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BK 79 PG 511 RECIPROCAL CONNECTOR EASEMENT AGREEMENT
W.E. DAVIS CH. CLK.

THIS RECIPROCAL CONNECTOR EASEMENT AGREEMENT (the "Agreement"), made and entered into as of the 1st day of December, 1998, by and between **HEWSON/DESOTO PHASE I, L.L.C.**, an Arizona limited liability company (hereinafter referred to as "Hewson"), and **WILLIAMS-SONOMA, INC.**, a California corporation (hereinafter referred to as "Williams-Sonoma");

WITNESSETH:

WHEREAS, Hewson is the owner of certain real property located in DeSoto County, Mississippi, which is more particularly described in **Exhibit "A,"** attached hereto and incorporated herein by reference (the "Hewson Property");

WHEREAS, Williams-Sonoma is the owner of certain real property located in DeSoto County, Mississippi, and adjacent to the Hewson Property, which is more particularly described in **Exhibit "B,"** attached hereto and incorporated herein by reference (the "Williams-Sonoma Property"); and

WHEREAS, Hewson intends to construct upon the Hewson property buildings and improvements (the "Hewson Buildings") to be leased by Williams-Sonoma for use as a warehousing and distribution facility;

WHEREAS, Williams-Sonoma intends to construct upon the Williams-Sonoma Property additional buildings and improvements (the "WS Buildings") to be used by Williams-Sonoma as expansion space for its warehousing and distribution facilities;

WHEREAS, the parties desire to declare and establish an easement for the construction, installation, maintenance and use of an enclosed walkway (herein sometimes called the "Connector"), connecting the Hewson Buildings and the WS Buildings;

WHEREAS, the area ("Easement Area") over which the Connector is to be constructed is more particularly described in **Exhibit "C,"** attached hereto and made a part hereof by reference; and

WHEREAS, the parties have reached certain understandings and agreements with respect to the construction, use, maintenance and repair of said Connector, and desire to set forth in writing those agreements;

NOW, THEREFORE, for and in consideration of the foregoing premises, and other good valuable considerations, the receipt and sufficiency of which are hereby acknowledged, it is agreed by the parties as follows:

Section 1. Creation of Easement. Hewson and Williams-Sonoma do hereby declare and establish an easement over, upon, and across the Easement Area for the construction, repair,

maintenance, and use of the Connector connecting the Hewson Buildings and the WS Buildings, such easement to be for the use and benefit of the dominant estate (the dominant estate being the property of the other party) and to continue to benefit the dominant estate from the date hereof until the date upon which Williams-Sonoma, any corporation related to or affiliated with Williams-Sonoma, or the respective successors of any of them, shall cease to occupy either the Hewson Property or the Williams-Sonoma Property (the "Termination Date").

Section 2. Construction of Connector. (a) Williams-Sonoma agrees that it will be responsible for and pay all costs associated with the construction of the Connector. Such construction will be performed in a good and workmanlike manner and in compliance with all applicable codes, ordinances and laws.

(b) Subject to delays caused by *force majeure*, should Williams-Sonoma commence and then fail to diligently work to complete the construction of the Connector, Hewson, or its successors and assigns shall have the right, but not the obligation, to remove so much of the Connector as is located on the Hewson Property and to restore the Hewson Property to its condition prior to the commencement of construction of the Connector, all at the cost and expense of Williams-Sonoma.

Section 3. Maintenance of Connector. Upon completion of construction, Williams-Sonoma, and its successors and assigns, shall be responsible for the maintenance, repair and (when necessary) replacement of the Connector, and shall, at its expense, so maintain the Connector that it shall at all times be in compliance with the codes, ordinances, laws, rules and regulations of the City of Olive Branch, County of DeSoto, and State of Mississippi and any other governmental authority having jurisdiction over the Connector. In the event that Williams-Sonoma, and its successors and assigns, shall fail to perform such maintenance, repair and replacement, when needed, following written notice from Hewson, or its successors and assigns, of the necessity for such repair, maintenance or replacement, Hewson, and its successors and assigns, shall have the right, but not the obligation, to perform such maintenance, repair and replacement for and in behalf of Williams-Sonoma, and its successors and assigns.

Section 4. Taxes. So long as the easement granted hereby shall remain in effect, Williams-Sonoma, and its successors and assigns shall also be obligated to pay all ad valorem real estate taxes and assessments (or payments under fee-in-lieu agreements) imposed upon the Easement Area prior to the time the same becomes delinquent. In the event that Williams-Sonoma, and its successors and assigns, shall fail to pay such taxes, payments under fee-in-lieu agreements, and assessments prior to the time they become delinquent, Hewson, and its successors and assigns, shall have the right but not the obligation to pay such taxes, payments under fee-in-lieu agreements, and assessments.

Section 5. Failure to Make Payments. In the event that Hewson, or its successors and assigns, should, pursuant to the provisions hereof, make any payments for the maintenance, repair or replacement of the Connector, or shall pay any ad valorem taxes, payments in lieu of taxes, and assessments imposed upon the Easement Parcel, the amount so paid, together with interest thereon at the rate of eight percent (8%) per annum, or at the maximum fixed rate which may be lawfully charged, whichever is less, shall be due and payable from Williams-Sonoma, and its successors and assigns, upon the demand of Hewson, or its successors and assigns, making such payment. In the

event that it is necessary for Hewson, or its successors and assigns, to employ an attorney to collect any such amounts so owed, Williams-Sonoma, and its successors and assigns, shall be liable for the reasonable attorney's fees of Hewson, or its successors and assigns.

Section 6. Covenants Run with Land. The parties hereto acknowledge that the agreement regarding the Easement Area set forth herein are real covenants, constituting an easement running with the land, binding upon the owner or owners of both the Williams-Sonoma Property and the Hewson Property, and all parties claiming by, through or under them; and shall remain in full force and effect until the Termination Date.

Section 7. Removal of Connector. Not later than ninety (90) days following the Termination Date, Williams-Sonoma, and its successors and assigns, shall, in a good and workmanlike manner, dismantle the Connector, remove the Connector from the premises, and close any openings in the Hewson Buildings or the WS Buildings caused by such dismantling and removal and restore the Hewson-Buildings to their condition prior to the installation of the Connector. In the event that Williams-Sonoma, and its successors and assigns, shall fail to perform such dismantling and removal of the Connector in accordance with the requirements of this Section, then and in such event, Hewson, or its successors and assigns, shall have the right, upon first giving written notice to Williams-Sonoma, and its successors and assigns, of their intention to do so, to dismantle and remove, or to cause the dismantling and removal of the Connector, or any portion thereof. Any amount so paid for such dismantling and removal, together with interest thereon at the rate of ten percent (10%) per annum, or at the maximum fixed rate which may be lawfully charged, whichever is less, shall be due and payable upon demand from Williams-Sonoma, and its successors and assigns. In the event that it is necessary for Hewson, or its successors and assigns, to employ an attorney to collect any such amount so owed, Williams-Sonoma, and its successors and assigns, shall be liable, jointly and severally, for the reasonable attorney's fees of Hewson, or its successors and assigns.

Section 8. Indemnification. Williams-Sonoma, its successors and assigns, hereby agrees to indemnify, defend and hold harmless, Hewson, its successors and assigns, from and against any and all loss, cost, damages, liability and expense (including reasonable attorney's fees) arising out of or in any way related to the construction, operation, maintenance and removal of the Connector.

Section 9. Notice. All notices, demands, and other communications provided for hereunder shall be in writing and shall be mailed, certified mail, return receipt requested, to the following addresses:

Hewson:	Hewson/DeSoto Phase I, LLC 4636 E. University, Suite 265 Phoenix, AZ 85034 Attention: Gary Hewson
Williams-Sonoma:	Williams-Sonoma, Inc. 3250 Van Ness Avenue San Francisco, CA 94109 Attention: Dennis A. Chantland, Chief Administrative Officer

with copies to:

Irell & Manella LLP
333 South Hope Street, Suite 3300
Los Angeles, CA 90071
Attention: J. Christopher Kennedy

Baker, Donelson, Bearman & Caldwell, P.C.
2000 First Tennessee Building
Memphis, TN 38103
Attention: Robert C. Liddon

or to such address or addresses as any one of the parties shall designate, by notice in writing to the other parties, given as above provided. All such notices and other communications shall be effective when received or four (4) business days after mailing whichever is earlier. Notices may also be given by delivery in person, which, if so given, shall be effective upon delivery. Copies of all notices sent or given to any party shall also be mailed or delivered to all other parties.

Section 10. Amendment and Revocation. This Agreement may be modified, amended, or revoked at any time upon the unanimous written agreement of those parties who at such time constitute the owners of the fee simple title to all of the Williams-Sonoma Property and the Hewson Property, and the written concurrence (not to be unreasonably withheld, delayed or conditioned) of Williams-Sonoma (if Williams-Sonoma is not at the time of such consent an owner and Williams-Sonoma is a tenant in either of the Hewson Buildings or the WS Buildings).

Section 11. Enforceability. If any provision hereof should be construed to be invalid or unenforceable, the remaining provisions shall not be affected by such invalidity or unenforceability. Each term and provision shall, however, be valid and enforced to the maximum extent permitted by applicable law.

Section 12. No Dedication to Public. Nothing contained herein shall be deemed to constitute any dedication to the public or for public use of the Easement Area. This Section 12 may be enforced in equity.

Section 13. Governing Law. This Agreement shall be construed and interpreted under the laws of the State of Mississippi.

Section 14. No Waiver. Neither the failure of any party to exercise any power given such party hereunder or to insist upon strict compliance by the other party or parties with its obligations hereunder, nor any custom or practice of the parties at variance with the terms hereof shall constitute a waiver of any party's right to demand exact compliance with the terms hereof.

Section 15. Entire Agreement. This Agreement contains the entire agreement of the parties hereto with respect to the easements contained herein, and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein or incorporated herein by reference shall be of any force or effect

Section 16. Time of the Essence. Time shall be of the essence of this Agreement and each and every term and condition thereof.

Section 17. No Merger. In the event that one entity becomes the fee simple title holder to both the Hewson Property and the Williams-Sonoma Property at the same time, this Agreement shall not terminate unless said entity records a written termination of this Agreement.

Section 18. Counterparts. This Agreement may be executed in multiple counterparts, all of which, taken together, shall constitute but one instrument. Alternatively, each party may execute this instrument by signing a counterpart signature page and attaching it (or causing it to be attached) to this Agreement, along with the acknowledgment the Notary Public with respect to such party's execution. Upon the attachment of all signatures and acknowledgments of all parties, this Agreement shall, without further action, become effective as to all parties.

"HEWSON"

HEWSON/DESOTO PHASE I, LLC

BY: Hewson Properties, Inc., its manager

By: *Gregory A. Howard*
Title: *CEO*

"WILLIAMS-SONOMA"

WILLIAMS-SONOMA, INC.

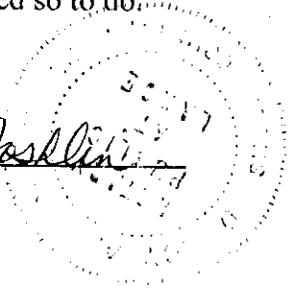
By: *Jerry R. Owen*
Title: *SVP*

STATE OF TENNESSEE)
COUNTY OF SHELBY)

Personally appeared before me, the undersigned Notary Public, in and for the said State and County, on this 10th day of December, 1998, within my jurisdiction, the within-named **Gary J. Hewson**, who acknowledged that he is the Chief Executive Officer of HEWSON PROPERTIES, INC., a California corporation, the manager of **HEWSON/DESOTO PHASE I, LLC**, an Arizona limited liability company, and that for and on behalf of the said corporation, in its capacity as manager of the limited liability company, and as its act and deed, he executed and delivered the above and foregoing instrument, after first having been duly authorized so to do.

Given under my hand and seal this 10th day of December, 1998.

Randy D. Joslin
Notary Public



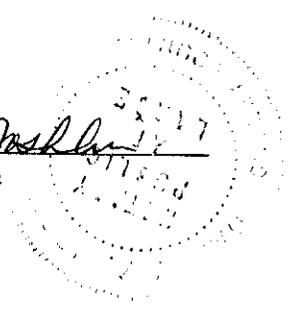
My Commission Expires: 9/25/2001

STATE OF TENNESSEE)
COUNTY OF SHELBY)

Personally appeared before me, the undersigned Notary Public, in and for the said State and County, on this 10th day of December, 1998, within my jurisdiction, the within-named **Jerry E. Owens**, who acknowledged that he is the Senior Vice President of **WILLIAMS-SONOMA, INC.**, a California corporation, and that for and on behalf of the said corporation, and as its act and deed, he executed and delivered the above and foregoing instrument, after first having been duly authorized so to do.

Given under my hand and seal this 10th day of December, 1998.

Randy D. Joslin
Notary Public



My Commission Expires: 9/25/2001

EXHIBIT "A"

Hewson Property

LOCATED IN DESOTO COUNTY, MISSISSIPPI:

BEING A SURVEY OF PART OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, PART OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER, PART OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND PART OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, SECTION 25, TOWNSHIP 1 SOUTH, RANGE 6 WEST, DESOTO COUNTY MISSISSIPPI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 25; THENCE S89°32'11"W ALONG THE NORTH LINE OF SAID SECTION 25 A DISTANCE OF 80.00 FEET TO A POINT; THENCE S00°31'04"E ALONG A LINE THAT IS 80.00 FEET WEST OF AND PARALLEL TO THE EAST LINE OF SAID SECTION 25 A DISTANCE OF 491.49 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING S00°31'04"E ALONG A LINE THAT IS 80.00 FEET WEST OF AND PARALLEL TO THE EAST LINE OF SAID SECTION 25 A DISTANCE OF 1485.00 FEET TO A POINT; THENCE S89°13'30"W A DISTANCE OF 1957.52 FEET TO A POINT; THENCE N00°46'30"W A DISTANCE OF 1484.99 FEET TO A POINT; THENCE N89°13'30"E A DISTANCE OF 1964.19 FEET TO THE POINT OF BEGINNING AND CONTAINING 2,911,841 SQUARE FEET OR 66.847 ACRES.

EXHIBIT "B"

Williams-Sonoma Property

LOCATED IN DESOTO COUNTY, MISSISSIPPI:

BEING A SURVEY OF PART OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, PART OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER, SECTION 25, TOWNSHIP 1 SOUTH, RANGE 6 WEST, DESOTO COUNTY MISSISSIPPI AND PART OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER AND PART OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER, SECTION 24, TOWNSHIP 1 SOUTH, RANGE 6 WEST, DESOTO COUNTY MISSISSIPPI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 25; THENCE S89°32'11"W ALONG THE NORTH LINE OF SAID SECTION 25 A DISTANCE OF 80.00 FEET TO THE POINT OF BEGINNING; THENCE S00°31'04"E ALONG A LINE THAT IS 80.00 FEET WEST OF AND PARALLEL TO THE EAST LINE OF SAID SECTION 25 A DISTANCE OF 491.49 FEET TO A POINT; THENCE S89°13'30"W A DISTANCE OF 1964.19 FEET TO A POINT; THENCE N00°46'30"W A DISTANCE OF 1351.48 FEET TO A POINT; THENCE N89°13'30"E A DISTANCE OF 1965.03 FEET TO A POINT; THENCE S00°51'56"E ALONG A LINE THAT IS 80.00 FEET WEST OF AND PARALLEL TO THE EAST LINE OF SAID SECTION 24 A DISTANCE OF 860.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 2,656,423 SQUARE FEET OR 60.983 ACRES.

EXHIBIT "C"

Easement Area

BEING A SURVEY OF PART OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, SECTION 25, TOWNSHIP 1 SOUTH, RANGE 6 WEST, DESOTO COUNTY, MISSISSIPPI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 25; THENCE S89°32'11"W ALONG THE NORTH LINE OF SAID SECTION 25, A DISTANCE OF 80.00 FEET TO A POINT; THENCE S00°31'04"E ALONG A LINE THAT IS 80.00 FEET WEST OF AND PARALLEL TO THE EAST LINE OF SAID SECTION 25, A DISTANCE OF 491.49 FEET TO A POINT; THENCE S89°13'30"W A DISTANCE OF 205.52 FEET TO THE POINT OF BEGINNING; THENCE S00°31'04"E A DISTANCE OF 163.22 FEET TO A POINT; THENCE S89°13'30"W A DISTANCE OF 40.00 FEET TO A POINT; THENCE N00°31'04"W A DISTANCE OF 330.18 TO A POINT; THENCE N89°13'30"E A DISTANCE OF 40.00 FEET TO A POINT; THENCE S00°31'04"E A DISTANCE OF 166.96 FEET TO THE POINT OF BEGINNING AND CONTAINING 13,207 SQUARE FEET OR 0.303 ACRES.

Prepared By:

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