

This instrument prepared by:
Robert C. Liddon
Baker, Donelson, Bearman & Caldwell, P.C.
165 Madison Avenue, Suite 2000
Memphis, Tennessee 38103

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 LEASE AGREEMENT AND LEASE GUARANTY

This ASSIGNMENT OF LEASE AGREEMENT AND LEASE GUARANTY (the "Assignment"), dated as of December 21, 1999, but effective as of the date of issuance and delivery of the Series 1999 Bonds (as hereinafter defined) (the "Closing Date"), made and entered into by and between HEWSON/DESOTO PARTNERS, L.L.C. (the "Assignor"), an Arizona limited liability company, HEWSON/PHASE II PARTNERS, L.L.C. (the "Assignee"), an Arizona limited liability company, WILLIAMS-SONOMA RETAIL SERVICES, INC. (the "Lessee"), a California corporation, WILLIAMS-SONOMA, INC. (the "Lease Guarantor"), a California corporation, the MISSISSIPPI BUSINESS FINANCE CORPORATION (the "Issuer"), a public corporation of the State of Mississippi, and FIRST TENNESSEE BANK NATIONAL ASSOCIATION, as Trustee (the "Trustee"), a national banking association.

WITNESSETH:

RECITALS

WHEREAS, the Assignor entered into that certain Lease Agreement (the "Lease Agreement") dated as of November 15, 1999 by and between Assignor, as lessor, and the Lessee for the lease of a certain parcel of land located in DeSoto County, Mississippi, described in Exhibit "A," attached hereto and incorporated herein by reference, together with all easements and appurtenances thereto and together with the building and on-site and off-site improvements, all as defined in the Lease Agreement as the "Project";

WHEREAS, the Project is to be financed through the issuance of \$42,500,000 Taxable Industrial Development Revenue Bonds, Series 1999 (Hewson/DeSoto Partners, L.L.C. Project) (the "Series 1999 Bonds") by the Issuer, pursuant to the Trust Indenture ("Indenture") dated as of November 15, 1999 executed by and between the Issuer and the Trustee, the proceeds of which will be loaned to Assignor pursuant to a Loan Agreement dated as of November 15, 1999 by and between the Issuer and Assignor (the "Loan Agreement");

WHEREAS, the Series 1999 Bonds are secured by a deed of trust (the "Deed of Trust") dated as of November 15, 1999, executed by Assignor for the benefit of the Issuer and by an Assignment of Rents, Leases and Profits executed by the Assignor in favor of the Issuer and dated as of November 15, 1999 (the "Assignment of Rents"), which have been assigned by the Issuer to the Trustee pursuant to the Indenture;

WHEREAS, Assignor, Lessee, Issuer and Trustee have also entered into a Tenant Estoppel, Subordination, Non-Disturbance and Attornment Agreement (the "Non-Disturbance Agreement") dated as of November 15, 1999 which sets out various rights as between Lessee and Trustee;

WHEREAS, in order to induce the Assignor to enter into the Lease Agreement, the Lease Guarantor executed a Lease Guaranty dated as of November 15, 1999 (the "Lease Guaranty") pursuant to which the Lease Guarantor guaranteed unto the Assignor the payment and performance of all of the Basic Rent, Additional Rent (as such terms are defined in the Lease Agreement) and other sums or charges which may ever become due and payable by Lessee under the Lease Agreement, including, without limitation, rent that becomes due and payable by reason of the exercise of any power to accelerate granted to Assignor under the Lease Agreement (collectively, the "Rents"), any damages or other sums that become payable on account of any default by Lessee under the Lease Agreement, the Company Payments (as defined in the Lease Agreement) due Assignor thereunder, and all of the other obligations, liabilities and duties of Lessee under the Lease Agreement;

WHEREAS, as security for Assignor's obligations under the Loan Agreement and as additional security for the Series 1999 Bonds, Assignor has assigned its interests under the Lease Guaranty (except for the Lease Guarantor's guaranty of the Lessee's obligation to make Company Payments) to the Issuer pursuant to the Assignment of Rents, and the Issuer's interest under the Assignment of Rents has been assigned to the Trustee pursuant to the Indenture;

WHEREAS, the Non-Disturbance Agreement, Loan Agreement, Indenture, Lease Agreement, Lease Guaranty, Deed of Trust, and Assignment of Rents are dated as of November 15, 1999, but will actually be executed and delivered on the Closing Date; and

WHEREAS, in order to carry out an assignment of all of the Assignor's interest in the Project to the Assignee effective as of the Closing Date immediately after the issuance and delivery of the Series 1999 Bonds, the Assignor has conveyed full title to and all of its interests in the Project to the Assignee pursuant to that certain warranty deed dated the Closing Date (the "Warranty Deed").

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) paid by the Assignee and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignor hereby absolutely and unconditionally conveys, 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 the Lease Agreement, in all future leases and subleases now existing or hereinafter made and affecting the Project or any part thereof ("Future Leases"), and in the Lease Guaranty.
2. Assignee hereby absolutely and unconditionally accepts the aforesaid assignment of the preceding paragraph 1 and absolutely and unconditionally assumes all the obligations and liabilities that the Assignor, as lessor under the Lease Agreement, has or may have in the Lease Agreement, any Future Leases, and the Lease Guaranty.
3. Lessee hereby absolutely and unconditionally releases the Assignor from any obligation or liability under the Lease Agreement, and the Lessee hereby agrees that the Assignee will be substituted in the place of the Assignor in the Lease Agreement as completely as if the Lease Agreement had been originally executed solely by the Assignee.

4. The Trustee, Issuer and Lease Guarantor join into this Assignment for the purpose of consenting to the terms and provisions hereof, and by their signatures do hereby consent to this Assignment. The Trustee, Issuer and Lease Guarantor, by their signatures, waive any rights to contest this Assignment of the Lease Agreement and Lease Guaranty.

5. This Agreement shall be governed and construed in accordance with the laws of the State of Mississippi.

6. All the covenants, promises and agreements in this Assignment contained by or on behalf of the parties shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

7. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

8. Notices to the Assignee pertaining to the Lease or the Lease Guaranty should be sent to the Assignee at the following address:

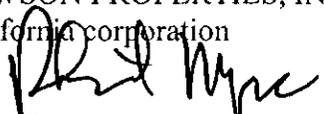
Hewson/Phase II Partners, L.L.C.
% Hewson Properties, Inc.
4636 East University Drive, Suite 265
Phoenix, Arizona 85034
Attn: Gary Hewson

* * * * *

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers or members to execute this Assignment as of the day and year first above written.

**HEWSON/DESOTO PARTNERS,
L.L.C., an Arizona limited liability
company**

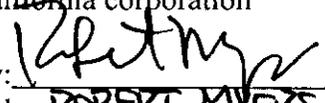
BY: HEWSON PROPERTIES, INC., a
California corporation

By: 
Title: ROBERT MYERS, VP/CFO

ASSIGNOR

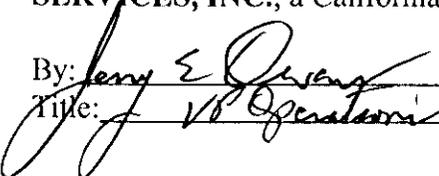
**HEWSON/PHASE II PARTNERS,
L.L.C., an Arizona limited liability
company**

BY: HEWSON PROPERTIES, INC., a
California corporation

By: 
Title: ROBERT MYERS, VP/CFO

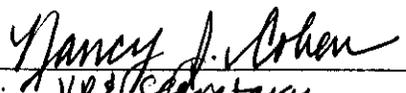
ASSIGNEE

**WILLIAMS-SONOMA RETAIL
SERVICES, INC., a California corporation**

By: 
Title: VP Operations

LESSEE

**WILLIAMS-SONOMA, INC., a California
corporation**

By: 
Title: VP Secretary

LEASE GUARANTOR

[SIGNATURE PAGE CONTINUED]

ATTEST:

[Handwritten Signature]



MISSISSIPPI BUSINESS FINANCE CORPORATION, a public corporation of the State of Mississippi

By: *[Handwritten Signature]*
Executive Director

ISSUER

FIRST TENNESSEE BANK NATIONAL ASSOCIATION, as trustee

By: *[Handwritten Signature]*
Vice President

TRUSTEE

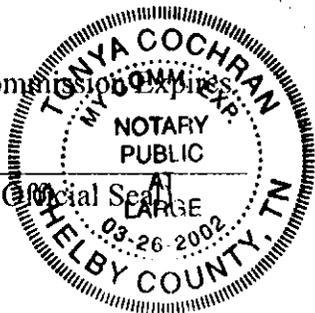
STATE OF TENNESSEE
COUNTY OF SHELBY

On this 21 day of December, 1999, personally appeared before me, a notary public in and for the above jurisdiction, Robert Myers, who acknowledged himself to be VP/CFO 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.

Tonya S. Cochran
Notary Public

My Commission Expires

(Affix Official Seal)



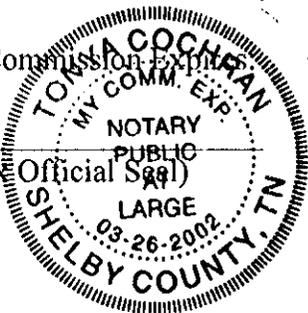
STATE OF TENNESSEE
COUNTY OF SHELBY

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

Tonya S. Cochran
Notary Public

My Commission Expires

(Affix Official Seal)

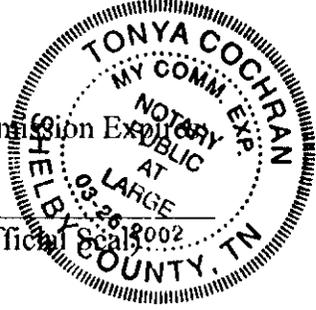


STATE OF TENNESSEE
COUNTY OF SHELBY

On this 21 day of December, 1999, personally appeared before me, a notary public in and for the above jurisdiction, Jerry E. Owens, who acknowledged that he is VP Operations of WILLIAMS-SONOMA, INC. (the "Lease Guarantor"), a California corporation, and that for and on behalf of said corporation and as its act and deed, he executed the above and foregoing instrument after first having been duly authorized so to do.

Tonya S. Cochran
Notary Public

My Commission Expires:



(Affix Official Seal)

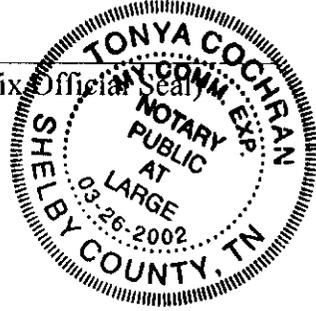
STATE OF TENNESSEE
COUNTY OF SHELBY

On this 21 day of December, 1999, personally appeared before me, a notary public in and for the above jurisdiction, Jerry E. Owens, who acknowledged that he is VP Operations of WILLIAMS-SONOMA RETAIL SERVICES, INC. (the "Lessee"), a California corporation, and that for and on behalf of said corporation and as its act and deed, he executed the above and foregoing instrument after first having been duly authorized so to do.

Tonya S. Cochran
Notary Public

My Commission Expires:

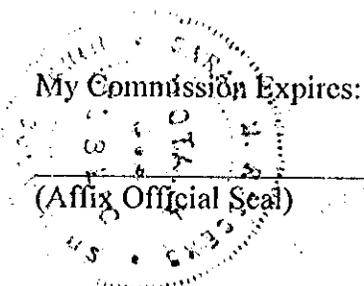
(Affix Official Seal)



STATE OF MISSISSIPPI
COUNTY OF HINDS

On this 17th day of December, 1999, personally appeared before me, a notary public in and for the above jurisdiction, **WILLIAM T. BARRY** and **JAMES VERNON SMITH, SR.**, who acknowledged that they are the Executive Director and Secretary of the **MISSISSIPPI BUSINESS FINANCE CORPORATION** (the "Issuer"), a public corporation of the State of Mississippi, and that they executed, sealed and delivered the above and foregoing instrument for and on behalf of the Issuer after first having been duly authorized by the Issuer so to do.

Sarah Rodgers (Dudson)
Notary Public

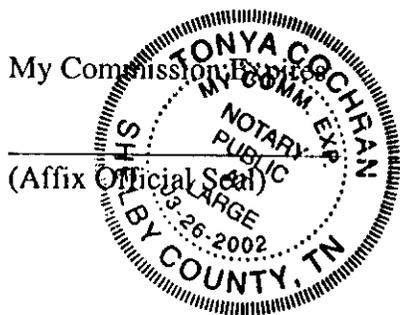


NOTARY PUBLIC STATE OF MISSISSIPPI AT LARGE.
MY COMMISSION EXPIRES: Feb. 6, 2002.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

STATE OF TENNESSEE
COUNTY OF SHELBY

On this 21 day of December, 1999, personally appeared before me, a notary public in and for the above jurisdiction, **DENNIS D. GILLESPIE**, who acknowledged that he is a Vice President of **FIRST TENNESSEE BANK NATIONAL ASSOCIATION** (the "Trustee"), a national banking association, and that for and on behalf of the Trustee and as its act and deed, he executed the above and foregoing instrument after first having been duly authorized by the Trustee so to do.

Tonya S. Cochran
Notary Public



STATE MS. - DESOTO CO.
FILED

DEC 22 2 55 PM '99

BK 83 PG 711A
W.F. DAVIS CH. CLK.

EXHIBIT "A"

Description of the Site

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.