proceeds from such sale to which the Assignor is entitled by law to the Assignee or other party designed by the Assignee;
4. Demand and receive payments from the Grantor under said Trust Deed, and take any action reasonably necessary to enforce the rights of Beneficiary under the Trust Deed and obligation secured thereby;
5. Have a Receiver appointed to collect payments from the Grantor.

This Assignment is in addition to other security granted to Assignee from time to time by Assignor and is to be considered as a portion of the total security granted Assignee.

Assignor shall not agree to any modifications of the Trust Deed or the obligations secured thereby without the express written consent of Assignee. Any unauthorized modification shall be void.

Assignor shall pay all costs, disbursements, expenses and reasonable attorney fees incurred by Assignee in protecting or enforcing the lien of this Assignment, whether or not suit or action is actually commenced (collectively referred to as "costs"). Such costs include without limitation recording fees, costs of title and lien searches, preparation of surveys, appraisal fees, and attorney fees, negotiations, proceedings in the trial courts and before other tribunals and on an appeal from any of them. Protection or enforcement of the lien of this Assignment shall include, without limitation, negotiations with Assignor or any third party, administrative proceedings, bankruptcy proceedings, condemnation proceedings, conveyances in lieu of foreclosure, foreclosure proceedings, receivership actions, and post-judgment collection efforts.

Default hereunder shall, at Assignee's option, constitute default under all other agreements between Assignor and Assignee, and default under any of the other agreements shall constitute default hereunder.

Assignee does not hereby assume nor agree to assume, nor will Assignee assume any of the obligations of Assignor or in connection with the Trust Deed and obligations thereby secured, assigned hereby.

This Assignment shall be governed by and construed, interpreted, regulated and enforced in accordance with the applicable laws of the State of Oregon. All covenants, conditions and agreements herein shall run with the land, and shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of Assignee.

No modification, amendment, change, or discharge of any term or provision of this Assignment shall be valid unless it is in writing and signed by Grantor and Assignee.

In the event any portion hereof shall be ruled invalid by any court of competent jurisdiction, the invalidity of such portion shall not effect any of the remaining provisions hereof. The invalid portion shall be severed and all other terms and provisions herein shall continue to be effective and binding, and any invalid portion shall be reduced in scope to the extent necessary to be valid.

Any headings or captions preceding the texts of the sections of this Assignment shall be solely for convenience and shall not constitute a part of this Assignment nor shall the headings affect the meaning, construction or effect hereof.

In the event a court of competent jurisdiction finds that there is any ambiguity herein, the rule of construction that provides that an ambiguity is construed against the party drafting the document shall not apply.

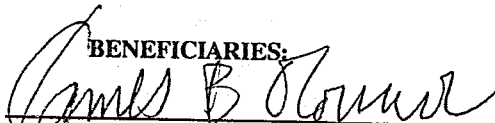
DATED: _____, 1995

DATED: 5-11, 1995

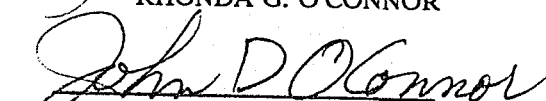
DATED: 5/12, 1995

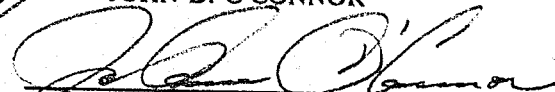
DATED: 5-12, 1995

BENEFICIARIES:


JAMES B. O'CONNOR


RHONDA G. O'CONNOR



JOHN D. O'CONNOR


JOANNE O'CONNOR

The undersigned Grantor under the Trust Deed assigned above acknowledges and agrees to the terms of the above Assignment. The undersigned agrees to pay Assignee on the obligations secured by the Trust Deed upon demand by the Assignee.

DATED: May 12, 1995

GRANTOR:


JEREMIAH J. GEANEY

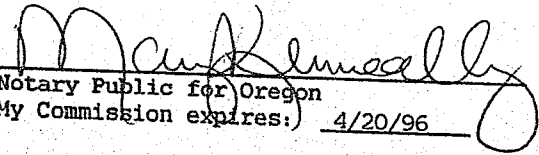
State of Oregon

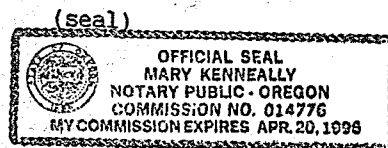
County of Klamath

May 12, 1995

Personally appeared the above named John D. O'Connor, Joanne O'Connor, James B. O'Connor, Phonda G. O'Connor & Jeremiah J. Geaney and acknowledged the foregoing instrument to be their voluntary act and deed.

WITNESS My hand and official seal.


Notary Public for Oregon
My Commission expires: 4/20/96



12442

EXHIBIT "A"
LEGAL DESCRIPTION

That portion of the N1/2 S1/2 of Section 28, Township 40 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, lying West of the Southern Pacific Railroad right of way and East of the centerline of the U.S.B.R. "C" Canal.

ALSO that portion of the SE1/4 SW1/4 of Section 28, Township 40 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, lying East of the centerline of the U.S.B.R. "C" Canal.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 12th day
of May A.D., 19 95 at 3:04 o'clock P M., and duly recorded in Vol. M95,
of Mortgages on Page 12438.

FEE \$ \$30.00

By Bernetha G. Letsch, County Clerk
Annette Mueller