

STATE MS. - DESOTO CO.
FILED

This instrument prepared by:
Watkins Ludlam Winter & Stennis, P.A.
633 North State Street
Jackson, Mississippi 39202
(601) 949-4900

DEC 22 2 52 PM '99

BK 83 PG 630
W.F. DAVIS CH. CLK.

Indexing Instructions:

Part of the NE ¼ of the NE ¼ and
Part of the NW ¼ of the NE ¼ of
S25, T1S, R6W, DeSoto County, MS,
and Part of the SW ¼ of the SE ¼
and Part of the SE ¼ of the SE ¼ of
S24, T1S, R6W, DeSoto County, MS

ASSIGNMENT OF RENTS, LEASES AND PROFITS

HEWSON/DESOTO PARTNERS, L.L.C. (the "Assignor"), in consideration of Ten Dollars (\$10.00) paid by the **MISSISSIPPI BUSINESS FINANCE CORPORATION** (the "Assignee"), as lender under that certain Loan Agreement dated as of November 15, 1999 (the "Loan Agreement"), between the Assignee, as lender, and the Assignor, as borrower, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, hereby transfers and assigns unto the Assignee, its successors and assigns, all the rights, interest and privileges that the Assignor as lessor has and may have in that certain Lease Agreement dated as of November 15, 1999 (the "Lease"), by and between the Assignor and **WILLIAMS-SONOMA RETAIL SERVICES, INC.**, a California corporation (the "Lessee"), covering the real property situated in DeSoto County, Mississippi, being more particularly described as set forth on Exhibit "A" hereto (the "Mortgaged Property"), and in all future leases or subleases now existing or hereafter made and affecting the Mortgaged Property or any part thereof, and in that certain Lease Guaranty dated as of November 15, 1999 (the "Lease Guaranty"), from **WILLIAMS-SONOMA, INC.** ("Williams-Sonoma") to the Borrower guaranteeing the Lessee's obligations under the Lease, provided that this Assignment shall not include the Lessee's payments of Company Payments (as defined in the Lease) or Williams-Sonoma's guaranty of the Lessee's obligation to make such Company Payments. The Assignor will, on request of the Assignee, execute assignments of any future leases or subleases affecting any part of the Mortgaged Property, although such assignments shall not be necessary to perfect the assignment of such future leases or subleases.

This Assignment is made to secure performance by the Assignor of all obligations to be performed by it under the Loan Agreement as the same may be amended from time to time, and under the Assignor's \$42,500,000 promissory note (the "Note") payable to the Assignee and issued pursuant to the Loan Agreement, which Loan Agreement and Note secure the payment of the principal of, premium, if any, and interest on the \$42,500,000 Mississippi Business Finance Corporation Taxable Industrial Development Revenue Bonds, Series 1999 (Hewson/DeSoto Partners, L.L.C. Project) dated November 15, 1999 (the "Series 1999 Bonds"), issued by the Assignee pursuant to the Trust Indenture dated as of November 15, 1999 (the "Indenture"), between the Assignee and First Tennessee Bank National Association, as trustee (the "Trustee") (the Loan Agreement, the Note, the Lease, the Indenture, the Series 1999 Bonds and all related documents being hereinafter sometimes referred to as the "Bond Documents"); together with all attorney's fees, court costs and expenses of whatever kind incident to the collection of all sums due from the Assignor thereunder and the enforcement and protection of the lien of this conveyance. This

Assignment is intended to be an absolute assignment, subject only to certain reimbursement and indemnity rights retained by the Assignor.

Anything herein to the contrary notwithstanding, the Assignor hereby assigns to the Assignee any award made hereafter to it in any court proceedings involving any lessee or sublessee in any bankruptcy, insolvency, or reorganization proceedings in any state or federal court, and any and all payments made by lessees or sublessees in lieu of rent. The Assignor hereby appoints the Assignee as its irrevocable attorney in fact to appear in any action and/or to collect any such award or payment.

The Assignor, upon the occurrence of an Event of Default hereunder or under any of the Bond Documents, hereby authorizes the Assignee, at its sole option, to enter and take possession of the Mortgaged Property and to manage and operate the same, to collect all or any rents accruing therefrom, and, subject to the terms of (i) that certain Tenant Estoppel, Subordination, Non-Disturbance and Attornment Agreement dated as of November 15, 1999 (the "Non-Disturbance Agreement"), among the Assignor, the Assignee, the Company and the Trustee, and (ii) that certain Multi-Party Agreement dated as of November 15, 1999 (the "Multi-Party Agreement"), among the Assignor, Hewson Properties, Inc., Gary J. Hewson, the Lessee, Williams-Sonoma, the Assignee, the Trustee, H & M Design Services, P.C. and H & M Construction Co., Inc., (a) to let or re-let said premises or any part thereof, (b) to cancel and modify leases and subleases, including the Lease, (c) to evict tenants, (d) to bring or defend any suits in connection with the possession of the Mortgaged Property as is appropriate, and (e) to perform such other acts in connection with the management and operation of the Mortgaged Property as the Assignee, in its sole discretion, may deem proper. The Assignee may, at its election, employ agents and independent contractors in connection with the exercise of the Assignee's rights granted above.

Upon the occurrence of any such Event of Default under the Bond Documents, the Assignee shall have the right (in addition to all other rights and remedies) to the appointment of a receiver to collect the rents and profits from the Mortgaged Property, without consideration of the value of the Mortgaged Property and improvements, or the solvency of any person liable for the payment or amounts then owing; and all amounts collected by the receiver shall, after expenses of the receivership, be applied to the payment of the obligations secured hereby, and the interest thereon.

The receipt by the Assignee of any rents, issues or profits or payments under the Lease Guaranty pursuant to this Assignment after the institution of foreclosure proceedings under the Bond Documents shall not cure the default resulting in such proceedings nor affect such proceedings or any sale pursuant thereto.

By this Assignment alone, the Assignee shall not be obligated to perform or discharge any obligations or duty to be performed or discharged by the Assignor under the Lease, and this Assignment shall not place responsibility for the control, care, management or repair of the Mortgaged Property upon the Assignee, or make the Assignee responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Mortgaged Property resulting in loss or injury or death to any tenant, licensee, employee or stranger.

The Assignor covenants and represents that it has full right and title to assign the Lease Guaranty and the payments due thereunder and to assign the Lease and the rents, income and profits due or to become due thereunder, that the terms of the Lease and the Lease Guaranty have not been changed from the terms in the copies submitted to the Assignee for approval, that no other assignment of any interest therein has been made (except as contemplated in the Bond Documents), that there are no existing defaults under the provisions thereof, that the Assignor will maintain the Lease in full force and effect throughout its term, and that the Assignor will not hereafter cancel, surrender or terminate the Lease, exercise any option which might lead to such termination, or change, alter it or modify it in any way, consent to the release of the Lessee's interest in it, or enter into any new lease or sublease affecting the Mortgaged Property without the prior written consent of the Assignee. All subsequent leases or subleases, and any amendments to the Lease and the Lease Guaranty, shall be submitted by the Assignor to the Assignee for the Assignee's review and approval except when such review and approval is not required under the terms of the Indenture.

Assignor hereby authorizes the Assignee to give notice in writing of this Assignment at any time to any lessee or sublessee under any of said leases or subleases. Payment to the Assignee of rents or other proceeds due under the Lease or any sublease shall constitute full acquittance to the party making payment for the amount of such payment.

Violation of any of the covenants, representations and provisions contained herein by the Assignor shall be deemed an Event of Default under the terms of the Bond Documents. Likewise, any of the Events of Default described in said Bond Documents shall also be and constitute an Event of Default hereunder.

Default by the Assignor under any of the terms of the Lease assigned herein shall be deemed a default under the terms of the Bond Documents and this Assignment. Any expenditures (including reasonable attorneys' fees) made by the Assignee in curing such a default on the Assignor's behalf, with interest thereon at ten percent (10%) per annum shall become part of the debt secured by these presents.

The full payment of the Series 1999 Bonds and the duly recorded release of the Indenture and the Deed of Trust (as defined in the Loan Agreement) shall render this Assignment void.

The net proceeds collected by the Assignee under the terms of this instrument shall be applied to reduction of the obligations of the Assignor to it from time to time outstanding and secured by the Bond Documents.

The Assignee may, at its option, exercise its remedies under the Indenture, the Loan Agreement, the Series 1999 Bonds and the Deed of Trust, either concurrently or independently, and in such order as the Assignee may determine. All rights, remedies and recourse therein or otherwise provided by law or in equity (a) shall be cumulative, concurrent, and nonexclusive, (b) may be pursued separately, successively or concurrently against the Assignor or others obligated for the obligations secured thereby, or any part thereof or against any one or more of them, or against the real or personal property encumbered thereby, at the sole discretion of the Assignee, and (c) may be

exercised as often as occasion therefor shall arise, it being agreed by the Assignor that the exercise of or failure to exercise any of same shall in no event be construed as a waiver or release thereof or of any other right, remedy or recourse.

This Assignment applies to and binds the parties hereto and their respective heirs, administrators, executors, successors and assigns, as well as any subsequent owner of the Mortgaged Property and any assignee of the Bond Documents referred to herein.

[REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the Assignor has caused this instrument to be executed by its duly authorized officer as of the date first above written.

HEWSON/DESOTO PARTNERS, L.L.C.

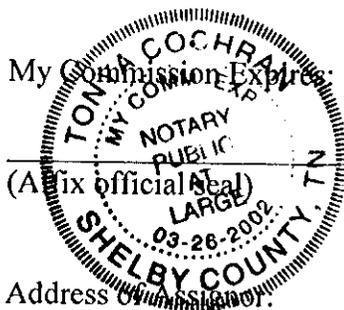
By: Hewson Properties, Inc.,
Its Manager

By: Robert Myers
Title: ROBERT MYERS, VP/CFO

STATE OF TENNESSEE
COUNTY OF SHELBY

On this 21st day of December, 1999, personally appeared before me, a notary public in and for the above jurisdiction, Robert Myers, who acknowledged himself to be the Vice-President of Hewson Properties, Inc., a California corporation, which corporation is the manager of HEWSON/DESOTO PARTNERS, L.L.C., an Arizona limited liability company (the "Assignor"), and that for and on behalf of said corporation and as its act and deed as manager of the Assignor and for and on behalf of the Assignor and as its act and deed, he executed the foregoing instrument, after first having been duly authorized so to do.

Janya S. Cochran
Notary Public



Address of Assignor:

Hewson/DeSoto Partners, L.L.C.
c/o Hewson Properties, Inc.
4636 East University Drive, Suite 265
Phoenix, Arizona 85034
Phone: (480) 829-1773

Address of Assignee:

Mississippi Business Finance Corporation
1300 Walter Sillers Building
505 High Street
Jackson, Mississippi 39201
Phone: (601) 359-3047

EXHIBIT "A"

Description of the Mortgaged Property

TRACT I:

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.

TRACT II:

The rights benefitting and burdening the foregoing Tract I created by (a) the Reciprocal Storm Water Detention and Drainage Agreement recorded on December 11, 1998, at 2:57 p.m. in Book 79, Page 486, of the Chancery Clerk's Office, DeSoto County, Mississippi, and re-recorded on January 21, 1999, at 4:14 p.m. in Book 80, Page 182 in said Chancery Clerk's Office, and (b) the Reciprocal Connector Easement recorded on December 11, 1998, at 3:00 p.m. in Book 079, Page 511, of the Chancery Clerk's Office, DeSoto County, Mississippi.