

ASSIGNMENT OF LEASES, RENTS AND PROFITS

THIS ASSIGNMENT OF LEASES, RENTS AND PROFITS (hereinafter referred to as "Assignment") is made and executed this 28 day of DEC., 1999, by PIONEER PARTNERS, L.C., a Utah limited liability company (hereinafter referred to as "Borrower"), to and in favor of NATIONWIDE LIFE INSURANCE COMPANY, an Ohio corporation, having its principal office at One Nationwide Plaza, Columbus, Ohio 43215-2220, Attention: Real Estate Investments, its successors and assigns, (hereinafter referred to as "Lender");

WITNESSETH:

WHEREAS, Borrower is the present owner of certain real property located in Salt Lake County, Utah more particularly described on Exhibit A attached hereto and by this reference made a part hereof (hereinafter referred to as the "Real Property"); and

WHEREAS, Lender is the owner and holder of that certain Note of even date herewith in the amount of Seven Million Two Hundred Thousand and no/100 Dollars (\$7,200,000.00) made by Borrower to and in favor of Lender (hereinafter referred to as the "Note"); which Note is secured by that certain Deed of Trust, Security Agreement and Financing Statement of even date herewith (hereinafter referred to as the "Mortgage") encumbering the Real Property and other property more specifically described in the Mortgage (all of which property is referred to herein and in the Mortgage as the "Property"); and

WHEREAS, Lender, as a condition to making a loan to Borrower as hereinabove described and to obtain additional security therefor, has required the execution of this Assignment by Borrower; and

NOW THEREFORE, in order to further secure the payment of the indebtedness of Borrower to Lender evidenced by the Note, and secured by the Mortgage, and in further consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) in hand paid by Lender to Borrower, the receipt and sufficiency of which are hereby acknowledged, Borrower does hereby sell, assign, transfer and set over unto Lender all of the leases, rents, issues, profits and income of, from or pertaining to the Property, including without limitation, any and all fees (hereinafter referred to as "termination fees") that permit any tenant of any portion of the Property to terminate its lease. This Assignment shall include any and all leases or rental agreements that may now be in effect, as well as any future or additional leases or rental agreements, and any renewals or extensions of the same, that may be entered into by Borrower. Borrower hereby agrees to execute and deliver such further assignments of said leases or rental agreements as Lender may from time to time request.

This Assignment is absolute and effective immediately and without possession. Notwithstanding the foregoing, Borrower shall have a license to receive, collect and enjoy the rents, issues, profits and income accruing from the Property (but excluding any termination fees, which shall be paid directly to Lender) until an event of default has occurred under the Note, the Mortgage, this Assignment or any of the other Loan Documents (as hereinafter defined). Upon

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the occurrence of an event of default under any of the Loan Documents, the license shall cease automatically, without need of notice, possession, foreclosure or any other act or procedure, and all leases, rents, issues, profits and income assigned hereby shall thereafter be payable to Lender.

PROVIDED ALWAYS that if Borrower shall pay unto Lender the indebtedness evidenced by the Note, and if Borrower shall duly, promptly and fully perform, discharge, execute, effect, complete, comply with and abide by each of the terms, covenants and conditions of the Note, the Mortgage, this Assignment and the other Loan Documents executed by Borrower to and in favor of Lender as further evidence of or as additional security for the indebtedness (hereinafter together referred to as the "Loan Documents"), then this Assignment and the estates and interests hereby granted and created shall terminate.

Representation and Warrantes of Borrower

1. In furtherance of the foregoing assignment, Borrower:

A. Represents and warrants that it is the owner or by leasehold of the Property and has good title to the leases, rents, income, issues, and profits hereby assigned and good right to assign the same, and that no other person, entity, firm or corporation has any right, title or interest therein; that Borrower has not previously sold, assigned, transferred, mortgaged or pledged said leases, rents, issues, profits and income of the Property; and that payment of any of the same has not otherwise been anticipated, waived, released, discounted, set off or otherwise discharged or compromised.

B. Except as provided in the Mortgage, agrees and warrants that, without the prior written consent of Lender, the terms of any and all leases will not be amended, altered, modified or changed in any manner whatsoever, nor will they be surrendered or canceled, nor will any proceedings for dispossession or eviction of any lessee under said leases be instituted by Borrower.

C. Agrees and warrants that no request will be made of any lessee to pay any rent, and no rent will be accepted by Borrower, for more than one month in advance of the date such rent becomes due and payable under the terms of any and all leases, it being agreed between Borrower and Lender that rent shall be paid as provided in said leases and not otherwise. The foregoing shall not prevent Borrower from charging and collecting security deposits from each tenant leasing space in the Real Property.

D. Authorizes Lender, by and through its employees, agents or a duly appointed receiver, at its option, after the occurrence of an event of default under this Assignment, the Note, the Mortgage or any of the other Loan Documents, to enter upon the Property and to collect, in the name of Borrower, as its lawful attorney, or in its own name as Lender, any rents, issues, profits and income accrued but unpaid and/or in arrears on the date of such default, as well as the rents, issues, profits and income thereafter accruing and becoming payable during the period of the continuance of the said default or after any other event of default. To this end, Borrower further agrees that it will cooperate with and facilitate, in all reasonable ways, Lender's collection of said rents, issues, profits and income and will, upon request by Lender, execute a written notice to each tenant, occupant or licensee directing said

tenant, occupant or licensee to pay all rents, issues, profits and income which are due and payable under said leases directly to Lender; provided, however, that Lender may notify said tenant, occupant or licensee of the effectiveness of this Assignment without first giving notice to Borrower or requesting Borrower to give such notice or join in such notice.

E. Authorizes Lender, upon such entry, at its option, to assume the management, operation and maintenance of the Property and to perform all acts necessary and proper and to expend such sums out of the income of the Property as in Lender's sole discretion may be reasonable or necessary in connection therewith, in the same manner and to the same extent as Borrower theretofore might do. Borrower hereby releases all claims against Lender arising out of such management, operation and maintenance.

F. Agrees to execute, upon the request of Lender, any and all other instruments requested by Lender to effectuate this Assignment or to accomplish any other purpose deemed by Lender to be necessary or appropriate in connection with this Assignment.

G. Agrees and acknowledges that nothing in this Assignment shall be construed to limit or restrict in any way the rights and powers granted to Lender in the Note, the Mortgage or any of the other Loan Documents. The collection and application of the rents, issues and profits as described herein shall not constitute a waiver of any default which might at the time of application or thereafter exist under the Note, the Mortgage or any of the other Loan Documents, and the exercise by Lender of the rights provided herein shall not prevent Lender's exercise of any rights provided under the Note, the Mortgage or any of the other Loan Documents.

Lender's Rights Following Default By Borrower

1. Lender may, after the occurrence of a default as hereinabove provided, from time to time, appoint and dismiss such agents or employees as shall be necessary or reasonable for the collection of the rents, issues, profits and income derived from the Property and for the proper care and operation of the Property, and Borrower hereby grants to Lender the authority to give such agents or employees so appointed full and irrevocable authority on Borrower's behalf to manage the Property and to do all acts relating to such management, including, without limitation, the entry into and execution of new leases in the name of Borrower or otherwise, the alteration or amendment of existing leases, the authorization to repair or replace any Fixtures or Personal Property (as defined in the Mortgage) necessary in order to maintain the building or buildings and chattels incidental thereto in good and tenantable condition, and the effectuation of such alterations or improvements as in the judgment of Lender may be reasonable or necessary to maintain or increase the income from the Property. Lender shall have the sole control of such agents or employees, whose remuneration shall be paid out of the rents, issues, profits and income as hereinabove provided, at the rate of compensation accepted in the community where the Property is situated.

Application By Lender of Net Income From The Property

2. Lender shall, after the payment of all proper charges and expenses enumerated above, and after retaining sufficient sums to fully pay, as they become due, taxes, assessments,

utilities and insurance premiums on insurance policies having coverages in requisite amounts (including liability, fire and extended coverage), credit the net income received by Lender from the Property, by virtue of this Assignment, to any amounts due and owing to Lender by Borrower under and pursuant to the terms of the Note, the Mortgage and this Assignment, but the manner of application of such net income shall be determined in the sole discretion of Lender. Lender shall make a reasonable effort to collect the rents, issues, profits and income, reserving, however, within its sole discretion, the right to determine the method of collection and the extent to which enforcement of the collection of delinquent rents, issues, profits and income shall be prosecuted. Notwithstanding the foregoing, no such credit shall be given by Lender for any sum or sums received from the rents, issues, profits and income of the Property until the sums collected are actually received by Lender at its principal office as stated above (or at such other place as Lender shall designate in writing), and no credit shall be given for any uncollected rents or other uncollected amounts or bills, nor shall credit be given for any rents, issues, profits and income derived from the Property under any court order or by operation of law until such amounts are actually received by Lender at its principal offices as stated above. The net amount of income received by Lender hereunder and applied by Lender to the amounts due and owing by Borrower shall not serve to cure any default under the Note, the Mortgage or any of the other Loan Documents, nor shall any amounts received by Lender hereunder be in full satisfaction of the indebtedness evidenced by the Note unless such amounts are sufficient to pay such indebtedness in full (including any accrued but unpaid interest thereon, prepayment premiums, late payment charges and advancements) in accordance with the terms of the Note, the Mortgage and the other Loan Documents.

Limitation of Lender's Liability

3. Lender shall not be obligated to perform or discharge any obligation under the leases hereby assigned or under or by reason of this Assignment, and Borrower hereby agrees to indemnify and hold Lender harmless against any and all liability, loss or damage which Lender might incur under the leases or under or by reason of this Assignment and of and from any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligation or undertaking on Lender's part to perform or discharge any of the terms of such leases, except for claims and demands arising by reason of Lender's gross negligence or willful misconduct.

Reinstatement After Default

4. In the event that Borrower shall, with the consent of Lender, reinstate the indebtedness evidenced by the Note completely in good standing, having complied with all the terms, covenants and conditions of the Note, the Mortgage, this Assignment and all of the other Loan Documents, then, in such event, Lender shall reinstate Borrower's license to collect rents, issues, profits and income and return possession of the Property to Borrower, and Borrower shall remain in possession of the Property unless and until another event of default occurs under the Note, the Mortgage, this Assignment or any of the other Loan Documents, at which time Lender may, at its option, again revoke Borrower's license to collect rents, issues, profits and income and again take possession of the Property under authority of and pursuant to the terms and provisions of this Assignment.

Tenant's Notification of Assignment

5. Upon request by Lender, at any time, Borrower will deliver a written notice to each of the tenants, occupants and lessees of the Property, which notice shall inform such tenants, occupants and lessees of this Assignment and instruct them that upon receipt of notice by them from Lender of the existence of an event of default by Borrower under the Note, the Mortgage or any of the other Loan Documents, all rents, issues, profits and income due thereafter shall be paid directly to Lender.

Satisfaction of Mortgage; Satisfaction of Assignment

6. This Assignment shall remain in full force and effect as long as the indebtedness evidenced by the Note and secured by the Mortgage remains unpaid in whole or in part. It is understood and agreed that a complete release or satisfaction of the aforesaid Mortgage shall operate as a complete release or satisfaction of all of Lender's rights and interest hereunder, and that satisfaction of the Mortgage shall operate to satisfy this Assignment.

Exculpation

7. Notwithstanding anything contained herein to the contrary, the liability of Borrower is subject to the limited recourse provisions contained in the Exculpation section of the Note, which are incorporated herein and made a part hereof by reference as if fully set forth herein.

Full Recourse

8. Notwithstanding any provisions in the Note to the contrary, including without limitation, the provisions set forth in the section captioned "Exculpation" hereinabove, Borrower and the general partners of Borrower shall be personally liable, jointly and severally, for the entire indebtedness evidenced by the Note (including all principal, interest and other charges) in the event Borrower (i) violates the covenant governing the placing of subordinate financing on the Property as set forth in Paragraph 31 of the Mortgage, or (ii) violates the covenant restricting transfers of interest in the Property or transfers of ownership interests in Borrower as set forth in Paragraph 30 of the Mortgage.

Captions

9. The captions set forth at the beginning of the various paragraphs of this Assignment are for convenience only and shall not be used to interpret or construe the provisions of this Assignment.

Miscellaneous

10. As used herein, the phrase "Reasonable Attorneys' Fees" shall mean fees charged by attorneys selected by Lender based upon such attorneys' then prevailing hourly rates as opposed to any statutory presumption specified by any statute then in effect in the State of Utah.

Any notices required or permitted to be given hereunder shall be given as provided in the Mortgage.

THE PROVISIONS of this Assignment shall be governed by and construed in accordance with the laws of the State of Utah and if controlling, by the laws of the United States and shall inure to the benefit of Lender, its successors and assigns, and shall be binding upon Borrower, its heirs, personal representatives, successors and assigns. The creation of rights and powers under this Assignment in favor of, or available to, Lender shall, in no way whatsoever, be construed to impose concomitant duties or obligations upon Lender in favor of Borrower except as expressly set forth herein.

IN WITNESS WHEREOF, Borrower has executed this Assignment under seal as of the day and year first above written.

PIONEER PARTNERS, L.C.,
a Utah limited liability company

By *John W. Williams, Manager*
John W. Williams, Manager

STATE OF Utah
: ss.
COUNTY OF Wasatch

The foregoing instrument was acknowledged before me this 27 day of December, 1999, by John W. Williams, the Manager of Pioneer Partners, L.C., a Utah limited liability company.

Mary Lou Webster
NOTARY PUBLIC
Residing at: *Wasatch Lake Country, UT*

My Commission Expires:
10-14-2003

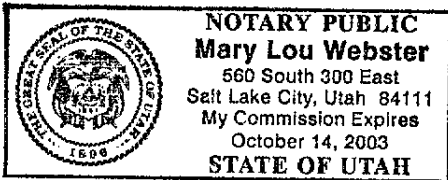


EXHIBIT A

PARCEL 1:

BEGINNING at the Northeast corner of Lot 2, Block 62, Plat "A," Salt Lake City Survey; and running thence West 5 rods; thence South 60 feet; thence East 5 rods; thence North 60 feet to the point of BEGINNING.

PARCEL 2:

BEGINNING at the Northeast corner of Lot 1, Block 62, Plat "A," Salt Lake City Survey; and running thence South 20 rods; thence West 164 and 2/3 feet; thence North 11 rods; thence West 1/3 of a foot; thence North 9 rods; thence East 10 rods to the point of BEGINNING.

PARCEL 3:

BEGINNING 165 feet South of the Northeast corner of Lot 8, Block 62, Plat "A," Salt Lake City Survey, and running thence South 100 feet; thence West 10 rods; thence North 100 feet; thence East 10 rods to the place of BEGINNING.

PARCEL 4:

A leasehold estate arising pursuant to that certain Ground Lease Agreement dated October 11, 1996, as evidenced of record pursuant to that certain Memorandum of Ground Lease Agreement dated February 9, 1999 and recorded on February 11, 1999 as Entry No. 7253547, in Book 8248, at Page 6083 of the records of the Salt Lake County Recorder, as amended by that certain First Amendment to Ground Lease Agreement dated September 27, 1999, as evidenced of record by that certain First Amendment of Ground Lease Agreement dated September 27, 1999 and recorded on October 18, 1999 as Entry No. 7492035, in Book 8316, at Page 6722 of the records of the Salt Lake County Recorder (herein collectively the "Ground Lease"), which leasehold estate pertains to the following described real property located in Salt Lake County:

COMMENCING at the Southeast corner of Lot 8, Block 62, Plat "A," Salt Lake City Survey; thence North 65 feet; thence West 10 rods; thence South 65 feet; thence East 10 rods to place of BEGINNING.

PARCEL 5:

An easement estate arising pursuant to that certain Fire Escape Easement Agreement dated October 29, 1999 and recorded on November 2, 1999 as Entry No. 7504222, in Book 8320, at Page 4872 of the Records of the Salt Lake County

Recorder, which easement estate pertains to the following described real property located in Salt Lake County:

BEGINNING at a point South 89° 58' 10" West along the block line 164.67 feet and North 0° 00' 59" West 81.00 feet from the Southeast corner of Block 62, Plat "A," Salt Lake City Survey, and running thence North 0° 00' 59" West 23.00 feet; then South 89° 58' 10" West 6.00 feet; thence South 0° 00' 59" East 23.00 feet; then North 89° 58' 10" East 6.00 feet to the point of BEGINNING.

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12/28/1999 11:14 AM 28.00
NANCY WORKMAN
RECORDER, SALT LAKE COUNTY, UTAH
ASSOCIATED TITLE
BY: SEM, DEPUTY - WI B P.

When recorded return to:
Robert C. Hyde
Parsons Behle & Latimer
201 South Main Street, Suite 1800
Salt Lake City, Utah 84111

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