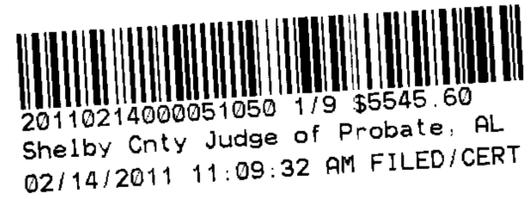


\$ 3,167,270.00

5



Send tax bills to:

Southbrook Station Inc.
c/o Phillips Edison & Company
11501 Northlake Drive
Cincinnati, Ohio 45249

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

**Cross Reference: Instrument No. 20090504000164120
And Instrument No. 20090504000164140**

MODIFICATION OF SECURITY DOCUMENTS

THIS MODIFICATION OF SECURITY DOCUMENTS is entered into as of the 22nd day of December, 2010, by and between **SOUTHBROOK STATION INC.**, a Delaware corporation having a notice address of c/o Phillips Edison & Company, 11501 Northlake Drive, Cincinnati, Ohio 45249 (the "Grantor") and **BANK OF AMERICA, N.A.**, a national banking association, successor-by-merger to LaSalle Bank National Association, as Agent (the "Agent") at the principal office of Agent at 135 South LaSalle Street, Suite 1200, Chicago, Illinois 60603.

RECITALS

A. Pursuant to the terms and conditions of that certain Credit Agreement dated as of July 17, 2006, as amended by that certain First Amendment to Credit Agreement, dated as of April 12, 2007, as amended and restated by that certain Second Amendment to Credit Agreement, dated June 26, 2007, as amended and restated by that certain Amended and Restated Credit Agreement, dated December 22, 2010 (as may be further amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among the PHILLIPS EDISON SHOPPING CENTER FUND III, L.P., a limited partnership formed under the laws of the State of Delaware (the "Fund"), each of the Owners (as therein defined) (collectively, the "Borrowers"), the financial institutions party thereto and their assignees under Section 13.5 thereof (the "Lenders"), the Agent, and the other parties thereto made available a revolving credit facility in an amount of \$375,000,000; including a \$20,000,000 swingline subfacility, on the terms and conditions contained in the Original Credit Agreement (the "Loan").

B. In order to secure the Loan, Grantor executed in favor of Lenders that certain Mortgage, Security Agreement and Assignment of Leases and Rents and Fixture Filing, dated as of

March 5, 2009 and recorded May 4, 2009 as Instrument No. 20090504000164120, in the Office of the Recorder of Shelby County, Alabama (the "Mortgage").

C. As further security for the Loan, Grantor executed in favor of Lenders that certain Assignment of Leases and Rents, dated as of March 5, 2009 and recorded May 4, 2009 as Instrument No. 20090504000164140, in the Office of the Recorder of Shelby County, Alabama (the "Assignment of Rents") (the Mortgage and the Assignment of Rents are hereinafter referred to together as the "Security Documents"). The outstanding principal balance of the Loan secured by such Security Documents is \$2,080,000.

D. The parties hereto desire to modify the Security Documents in accordance with the terms and conditions set forth herein and in the Credit Agreement.

AGREEMENT

NOW THEREFORE, for and in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions.** . All capitalized terms used herein, except as defined herein, shall have the meanings ascribed thereto in the Security Documents. Notwithstanding the foregoing, the following terms shall have the following meanings:

"Credit Agreement": That certain Amended and Restated Credit Agreement dated December 22, 2010 by and among Borrowers, Agent and each financial institution from time to time party thereto and their respective successors and permitted assigns, as the same may be amended, restated, renewed or modified from time to time.

"Obligations": (i) The aggregate principal balance of, all accrued and unpaid interest thereon, and all other amounts, payments and premiums due under or secured by the Credit Agreement, this Security Instrument and any and all other Loan Documents, in the original principal amount of up to Two Hundred Eighty-Nine Million Dollars (\$289,000,000), or so much thereof as may be advanced from time to time thereunder, whether or not evidenced by any promissory note, (ii) any and all additional sums advanced by Lenders or Agent to preserve the Collateral or its security title, lien or security interest in and to the Collateral, or for taxes, assessments or insurance premiums, (iii) any and all of the covenants, conditions, warranties, representations and other obligations made or undertaken by Mortgagor or any other person or party to Mortgagee or others as set forth herein and in the other Loan Documents; and (iii) all other "Obligations", as such term is defined in the Credit Agreement as may now be, or from time to time hereafter shall become, owing to Lenders or Agent thereunder.

The stated maturity date of the Obligations is December 22, 2013, unless accelerated or extended pursuant to the terms of the Credit Agreement or other Loan Documents.

2. **Expenses.** Grantor shall pay all costs incidental to this Modification, including, but not limited to, title insurance, recording fees and reasonable attorneys' fees.

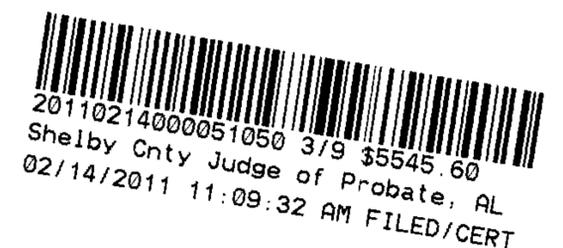
3. **Representations and Warranties.** Grantor hereby represents and warrants to Lender that there does not presently exist any default under the Security Documents or any event which with the notice or lapse of time or both would constitute a default under the Security Documents and that each of the representations and warranties set forth in the Security Documents remain true and correct in all material respects, except as disclosed in the Loan Documents Modification, as of the date hereof, except to the extent said representations and warranties specifically apply to those items explicitly modified by or otherwise disclosed in this Modification, and each of said representations and warranties is hereby incorporated herein by reference and modified as necessary to apply to and cover the undertakings of Grantor evidenced by this Modification.

4. **Continuing Effect.** All other terms, conditions, provisions, representations and warranties set forth in the Security Documents not specifically relating to those items explicitly modified by or otherwise disclosed in this Modification shall remain unchanged and shall continue in full force and effect. This Modification shall, wherever possible, be construed in a manner consistent with the Security Documents; provided, however, in the event of any irreconcilable inconsistency between the terms of this Modification and the terms of the Security Documents, the terms of this Modification shall control.

5. **Waiver.** No provision hereof shall constitute a waiver of any of the terms or conditions of the Security Documents, other than those terms or conditions explicitly modified or otherwise affected hereby. Grantor hereby represents, warrants, covenants and agrees that there exist no offsets, counterclaims or defenses to payment or performance of the obligations set forth in the Security Documents and, in consideration hereof, expressly waives any and all such offsets, counterclaims and defenses or any other claims arising out of any alleged acts, transactions or omissions on the part of Lender on or prior to the date hereof.

IN WITNESS WHEREOF, Grantor and Agent have caused this Modification to be duly executed as of the date and year first above written.

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**GRANTOR'S SIGNATURE PAGE TO
MODIFICATION OF SECURITY DOCUMENTS**

GRANTOR:

SOUTHBROOK STATION INC., a Delaware corporation

By: 
Richard J. Smith, Vice President

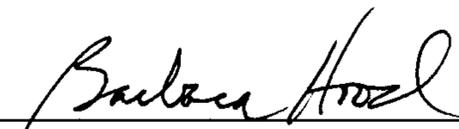
STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

I, the undersigned, a Notary Public in and for said County and State, hereby certify that Richard J. Smith, whose name as Richard J. Smith, Vice President of **SOUTHBROOK STATION INC.**, a Delaware corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Witness my hand and Notarial Seal this 21st day of December, 2010.



BARBARA HOOD
Notary Public, State of Ohio
My Commission Expires
August 2, 2013


Notary Public - Signature

Notary Public - Printed

My County of Residence:

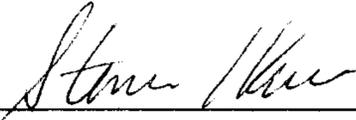
My Commission Expires:


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**AGENT'S SIGNATURE PAGE TO
MODIFICATION OF SECURITY DOCUMENTS**

AGENT:

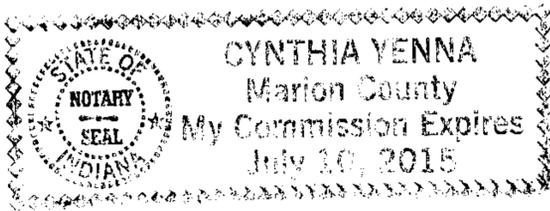
BANK OF AMERICA, N.A., a national banking association, successor by merger to LaSalle Bank National Association, as Agent

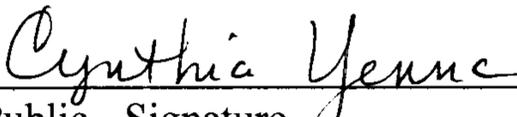
By: 
Steven L. Karn, Senior Vice President

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

I, the undersigned, a Notary Public in and for said County and State, hereby certify that Steven R. Karn, whose name as Senior Vice President of **BANK OF AMERICA, N.A.**, a national banking association, successor by merger to LaSalle Bank National Association, as Agent, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said banking association.

Witness my hand and Notarial Seal this 22nd day of December, 2010.




Notary Public - Signature

Notary Public - Printed

My County of Residence:

My Commission Expires:

EXHIBIT "A"

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; then 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 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; then 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



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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, recorded August 22, 2005 as Instrument No. 200508220000429940 being:

A parcel of land situated in the North half of the Southwest quarter of the Northeast quarter of 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 63°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



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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, recorded August 22, 2005 as Instrument No. 200508220000429940 being:

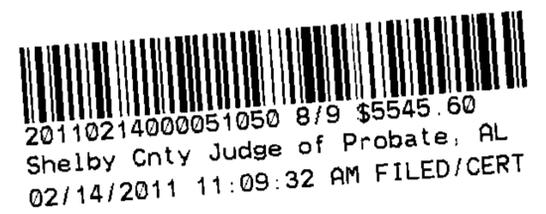
A parcel of land situated in the North half of the Southwest quarter of the Northeast quarter of Section 2, Township 21 South, Range 3 West, Shelby County, Alabama, being more particularly described as follows:

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 113.71 feet to a 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; then 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 65.64 feet to the point of beginning.

NON-EXCLUSIVE 20 FOOT UTILITY EASEMENT - As set forth in Statutory Warranty Deed dated August 18, 2005, recorded August 22, 2005 as Instrument No. 200508220000429940 being:

A parcel of land situated in the North half of the Southwest quarter of the Northeast quarter of 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 225.85 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 621.38 feet; thence turn a deflection angle to the right of 107°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°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°41'48" and run in a Northeasterly direction for a distance of 156.61 feet; thence turn an angle to the left of 136°40'26" and run in a Northerly direction for a distance of 124.01 feet to the end of the easement described herein.

And also 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.



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