

THIS INSTRUMENT PREPARED BY:

Robert C. Liddon, Attorney
 Baker, Donelson, Bearman & Caldwell, P.C.
 165 Madison Avenue, Suite 2000
 Memphis, TN 38103
 901.526.2000

STATE MS.-DESOTO CO.

FILED

93 MAY 29 3 31 PM '03

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

BK 98 PG 703
 W.E. DAVIS CH. CLK.

ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT
AND ASSUMPTION OF LEASE GUARANTY

(Phase II)

This ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT AND ASSUMPTION OF LEASE GUARANTY (the "Assignment"), dated as of May 14, 2003 (the "Closing Date"), made and entered into by and among HEWSON/PHASE II PARTNERS, L.L.C. (the "Assignor"), an Arizona limited liability company, SPI WS II - LLC (the "Assignee"), a Mississippi limited liability company, and SPI MANAGEMENT, INC., a California corporation ("SPI").

WITNESSETH:

WHEREAS, 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 (the "Project"), is the subject of that certain Lease Agreement (the "Lease Agreement") dated as of November 15, 1999 by and between Hewson/DeSoto Partners, L.L.C. ("Original Lessor") and Williams-Sonoma Retail Services, Inc. ("Lessee");

WHEREAS, Original Lessor assigned its rights as lessor of the Project to Assignor pursuant to that certain Assignment of Lease Agreement and Lease Guaranty dated as of December 21, 1999 among Original Lessor, Assignor, Lessee and other parties named therein;

WHEREAS, the Project was 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 Mississippi Business Finance Corporation ("Issuer"), pursuant to the Trust Indenture ("Indenture") dated as of November 15, 1999, by and between the Issuer and First Tennessee Bank National Association as original trustee, subsequently succeeded by J.P. Morgan Trust Company, National Association (the "Trustee");

WHEREAS, the Series 1999 Bonds are secured by, among other things, an Assignment of Rents, Leases and Profits executed by the Original Lessor in favor of the Issuer and dated as of November 15, 1999 (the "Assignment of Rents"), which has been assigned by the Issuer to the Trustee pursuant to the Indenture;

WHEREAS, Assignor has entered into an agreement to sell the Project to Assignee;

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, the Assignor has conveyed full title to and all of its interests in the Project to the Assignee pursuant to that certain special warranty deed dated the Closing Date; and

WHEREAS, Hewson Properties, Inc., a California corporation (the "Corporate Guarantor"), and Gary J. Hewson, an adult individual residing in the State of Arizona (the "Individual Guarantor," and together with the Corporate Guarantor, the "Guarantors"), entered into a Guaranty Agreement dated as of November 15, 1999 (the "Guaranty Agreement"), guaranteeing performance by the Lessor of its obligations under the Lease Agreement, for the benefit of Lessee and Williams-Sonoma, Inc.;

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").

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 arise on and after the Closing Date and that the Assignor, as lessor under the Lease Agreement, has or may have in the Lease Agreement and any Future Leases. SPI absolutely and unconditionally assumes all of the obligations and liabilities that arise on and after the Closing Date and that the Guarantors have under the Guaranty Agreement.

3. Assignor also absolutely and unconditionally conveys, transfers and assigns to Assignee, its successors and assigns all of its right, title and interest in and to that certain Lease Guaranty dated December 22, 1999, from Williams-Sonoma, Inc. as guarantor for the benefit of Assignor.

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

5. 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.

6. 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.

7. Notices to the Assignee pertaining to the Lease should be sent to the Assignee at the following address:

550 California Street, Suite 600
Sacramento Street Tower
San Francisco, CA 94104
Attn: Mr. Dennis J. Wong

with a copy to

4229 Cochran Chapel Road
Dallas, TX 75209
Attn: Mr. Richard D. Squires

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

By: Robert Myers
Robert Myers, Manager

ASSIGNOR

SPI WS II LLC,
a Mississippi limited liability company

By: _____
Title: _____

ASSIGNEE

SPI MANAGEMENT, INC.,
a California corporation

By: _____
Title: _____

7. Notices to the Assignee pertaining to the Lease should be sent to the Assignee at the following address:

550 California Street, Suite 600
Sacramento Street Tower
San Francisco, CA 94104
Attn: Mr. Dennis J. Wong

with a copy to

4229 Cochran Chapel Road
Dallas, TX 75209
Attn: Mr. Richard D. Squires

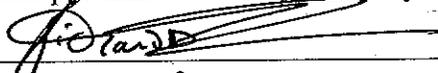
IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers or members to execute this Assignment as of the day and year first above written.

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

By: _____
Robert Myers, Manager

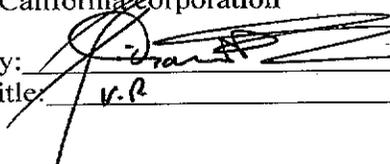
ASSIGNOR

^{est}
SPI WS II, LLC,
a Mississippi limited liability company

By: 
Title: MANAGER

ASSIGNEE

SPI MANAGEMENT, INC.,
a California corporation

By: 
Title: V.R.

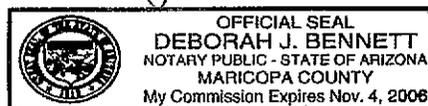
STATE OF Arizona
COUNTY OF Maricopa

On this 8th day of May, 2003, personally appeared before me, a notary public in and for the above jurisdiction, **ROBERT MYERS**, who acknowledged himself to be Manager of **HEWSON/PHASE II PARTNERS, L.L.C.**, an Arizona limited liability company (the "Assignor"), and that 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.

Deborah J. Bennett
Notary Public

My Commission Expires:

November 4, 2006
(Affix Official Seal)



STATE OF _____
COUNTY OF _____

On this ___ day of May, 2003, personally appeared before me, a notary public in and for the above jurisdiction, _____, who acknowledged ___self to be _____ of **SPI WS II LLC**, a Mississippi limited liability company (the "Assignee"), and that 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.

Notary Public

My Commission Expires:

(Affix Official Seal)

STATE OF _____
COUNTY OF _____

On this ___ day of May, 2003, personally appeared before me, a notary public in and for the above jurisdiction, _____, who acknowledged ___self to be _____ of **SPI MANAGEMENT, INC.**, a California corporation (the "Assignee"), and that 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.

Notary Public

My Commission Expires:

(Affix Official Seal)

STATE OF _____
 COUNTY OF _____

On this ___ day of May, 2003, personally appeared before me, a notary public in and for the above jurisdiction, **ROBERT MYERS**, who acknowledged himself to be Manager of **HEWSON/PHASE II PARTNERS, L.L.C.**, an Arizona limited liability company (the "Assignor"), and that 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.

 Notary Public

My Commission Expires:

 (Affix Official Seal)

STATE OF Texas
 COUNTY OF Dallas

On this 12th day of May, 2003, personally appeared before me, a notary public in and for the above jurisdiction, Richard D. Squires, who acknowledged himself to be Manager of SPI WS II, LLC, a Mississippi limited liability company (the "Assignee"), and that 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.

Consuelo Lopez
 Notary Public

My Commission Expires:

Sept. 30, 2003
 (Affix Official Seal)



STATE OF Texas
 COUNTY OF Dallas

On this 12th day of May, 2003, personally appeared before me, a notary public in and for the above jurisdiction, Richard D. Squires, who acknowledged himself to be VP of SPI MANAGEMENT, INC., a California corporation (the "Assignee"), and that 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.

Consuelo Lopez
 Notary Public

My Commission Expires:

Sept. 30, 2003
 (Affix Official Seal)

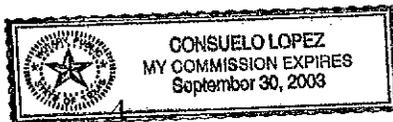


EXHIBIT "A"

Description of the Site

TRACT I:

Located in DeSoto County, Mississippi:

Being a survey of a 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, more or less.

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 2:56 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.

After Recording, Return To:
Holcomb Dunbar, P.A.
P.O. Box 190
Southaven, MS 38671
602.349.0664

File No. 902-186 Initials SDH

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