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Shelby Cnty Judge of Probate, AL
10/05/2005 11:13:26AM FILED/CERT

Send tax bills to:

Southbrook Station Inc.
c/o Phillips Edison & Company, Ltd.
11690 Grooms Road
Cincinnati, Ohio 45242

This Instrument Prepared by and
After Recording Should be Returned To:
Richard L. Johnson, Esquire
Barnes & Thornburg LLP
11 South Meridian Street
Indianapolis, Indiana 46204

ASSIGNMENT OF RENTS AND LEASES

THIS ASSIGNMENT OF RENTS AND LEASES (hereinafter called the "Assignment") made as of the 30th day of September, 2005, from **SOUTHBROOK STATION INC.**, a Delaware corporation having a notice address of c/o Phillips Edison & Company, 111690 Grooms Road, Cincinnati, Ohio 45242 ("Assignor"), in favor of **LaSALLE BANK NATIONAL ASSOCIATION**, a national banking association having a notice address of 30 South Meridian Street, Suite 800, Indianapolis, Indiana 46204 ("Assignee");

WITNESSETH:

Whether now existing or hereafter entered into, all leases and rentals of the retail plaza more commonly known as Southbrook Village Shopping Center located upon the premises in Shelby County, Alabama described in Exhibit A attached hereto and incorporated herein by reference, whether now existing or hereafter entered into;

as said leases may have been, or may from time to time be hereafter modified, extended or renewed, together with all rents, income, charges and profits due and becoming due therefrom. The Assignor will, on request of the Assignee, execute further assignments of any future leases affecting any part of said premises.

This Assignment is made as additional security for the full and faithful performance of all obligations under (i) that certain Letter Loan Agreement entered into by among Phillips Edison Shopping Center Fund III LP, a Delaware limited partnership ("Phillips Edison"), Western Lights Station Inc., a Delaware corporation ("Western Lights"), Richardson Station Inc., a Delaware corporation ("Richardson"), Assignor and Assignee of even date herewith (the "Loan Agreement"), (ii) that certain Promissory Note in the amount of Twenty-Four Million Four Hundred Thousand Dollars (\$24,400,000) (the "Note"), which has been executed by Phillips

Edison, Western Lights, Richardson and Assignor and made payable to Assignee, and (iii) that certain Real Estate Mortgage, Security Agreement and Fixture Filing (the "Mortgage") (and all extensions or modifications thereof) executed and delivered by Assignor to Assignee, which Mortgage covers, *inter alia*, that certain property situated in Shelby County, Alabama described in Exhibit A attached hereto (the "Mortgaged Premises"), each of even date herewith. The acceptance of this Assignment and the collection of rents or the payments under the leases hereby assigned shall not constitute a waiver of any rights of the Assignee under the terms of the Loan Agreement, Note and Mortgage. **NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN CONTAINED, THE MAXIMUM PRINCIPAL INDEBTEDNESS SECURED HEREBY SHALL NOT EXCEED SIX MILLION DOLLARS (\$6,000,000)** It is expressly understood and agreed by the parties hereto that until an Event of Default (as defined in the Loan Agreement) occurs under the terms of the Loan Agreement, Note and Mortgage, and at any time after Assignor has cured any Event of Default, Assignor shall have the right to collect said rents, fees, charges, income and profits from the aforementioned leases or otherwise from the Mortgaged Premises and to retain, use and enjoy the same; provided, however, that even before an Event of Default occurs no rent more than one (1) month in advance shall be collected or accepted without the prior written consent of the Assignee. In addition to said rentals, fees, charges, income and profits, Assignor hereby assigns to Assignee any award made hereafter to Assignor in any court proceeding involving any of said leases in any bankruptcy, insolvency, or reorganization proceedings in any state or federal court, and any and all payments made by lessees in lieu of rent. Assignor hereby appoints Assignee as its irrevocable attorney-in-fact to appear in any such action and/or to collect any such award or payment after the occurrence and during the continuation of an Event of Default.

The Assignor hereby authorizes the Assignee, in the event of an Event of Default under the Note and Mortgage (but only so long as such Event of Default remains uncured), at Assignee's option, to enter and take possession of the Mortgaged Premises and to manage and operate the same, to collect all or any rents accruing therefrom and from said leases, to let or re-let the Mortgaged Premises or any part thereof, to cancel and modify leases, evict tenants, bring or defend any suits in connection with the possession of the Mortgaged Premises in its own name or Assignor's name, make repairs as Assignee deems appropriate, and perform such other acts in connection with the management and operation of the Mortgaged Premises as the Assignee, in its sole discretion, may deem proper.

The receipt by the Assignee of any rents, issues or profits pursuant to this instrument after the institution of foreclosure proceedings under the Mortgage shall not cure any default thereunder nor affect such proceedings or any sale pursuant thereto.

Assignee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Assignor under any of said leases, and the Assignor hereby agrees to indemnify the Assignee for, and to save it harmless from, any and all liability arising from any of said leases or from this Assignment, and this Assignment shall not place responsibility for the control, care, management or repair of the Mortgaged Premises upon the Assignee, or make the Assignee responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Mortgaged Premises resulting in loss or injury or death to any tenant, guest,

invitee, licensee, employee or stranger, unless, and to the extent, caused by, or resulting from the negligent acts or omissions of Assignee.

The Assignor covenants and represents that it has full right and title to assign said leases and the rents, fees, charges, income and profits due or to become due thereunder, that the terms of said leases have not been changed from the terms in the copies of any of said leases submitted to the Assignee for approval, that no other prior assignment of any interest therein has been made (other than in favor of the Lender being paid off by the Loan), that to the best of Assignor's knowledge, there are no existing defaults under the provisions thereof, except as may be noted in any estoppel letters delivered to Lender, and that said Assignor will not hereafter cancel, surrender or terminate any leases exercise any option which might lead to such termination or change, alter or modify them or consent to the release of any party liable thereunder or to the assignment of the lessee's interest in them without the prior written consent of the Assignee.

Assignor hereby authorizes the Assignee to give notice in writing of this Assignment at any time to any tenant or other occupant of the Mortgaged Premises under any of said leases or otherwise.

Violation of any of the covenants, representations and provisions contained herein by the Assignor shall be deemed a default under the terms of the Loan Agreement, Note and Mortgage, provided, Assignor shall have thirty (30) days after receipt of notice of any such violation to cure said violation, provided, further, if Assignor has commenced such cure and is diligently prosecuting such cure, Assignor shall have such additional time to complete the cure as is reasonably necessary.

Material default by the Assignor past any applicable cure periods under any of the terms of the leases assigned herein shall be deemed a default under the terms of the Note and Mortgage. Any expenditures made by Assignee in curing such a default on the Assignor's behalf, together with interest thereon at the Default Rate of interest set forth in the Note, shall become part of the debt secured by this instrument.

The full performance of the Mortgage and the duly recorded release or reconveyance of the Mortgaged Premises described therein shall render this Assignment void.

The net proceeds collected by the Assignee under the terms of this instrument shall be applied in reduction of the entire indebtedness from time to time outstanding and secured by the Mortgage.

THIS ASSIGNMENT SHALL BE GOVERNED BY, AND BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ALABAMA WITHOUT REGARD TO CONFLICT OF LAW PROVISIONS THEREOF. BORROWER HEREBY SUBMITS TO PERSONAL JURISDICTION IN THE STATE OF ALABAMA AND THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE OF ALABAMA (AND ANY APPELLATE COURTS TAKING APPEALS THEREFROM) FOR THE ENFORCEMENT OF BORROWER'S OBLIGATIONS HEREUNDER AND WAIVES ANY AND ALL PERSONAL RIGHTS UNDER THE LAW OF ANY OTHER STATE TO

OBJECT TO JURISDICTION WITHIN SUCH STATE FOR THE PURPOSES OF SUCH ACTION, SUIT, PROCEEDING OR LITIGATION TO ENFORCE SUCH OBLIGATIONS OF BORROWER. BORROWER HEREBY WAIVES AND AGREES NOT TO ASSERT, AS A DEFENSE IN ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS ASSIGNMENT (a) THAT IT IS NOT SUBJECT TO SUCH JURISDICTION OR THAT SUCH ACTION, SUIT OR PROCEEDING MAY NOT BE BROUGHT OR IS NOT MAINTAINABLE IN THOSE COURTS OR THAT THIS ASSIGNMENT MAY NOT BE ENFORCED IN OR BY THOSE COURTS OR THAT IT IS EXEMPT OR IMMUNE FROM EXECUTION, (b) THAT THE ACTION, SUIT OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM OR (c) THAT THE VENUE OF THE ACTION, SUIT OR PROCEEDING IS IMPROPER. NOTHING IN THIS SECTION 24 SHALL BE DEEMED TO PRECLUDE LENDER FROM FILING ANY ACTION, SUIT OR PROCEEDING IN RESPECT OF THIS ASSIGNMENT IN THE STATE IN WHICH BORROWER MAINTAINS ITS CHIEF EXECUTIVE OFFICE OR THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE IN WHICH BORROWER MAINTAINS ITS CHIEF EXECUTIVE OFFICE.

This Assignment applies to and binds the parties hereto and their respective heirs, administrators, executors, personal representatives, successors and assigns, as well as any subsequent owner of the Mortgaged Premises described herein and any assignee of the Mortgage.

Notwithstanding any provision hereof which might be construed to the contrary, the assignment effected hereby is intended to be an absolute assignment from Assignor to Assignee of the leases and rents herein described and not merely the passing of a security interest. Such leases and rents are hereby assigned absolutely by Assignor to Assignee, such assignment contingent only upon the occurrence of an Event of Default under the terms of the Loan Agreement, provided, however, Assignor shall have the right to collect rents and to enjoy benefit of all leases prior to, and after the curing of any, Event of Default.

IN WITNESS WHEREOF, the said Assignor has caused this instrument to be executed by its duly authorized representative this 30th day of September, 2005.

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SIGNATURE PAGE OF ASSIGNOR TO ASSIGNMENT OF RENTS AND LEASES

"ASSIGNOR"

**SOUTHBROOK STATION INC., a Delaware
corporation**

By: *R. Mark Addy*
R. Mark Addy, Vice President and Secretary

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 16 day of September in the year 2005, before me, the undersigned, a notary public in and for said state, personally appeared R. Mark Addy, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Barbara Hood
Notary Public



BARBARA HOOD
Notary Public, State of Ohio
My Commission Expires
August 2, 2008

LEGAL DESCRIPTION

PARCEL A:

All that tract or parcel of land situated, lying and being in Shelby County, and being more particularly described as follows:

Commencing at the intersection of Southwest corner of the North half of the Southwest quarter of the Northeast quarter of Section 2, Township 21 South, Range 3 West, Shelby County, Alabama with the Northern right of way line of 6th Avenue Southwest and running thence North 90° 00' 00" East, for a distance of 500.56 feet to a point; thence run North 90° 00' 00" East for a distance of 290.15 feet to a point; thence run North 90° 00' 00" East for a distance of 342.22 feet to a point; thence run North 32° 43' 59" East for a distance of 26.54 feet to a point; thence run North 32° 44' 05" East for a distance of 281.22 feet to a point; thence run North 29° 54' 54" East for a distance of 12.92 feet to a point, said point being the True Point of Beginning; thence run North 53° 23' 53" West for a distance of 172.18 feet to a point; thence run North 38° 33' 50" East for a distance of 140.00 feet to a point; thence run South 55° 06' 03" East for a distance of 23.52 feet to a point; thence run South 53° 23' 53" East for a distance of 126.60 feet to a point; thence run South 29° 54' 59" West for a distance of 147.51 feet to a point and back to the true point of beginning.

PARCEL B:

All that tract or parcel of land situated, lying and being in Shelby County, Alabama and being more particularly described as follows:

Commencing at the intersection of Southwest corner of the North half of the Southwest quarter of the Northeast quarter of Section 2, Township 21 South, Range 3, West Shelby County, Alabama, with the Northern right of way line of 6th Avenue Southwest and running thence North 90° 00' 00" East for a distance of 500.56 feet to a point, said point being the true point of beginning; thence run North 01° 15' 30" West for a distance of 236.17 feet to a point; thence run North 51° 28' 00" West for a distance of 36.46 feet to a point; thence run North 39° 08' 41" East for a distance of 25.41 feet to a point; thence run South 51° 22' 50" East for a distance of 272.86 feet to a point; thence run South 38° 37' 11" West for a distance of 32.09 feet to a point; thence run South 51° 25' 42" East for a distance of 133.38 feet to a point; thence run South 90° 00' 00" West for a distance of 290.15 feet to a point and back to the true point of beginning.

PARCEL D:

All that tract or parcel of land situated, lying and being in Shelby County, Alabama, and being more particularly described as follows:

Commencing at the intersection of Southwest corner of the North half of the Southwest quarter of the Northeast quarter of Section 2, Township 21 South, Range 3 West Shelby County, Alabama with the Northern right of way line of 6th Avenue Southwest, and running thence North 90° 00' 00" East for a distance of 500.56 feet to a point; thence run North 90° 00' 00" East for a distance of 290.15 feet to a point; thence run North 90° 00' 00" East for a distance of 342.22 feet to a point; thence run North 32° 43' 59" East for a distance of 26.54 feet to a point, said point being the true point of beginning; thence run North 51 ° 25' 31" West for a distance of 868.78 feet to a point; thence run North 38° 22' 47" East for a distance of 178.47 feet to a point; said point being the point of a curve to the right having a radius of 314.00 feet and an arc distance of 112.64 feet; thence run along said curve to the right a chord bearing of North 50° 10' 53" East and a chord distance of 112.04 feet to a point; thence run North 58° 39' 59" East for a distance of 31.80 feet to a point, said point being the point of a curve to the right having a radius of 122.00 feet and an arc distance of 105.63 feet; thence run along said curve to the right a chord bearing of North 83° 28' 14" East and a chord distance of 102.36 feet to a point; thence run North 36° 33' 02" East for a distance of 22.95 feet to a point; thence run South 53° 26' 58" East for a distance of 90.27 feet to a point; thence run South 54° 53' 16" East for a distance of 185.79 feet to a point; thence run South 51° 26' 10" East for a distance of 215.68 feet to a point; thence run South 55° 05' 59" East for a distance of 70.52 feet to a point; thence run South 38° 33' 50" West for a distance of 140.00 feet to a point; thence run South 51 ° 26' 10" East for a distance of 172.18 feet to a point; thence run South 29° 54' 54" West for a distance of 12.92 feet to a point; thence run South 32° 44' 05" West for a distance of 281.22 feet to a point and back to the true point of beginning.

NON-EXCLUSIVE DUMPSTER PAD EASEMENT as set forth in Statutory Warranty Deed dated August 18, 2005 as recorded as Instrument No. 20050822000429940. BEING A parcel of land situated in the North half of the Southwest quarter of the Northeast quarter, Section 2, Township 21 South, Range 3 West, Shelby County, Alabama, being more particularly described as follows:

Commence at the Southwest corner of the said North half of the Southwest quarter of the Northeast quarter and a point on the Northern right of way line of 6th Avenue Southwest; thence run in an Easterly direction along the South boundary of the said quarter-quarter line and said right of way line for a distance of 225.95 feet; thence leaving said right of way line turn an interior angle to the right of 110° 54' 58" and run in a Northeasterly direction for a distance of 294.95 feet to the point of beginning; thence turn an interior angle to the left of 92° 15' 09" and run in a Northeasterly direction for a distance of 87.51 feet; thence turn an interior angle to the left of 166° 05'30" and run in a Southeasterly direction for a distance of 41.89 feet; thence turn an interior angle to the left of 83° 25' 38" and run in a Southwesterly direction for a distance of 20.71 feet; thence turn an interior angle to the right of 49° 57' 17" and run in an Easterly direction for a distance of 68.95 feet; thence turn an interior angle to the right of 92° 00' 48" and run in a Northeasterly direction for a distance of 26.38 feet; thence turn an interior angle to the right of 127° 25' 14" and run in a Northwesterly direction for a distance of 36.46 feet; thence turn an interior angle to the right of 90° 36' 41" and run in a Southwesterly direction for a distance of 16.85 feet; thence turn an interior angle to the left of 96° 34'

22" and run in a Northwesterly direction for a distance of 46.44 feet; thence turn an interior angle to the right $169^{\circ} 06' 38''$ and run in a Northwesterly direction for a distance of 94.78 feet; thence turn an interior angle to the right of $110^{\circ} 09' 48''$ and run in a Southwesterly direction for a distance of 32.49 feet; thence turn an interior angle to the right of $73^{\circ} 05' 36''$ and run in a Southeasterly direction for a distance of 14.94 feet to the point of beginning.

NON-EXCLUSIVE INGRESS/EGRESS EASEMENT as set forth in Statutory Warranty Deed dated August 18, 2005 as recorded as Instrument No. 20050822000429940. BEING a parcel of land situated in the North half of the Southwest quarter of the Northeast quarter, Section 2, Township 21 South, Range 3 West, Shelby County, Alabama, being more particularly described as follows:

Commence at the Southwest corner of said North half of the Southwest quarter of the Northeast quarter and a point on the Northern right of way line of 6th Avenue Southwest; thence run in an Easterly direction along the South boundary of the said quarter-quarter line and said right of way line for a distance of 113.71 feet to the point of beginning; thence leaving said right of way line turn an interior angle to the right of $129^{\circ} 52' 07''$ and run in a Northeasterly direction for a distance of 12.41 feet; thence turn an interior angle to the right of $161^{\circ} 07' 24''$ and run in a Northeasterly direction for a distance of 199.71 feet; thence turn an interior angle to the left of $156^{\circ} 01' 06''$ and run in a Northeasterly direction for a distance of 220.58 feet; thence turn an interior angle to the right of $170^{\circ} 02' 19''$ and run in a Northeasterly direction for a distance of 48.82 feet; thence turn an interior angle to the left of $13^{\circ} 55' 59''$ and run in a Southwesterly direction for a distance of 43.80 feet; thence turn an interior angle to the right of $107^{\circ} 16' 14''$ and run in a Southeasterly direction for a distance of 20.53 feet; thence turn an interior angle to the left of $82^{\circ} 28' 59''$ and run in a Southwesterly direction for a distance of 211.68 feet; thence turn an interior angle to the right of $167^{\circ} 80' 25''$ and run in a Southwesterly direction for a distance of 23.91 feet; thence turn an interior angle to the right of $167^{\circ} 25' 31''$ and run in a Southwesterly direction for a distance of 140.04 feet; thence turn an interior angle to the right of $136^{\circ} 26' 33''$ and run in a Southeasterly direction for a distance of 43.62 feet to a point on the Northern right of way line of 6th Avenue Southwest; thence turn an interior angle to the left of $167^{\circ} 15' 08''$ and run in a Westerly direction along said right of way line for a distance of 65.54 feet to the point of beginning.

NON-EXCLUSIVE 20 FOOT UTILITY EASEMENT as set forth in Statutory Warranty Deed dated August 18, 2005 as recorded as Instrument No. 20050822000429940. BEING a parcel of land situated in the North half of the Southwest quarter of the Northeast quarter, Section 2, Township 21 South, Range 3 West, Shelby County, Alabama, being more particularly described as follows;

Commence at the Southwest corner of the said North half of the Southwest quarter of the Northeast quarter and a point on the Northern right of way line of 6th Avenue Southwest; thence run in an Easterly direction along the South boundary of the said quarter-quarter

line and said right of way line for a distance of 225.95 feet; thence leaving said right of way line turn an interior angle to the right of $110^{\circ} 54' 58''$ and run in a Northeasterly direction for a distance of 621.38 feet; thence turn a deflection angle to the right of $107^{\circ} 39' 26''$ and run in a Southeasterly direction for a distance of 86.63 feet to the point of beginning of a centerline of a 20 foot easement described as follows: thence turn an interior angle to the right of $88^{\circ} 58' 22''$ and run in a Northeasterly direction for a distance of 137.28 feet; thence turn an interior angle to the left of $179^{\circ} 41' 48''$ and run in a Northeasterly direction for a distance of 156.61 feet; thence turn an angle to the left of $136^{\circ} 40' 26''$ and run in a Northerly direction for a distance of 124.01 feet to the end of the easement described herein.

TOGETHER WITH the beneficial easements set forth in instrument recorded in Misc. Book 52, page 692; First Amendment thereto recorded in Real Volume 35, page 822; and Second Amendment thereto recorded in Real Volume 106, page 700, in the Office of the Judge of Probate of Shelby County, Alabama.

PARCELS A & D

A perimeter description of parcels A & D, containing 8.07 acres more or less, both situated, lying and being in Shelby County, AL, and being more particularly described as follows:

Commencing at the intersection of Southwest corner of the North 1/2 of the Southwest 1/4 of the Northeast 1/4 of Section 2, Township 21 South, Range 3 West Shelby County, Alabama with the Northern Right of Way line of 6th Avenue Southwest, and running thence North $90^{\circ} 00' 00''$ East, for a distance of 500.56 feet to a point; thence run North $90^{\circ} 00' 00''$ East for a distance of 290.15 feet to a point; thence run North $90^{\circ} 00' 00''$ East for a distance of 342.22 feet to a point; thence run North $32^{\circ} 43' 59''$ East for a distance of 26.54 feet to a point, said point being the True Point of Beginning; thence run North $51^{\circ} 25' 31''$ West for a distance of 868.78 feet to a point; thence run North $38^{\circ} 22' 47''$ East for a distance of 178.47 feet to a point, said point being the point of a curve to the right having a radius of 314.00 feet and an arc distance of 112.64 feet; thence run along said curve to the right a chord bearing of North $50^{\circ} 10' 53''$ East and a chord distance of 112.04 feet to a point; thence run North $58^{\circ} 39' 59''$ East for a distance of 31.80 feet to a point, said point being the point of a curve to the right having a radius of 122.00 feet and an arc distance of 105.63 feet; thence run along said curve to the right a chord bearing of North $83^{\circ} 28' 14''$ East and a chord distance of 102.36 feet to a point; thence run North $36^{\circ} 33' 02''$ East for a distance of 22.95 feet to a point; thence run South $53^{\circ} 26' 58''$ East for a distance of 90.27 feet to a point; thence run South $54^{\circ} 53' 16''$ East for a distance of 185.79 feet to a point; thence run South $51^{\circ} 26' 10''$ East for a distance of 215.68 feet to a point; thence run South $55^{\circ} 05' 59''$ East for a distance of 70.52 feet to a point; thence run South $55^{\circ} 06' 03''$ East for a distance of 23.52 feet to a point; thence run South $53^{\circ} 23' 53''$ East for a distance of 126.60 feet to a point on the North ROW margin running along Alabama Highway 119; thence continue along said margin South $29^{\circ} 54' 59''$ West for a distance of 147.51 feet to a point; thence continue South $29^{\circ} 54' 54''$ West for a distance of 12.92 feet to a

point; thence continue South 32°44'05" West for a distance of 281.22 feet to a point and back to the True Point of Beginning.

Land containing 351325.45 sq. ft. and 8.07 acres