

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 58 PM '99

BK 83 PG 730
W.F. DAVIS 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 TENANT ESTOPPEL, SUBORDINATION,
NON-DISTURBANCE AND ATTORNMENT AGREEMENT**

This **ASSIGNMENT OF TENANT ESTOPPEL, SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT** (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"), is 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"), the **MISSISSIPPI BUSINESS FINANCE CORPORATION** (the "Issuer"), a public corporation of the State of Mississippi, and **FIRST TENNESSEE BANK NATIONAL ASSOCIATION**, a national banking association, as trustee under the hereinafter defined Indenture (the "Trustee").

WITNESSETH:

WHEREAS, the Assignor has entered into that certain Loan Agreement dated as of November 15, 1999 (the "Loan Agreement"), between the Issuer, as lender, and the Assignor, as borrower, to finance the acquisition and construction of a distribution facility (the "Building") to be located on a certain parcel of land in DeSoto County, Mississippi, described in Exhibit "A" attached hereto and incorporated herein by reference (the "Site," and together with all easements and appurtenances thereto and together with the Building, the "Project"); and

WHEREAS, the Project is being financed with the proceeds of \$42,500,000 Mississippi Business Finance Corporation Taxable Industrial Development Revenue Bonds, Series 1999 (Hewson/DeSoto Partners, L.L.C. Project) dated as of November 15, 1999 (the "Series 1999 Bonds"), being issued by the Issuer pursuant to that certain Trust Indenture dated as of November 15, 1999 (the "Indenture"), between the Issuer and the Trustee; and

WHEREAS, the proceeds of the Series 1999 Bonds are being loaned to the Assignor pursuant to the Loan Agreement, and the Assignor's indebtedness to the Issuer under the Loan Agreement is being evidenced by its \$42,500,000 Promissory Note dated as of November 15, 1999 (the "Note"); and

WHEREAS, the Assignor is leasing the Project to the Lessee pursuant to a Lease Agreement dated as of November 15, 1999 (the "Lease"), and certain rental payments due from the Lessee under

the Lease ("Basic Rent") shall be paid directly to the Trustee to provide for the payment of the principal of, premium, if any, and interest on the Series 1999 Bonds; and

WHEREAS, the Lessee's obligations under the Lease, including but not limited to its obligation to pay Basic Rent, are being guaranteed by Williams-Sonoma, Inc. (the "Lease Guarantor"), a California corporation which is the parent corporation of the Lessee, pursuant to a Lease Guaranty dated as of November 15, 1999 (the "Lease Guaranty"); and

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

WHEREAS, pursuant to the Assignment of Rents, the Assignor has assigned its rights under the Lease Guaranty (except the right receive Company Payments, as defined in the Lease) to the Issuer, and the Issuer has assigned such rights under the Lease Guaranty to the Trustee pursuant to the Indenture; and

WHEREAS, the interests of the Assignor and the Lessee in the Project are further subject to a Tenant Estoppel, Subordination, Non-Disturbance and Attornment Agreement dated as of November 15, 1999 (the "Non-Disturbance Agreement," and together with the Loan Agreement, the Note, the Indenture, the Lease, the Lease Guaranty, the Deed of Trust and the Assignment of Rents, the "Bond Documents"), among the Assignor, the Lessee, the Issuer and the Trustee; and

WHEREAS, the Bond Documents 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"); and

WHEREAS, in conjunction with such assignment by the Assignor to the Assignee, it is necessary for the Assignor to assign to the Assignee all of its rights and obligations under the Non-Disturbance Agreement.

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. The Assignor hereby absolutely and unconditionally conveys, transfers and assigns unto the Assignee, its successors and assigns, all the rights, interests, privileges, duties and obligations that the Assignor has and may have in the Non-Disturbance Agreement and in any amendment to the Non-Disturbance Agreement or future non-disturbance and attornment agreements hereinafter executed and affecting the Project or any part thereof ("Future Non-Disturbance Agreements").

2. The 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 has or may have in the Non-Disturbance Agreement and any Future Non-Disturbance Agreements.

3. The Issuer, the Trustee and the Lessee hereby absolutely and unconditionally release the Assignor from any obligation or liability under the Non-Disturbance Agreement, and the Issuer, the Trustee and the Lessee hereby agree that the Assignee will be substituted in the place of the Assignor in the Non-Disturbance Agreement as completely as if the Non-Disturbance Agreement had been originally executed solely by the Assignee.

4. Notices to the Assignee pertaining to the Non-Disturbance Agreement should be sent to the Assignee at the following address:

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

5. This Assignment 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.

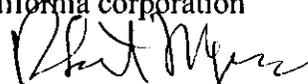
7. This Assignment may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY]

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

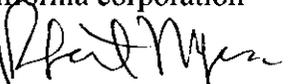
BY: HEWSON PROPERTIES, INC.,
a California corporation

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

[SIGNATURE PAGE OF ASSIGNMENT OF NON-DISTURBANCE AGREEMENT]

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

By: *James J. Owens*
Title: *VP Operations*

LESSEE

[SIGNATURE PAGE OF ASSIGNMENT OF NON-DISTURBANCE AGREEMENT]

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

By: *[Signature]*
Executive Director

ATTEST:

[Signature]
Secretary



ISSUER

[SIGNATURE PAGE OF ASSIGNMENT OF NON-DISTURBANCE AGREEMENT]

**FIRST TENNESSEE BANK NATIONAL
ASSOCIATION, as trustee**

By: *James A. Sullivan*
Vice President

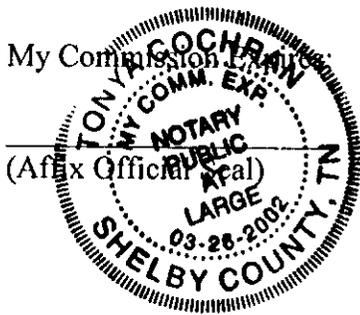
TRUSTEE

[SIGNATURE PAGE OF ASSIGNMENT OF NON-DISTURBANCE AGREEMENT]

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 the VP/CEO 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 Assignment of Tenant Estoppel, Subordination, Non-Disturbance and Attornment Agreement, after first having been duly authorized so to do.

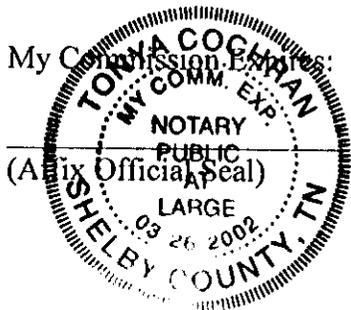
Tonya S. Cochran
Notary Public



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 the VP/CEO 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 Assignment of Tenant Estoppel, Subordination, Non-Disturbance and Attornment Agreement, after first having been duly authorized so to do.

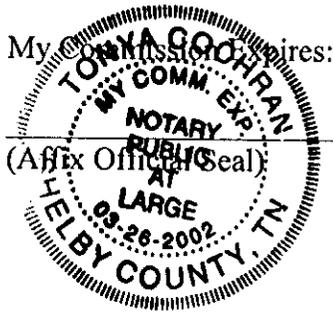
Tonya S. Cochran
Notary Public



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 himself to be the VP Operations of WILLIAMS-SONOMA RETAIL SERVICES, INC., a California corporation, and that for and on behalf of said corporation and as its act and deed, he executed the foregoing Assignment of Tenant Estoppel, Subordination, Non-Disturbance and Attornment Agreement, after first having been duly authorized by said corporation so to do.

Tonya S. Cochran
Notary Public



STATE OF MISSISSIPPI
COUNTY OF HINDS

On this 12th 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 Assignment of Tenant Estoppel, Subordination, Non-Disturbance and Attornment Agreement for and on behalf of the Issuer after first having been duly authorized by the Issuer so to do.

Sarah Rodgers (Wodson)
Notary Public

My Commission Expires:

(Affix Official Seal)



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

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.