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DK P BK 145 PG 64
DESOTO COUNTY, MS
W.E. DAVIS, CH CLERK

Prepared By:

Norman M. Orr
Burr & Forman LLP
420 North 20th Street, Suite 3400
Birmingham, AL 35203
Telephone Number (205) 458-5142
Mississippi Bar Number 99218

Upon Recording Return To:

Return To: First American Title Insurance Company
2001 Airport Road, Suite 301, Flowood, MS 39232
601-366-1222
~~Telephone Number (415) 291-7400~~
Loan No. 706 108 536

TO THE CHANCERY CLERK OF DESOTO COUNTY, MISSISSIPPI:

The real property described herein is all of Lot 1, Southaven Distribution Center Subdivision, *SW 1/4* of Section 18, Township 1, Range 7 West, Southaven, County of DeSoto, Mississippi. *PB 95 Pg 37*

**ASSIGNMENT OF LEASES AND RENTS
(Mississippi)**

BORROWER: PANCAL SOUTHAVEN ONE 127 LLC
c/o PanCal Portfolio, LLC
8775 Folsom Blvd., Suite 200
Sacramento, California 95826
Telephone Number: (303) 846-5807

LENDER: THE PRUDENTIAL INSURANCE COMPANY OF AMERICA
c/o Prudential Asset Resources, Inc.
2100 Ross Avenue, Suite 2500
Dallas, Texas 75201
Attention: Asset Management Department –
Reference Loan No. 706 108 536
Telephone Number: (214) 777-4500

Prudential Loan No. 706 108 536
PanCal Industrial Portfolio (Property 23 – 330-366 Stateline Road)
Assignment of Leases and Rents
300255275.4

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS (this "**Assignment**") is made as of the 31 day of May, 2011, by PANCAL SOUTHHAVEN ONE 127 LLC, a Delaware limited liability company having its principal place of business at c/o PanCal Portfolio, LLC, 8775 Folsom Blvd., Suite 200, Sacramento, California 95826 ("**Borrower**"), to THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey corporation, having an office at 2100 Ross Avenue, Suite 2500, Dallas, Texas 75201 ("**Lender**").

RECITALS:

A. Borrower is the sole owner and holder of (a) the premises described in Exhibit A attached hereto and incorporated herein ("**Property**") and (b) the landlord's interest under the Leases (as defined in the Instrument [defined below]), including, without limitation, the leases described in Exhibit B attached hereto and incorporated herein (the "**Specific Leases**");

B. Lender has made a loan to Borrower, PANCAL ONTARIO PHASE TWO 255 LLC, a Delaware limited liability company, PANCAL ONTARIO MILLS 96 LLC, a Delaware limited liability company, PANCAL AIRPORT DRIVE 89 LLC, a Delaware limited liability company, PANCAL AIRPORT C 248 LLC, a Delaware limited liability company, PANCAL ROCHESTER 98 LLC, a Delaware limited liability company, PANCAL PROFORMA 256 LLC, a Delaware limited liability company, PANCAL ARCHIBALD 90 LLC, a Delaware limited liability company, PANCAL HAVEN B 251 LLC, a Delaware limited liability company, PANCAL BELMONT 102 LLC, a Delaware limited liability company, PANCAL SYCAMORE CREEK 258 LLC, a Delaware limited liability company, PANCAL BAKE PHASE ONE 100 LLC, a Delaware limited liability company, PANCAL BAKE PHASE TWO 101 LLC, a Delaware limited liability company, PANCAL STOCKTON 22 LLC, a Delaware limited liability company, PANCAL LOGISTICS C 14 LLC, a Delaware limited liability company, PANCAL LOGISTICS D 15 LLC, a Delaware limited liability company, PANCAL FERMI 229 LLC, a Delaware limited liability company, PANCAL 300 SOUTHPORT 20 LLC, a Delaware limited liability company, PANCAL 200 LEAR 301 LLC, a Delaware limited liability company, PANCAL 390 LEAR 195 LLC, a Delaware limited liability company, PANCAL 400 LEAR 190 LLC, a Delaware limited liability company, PANCAL 429 LEAR 191 LLC, a Delaware limited liability company, PANCAL SOUTHHAVEN TWO 128 LLC, a Delaware limited liability company, PANCAL AIRTEX 244 LLC, a Delaware limited liability company, PANCAL GOODSON 5 LLC, a Delaware limited liability company, PANCAL ELAM 142 LLC, a Delaware limited liability company, PANCAL COMMERCE 140 LLC, a Delaware limited liability company, PANCAL DRY CREEK 239 LLC, a Delaware limited liability company, PANCAL TAMPA 66 LLC, a Delaware limited liability company, PANCAL CIVIC CENTER 117 LLC, a Delaware limited liability company, PANCAL NORTHLAKE 50 LLC, a Delaware limited liability company and PANCAL SUMNER 211 LLC, a Delaware limited liability company (collectively, "**PanCal Borrowers**") in the principal sum of Two Hundred Thirty Million Dollars (\$230,000,000) (the "**Loan**") evidenced by that certain Promissory Note dated as of the date hereof (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Note**") and secured by, among other things, that certain Deed of

Trust and Security Agreement made by Borrower for the benefit of the Lender dated as of the date hereof (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Instrument**"). The Loan is governed by that certain Loan Agreement dated as of the date hereof by and between PanCal Borrowers and Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Loan Agreement**") (capitalized terms used without definition shall have the meanings ascribed to them in the Loan Agreement or the Instrument, as applicable); and

C. Lender was willing to make the Loan to PanCal Borrowers only if Borrower assigned the Leases and Rents (as defined in the Instrument) to Lender in the manner provided below to secure payment of the Obligations (as defined in the Loan Agreement).

IN CONSIDERATION of the principal sum of the Note and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to further secure the payment of the Obligations, and as an essential and integral part of the security therefor, Borrower agrees as follows:

1. **Assignment.** Borrower irrevocably, absolutely and unconditionally assigns, transfers, and sets over to Lender, its successors and assigns, all of the right, title, interest, and estate that Borrower may now or later have in, to and under (a) the Leases (which term shall also include the Specific Leases and all guaranties thereof) now or hereafter entered into; (b) the Rents; (c) all proceeds from the cancellation, surrender, sale or other disposition of the Leases, including, but not limited to, any Recovery (as defined in the Loan Agreement); (d) the right to collect and receive all the Rents; and (e) the right to enforce and exercise, whether at law or in equity or by any other means, all terms and conditions of the Leases. This Assignment is intended by Borrower and Lender to constitute a present, absolute assignment and not a collateral assignment for additional security only. Upon full payment and satisfaction of the Obligations and written request by Borrower, Lender shall transfer, set over, and assign to Borrower all right, title, and interest of Lender in, to, and under the Leases and the Rents.

2. **Borrower's License.** So long as no Event of Default (as defined in the Loan Agreement) shall have occurred and is continuing, Borrower shall have a revocable license (the "**License**") from Lender to exercise all rights extended to the landlord under the Leases or pursuant to applicable law. Borrower shall hold the Rents, or an amount sufficient to discharge all current sums due on the Obligations, in trust for the payment of the Obligations and, prior to the occurrence of an Event of Default, Borrower may use, distribute and enjoy all Rents remaining thereafter. Upon the occurrence and during the continuance of an Event of Default, whether or not legal proceedings have commenced and without regard to waste, adequacy of security for the Obligations or the solvency of Borrower, the License shall automatically terminate without notice by Lender (any such notice being expressly waived by Borrower). Upon such termination, Borrower shall deliver to Lender within seven (7) days after written notice from Lender (a) all Rents (including prepaid Rents) held or collected by Borrower from and after the date of the Event of Default, (b) all security or other deposits paid pursuant to the Leases, and (c) all previously paid charges for services, facilities or escalations to the extent allocable to any period after the Event of Default. Borrower agrees and stipulates that upon execution of this

Assignment, Borrower's only interest in the Leases or Rents is as a licensee revocable upon an Event of Default.

3. Lender as Creditor of Tenant. Upon execution of this Assignment, Lender, and not Borrower, shall be the creditor of any Tenant in respect of assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution or receivership proceedings affecting any such Tenant; provided, however, that Borrower shall be the party obligated to make timely filings of claims in such proceedings or to otherwise pursue creditor's rights therein. Notwithstanding the foregoing, Lender shall have the right, but not the obligation, to file such claims instead of Borrower and if Lender does file a claim, Borrower agrees that Lender (a) is entitled to all distributions on such claim to the exclusion of Borrower and (b) has the exclusive right to vote such claim and otherwise to participate in the administration of the estate in connection with such claim. Lender shall have the option to apply any monies received by it as such creditor to the Obligations in the order set forth in the Documents. If a petition is filed under the Bankruptcy Code (as defined in the Instrument) by or against Borrower, and Borrower, as landlord under any Lease, decides to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then Borrower shall give Lender at least ten (10) days' prior written notice of the date when Borrower shall apply to the bankruptcy court for authority to reject the Lease. Lender may, but shall not be obligated to, send Borrower within such ten-day period a written notice stating that (a) Lender demands that Borrower assume and assign the Lease to Lender pursuant to Section 365 of the Bankruptcy Code and (b) Lender covenants to cure or provide adequate assurance of future performance under the Lease. If Lender sends such notice, Borrower shall not reject the Lease provided Lender complies with clause (b) of the preceding sentence.

4. Notice to Tenant of an Event of Default. Upon the occurrence of an Event of Default and written demand sent by Lender to any of the Tenants (in each case, a "**Rent Direction Letter**"), Borrower hereby irrevocably authorizes each Tenant to (a) pay all Rents to Lender and (b) rely upon any such Rent Direction Letter from Lender without any obligation to inquire as to the actual existence of the Event of Default, notwithstanding any claim of Borrower to the contrary. Borrower shall have no claim against any Tenant for any Rents paid by Tenant to Lender pursuant to any Rent Direction Letter.

5. Indemnification of Lender. Borrower hereby agrees to indemnify and hold Lender harmless from any and all Losses that Lender may incur under the Leases or by reason of this Assignment, except for Losses incurred as a direct result of the willful misconduct, gross negligence or illegal acts of Lender or its agents. Nothing in this Assignment shall be construed to bind Lender to the performance of any of the terms of the Leases or to otherwise impose any liability on Lender including, without limitation, any liability under covenants of quiet enjoyment in the Leases in the event that any Tenant shall have been joined as party defendant in any action to foreclose the Instrument and shall have been barred thereby of all right, title, interest, and equity of redemption in the premises. This Assignment imposes no liability upon Lender for the operation and maintenance of the Property or for carrying out the terms of any Lease before Lender has entered and taken actual possession and control of the operations of the Property. Any Losses incurred by Lender, by reason of actual entry and taking possession under any Lease or this Assignment or in the defense of any claims shall, at Lender's request, be

reimbursed by Borrower. Such reimbursement shall include interest at the Default Rate from the date of demand by Lender and any and all Costs incurred by Lender. Lender may, upon entry and taking of possession, collect the Rents and apply them to reimbursement for any such items.

6. No Merger. Each Lease shall remain in full force and effect, notwithstanding any merger of Borrower's and Tenant's interest thereunder.

7. Documents Incorporated. The terms and conditions of the Documents, including, without limitation, Article VIII of the Loan Agreement, are incorporated into this Assignment as if fully set forth in this Assignment.

8. WAIVER OF TRIAL BY JURY. EACH OF BORROWER AND LENDER HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM FILED BY EITHER PARTY, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE LOAN, THE DOCUMENTS, OR ANY ALLEGED ACTS OR OMISSIONS OF LENDER OR BORROWER IN CONNECTION THEREWITH.

9. Additional Provisions.

(a) Borrower shall pay on demand all costs and expenses incurred by Lender in connection with the review of Leases, including the fees and disbursements of Lender's outside counsel, to the extent such review is required under this Assignment, the Loan Agreement or otherwise is customary or commercially reasonable.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Borrower has duly executed this Assignment the date first above written.

BORROWER:

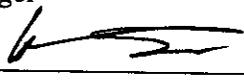
PANCAL SOUTHHAVEN ONE 127 LLC,
a Delaware limited liability company

By: PanCal Southhaven Holdings, LLC,
a Delaware limited liability company,
its Sole Member

By: PanCal Portfolio, LLC, a Delaware limited
liability company, its Sole Member

By: Panattoni PanCal, LLC, a Delaware
limited liability company,
its Administrator

By: Panattoni PanCal Manager,
LLC, a Delaware limited
liability company,
its Manager

By: 
William Bullen
Vice President

STATE OF Colorado)
COUNTY OF Denver)

Personally appeared before me, the undersigned authority in and for the said county and states, on this the 31st day of May __, 2011, within my jurisdiction, the within named William Bullen, who acknowledged that he is the Vice President of Panattoni PanCal Manager, LLC, a Delaware limited liability company, which limited liability company is the Manager of Panattoni PanCal, LLC, a Delaware limited liability company, which limited liability company is the Administrator of PanCal Portfolio, LLC, a Delaware limited liability company, which limited liability company is the Sole Member of PanCal Southhaven Holdings, LLC, a Delaware limited liability company, which limited liability company is the Sole Member of PanCal Southhaven One 127, LLC, a Delaware limited liability company, and that for and on behalf of the said PanCal Southhaven One 127, LLC, and as its act and deed, he execute the above and foregoing instrument, after first having been duly authorized by said limited liability companies so to do.

M. Sue Lehigh
(Notary Public)

Print Name: M. Sue Lehigh

My Commission expires:

7-16-14

(Seal)

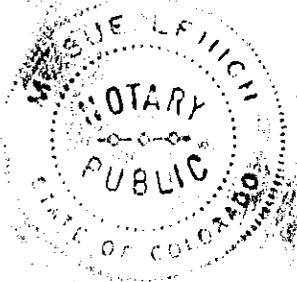


EXHIBIT A**LEGAL DESCRIPTION OF THE PROPERTY**

All that certain real property situated in the County of DeSoto, State of Mississippi, as more particularly described as follows:

All of Lot 1, Southaven Distribution Center Subdivision, Section 18, Township 1, Range 7 West, as shown on plat of record in Plat Book 95, Page 37, in the office of the Chancery Clerk of DeSoto County, Mississippi, to which plat referenced is hereby made for a more particular description of said property.

Being the same property conveyed to Southaven Distribution Center 1, LLC, a Mississippi limited liability company, be deed from Carmel River, LLC, a Delaware limited liability company and Panattoni Investments, LLC, a California limited liability company, recorded in Book 502, Page 289 and by deed recorded in Book 547, Page 314 in the office of the Chancery Clerk of DeSoto County, Mississippi.

Being More Particularly Described as Follows:

Commencing at a cotton spindle marking the Southwest Corner of Section 18, Township 1 South, Range 7 West, DeSoto County, Mississippi and run thence South 87 degrees 29 minutes 29 seconds East 103.52 feet along the South boundary of said section to a point; run thence North 02 degrees 30 minutes 31 seconds East 40.08 feet to a chiseled square in the concrete; run thence North 38 degrees 01 minutes 54 seconds West 70.96 feet to a 1 inch pipe; run thence North 00 degrees 46 minutes 53 seconds East 61.61 feet to a 1 inch pipe on the East right-of-way of Airways Boulevard and the point of beginning. Run thence North 00 degrees 46 minutes 53 seconds East 824.36 feet along said right-of-way to a 1 inch pipe on the Southwest Corner of the Mercer property; run thence South 88 degrees 20 minutes 42 seconds East 464.94 feet along the South boundary of the Mercer Property to a 1 inch pipe; run thence North 02 degrees 12 minutes 57 seconds East 170.18 feet along the East boundary of the Mercer property to a 1 inch pipe on the state line between the states of Tennessee and Mississippi; run thence South 87 degrees 28 minutes 25 seconds East 794.03 feet along said state line to a 1 inch pipe; run thence South 87 degrees 22 minutes 07 seconds East 845.56 feet along said state line to a point lying South 87 degrees 21 minutes 43 seconds East 18.20 feet from a 1/2 inch pipe witness corner; run thence South 02 degrees 32 minutes 15 seconds West 1101.58 feet to a 1 inch pipe on the North right-of-way of Stateline Road; run thence along said right-of-way the following calls and distances: North 87 degrees 29 minutes 29 seconds West 242.32 feet to a point; run thence along a curve to the left having a radius of 5053.00 feet and a chord bearing and distance of North 88 degrees 03 minutes 00 seconds West 98.56 feet for an arc length of 98.56 feet; run thence North 88 degrees 36 minutes 32 seconds West 338.00 feet to a point; run thence along a curve to the right having a radius of 4947.00 feet and a chord bearing and distance of North 88 degrees 10 minutes 37 seconds West 74.59 feet for an arc length of 74.59 feet; run thence North 87 degrees 44 minutes 46 seconds West 132.67 feet to a 1 inch pipe; run thence North 87 degrees 44 minutes 43

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seconds West 713.14 feet to a PK nail in the asphalt; run thence North 87 degrees 35 minutes 16 seconds West 300.57 feet to a point; run thence North 83 degrees 04 minutes 08 seconds west 57.03 feet; run thence North 89 degrees 17 minutes 57 seconds West 3.84 feet; run thence along a curve to the right having a radius of 238.00 feet and a chord bearing and distance of North 80 degrees 05 minutes 05 seconds West 76.22 feet for an arc length of 76.55 feet; run thence along a curve to the right having a radius of 43.00 feet and a chord bearing and distance of North 62 degrees 32 minutes 51 seconds West 12.45 feet for an arc length of 12.49 feet; run thence North 38 degrees 01 minutes 54 seconds West 23.98 feet to a point; run thence along a curve to the right having a radius of 43.00 feet and a chord bearing and distance of North 19 degrees 44 minutes 34 seconds West 3.15 feet for an arc length of 3.15 feet; run thence along a curve to the right having a radius of 238.00 feet and a chord bearing and distance of North 08 degrees 25 minutes 59 seconds West 76.18 feet for an arc length of 76.51 feet to a 1 inch pipe and the point of beginning. All lying in the Southwest Quarter of Section 18, Township 1 South, Range 7 West, DeSoto County, Mississippi and containing 51.455 acres, more or less.

EXHIBIT B

DESCRIPTION OF LEASES

All leases, subleases, lettings and licenses of or affecting the Property, now or hereafter in effect, and all amendments, extensions, modifications, replacements or revenues thereof, including, but not limited to, the following:

Leases of the Property having the following tenants:

Vista Pro Automotive, LLC
Fiskars Brands, Inc.