

**PREPARED OUT-OF-STATE BY AND
~~WHEN RECORDED MAIL TO:~~**

Seyfarth Shaw LLP
One Peachtree Pointe, Suite 700
1545 Peachtree Street, N.E.
Atlanta, Georgia 30309-2401
Attention: Cristina E. O'Brien, Esq.
Phone Number: (404) 885-1500
Deal Name: US Industrial REIT III - Container Portfolio
Prudential Loan Number: 706108133

**ASSIGNMENT OF LEASES AND RENTS
(Mississippi – Stateline Distribution Center/Building F)**

This ASSIGNMENT OF LEASES AND RENTS (this “Assignment”) is made as of the 14 day of November, 2008, by US INDUSTRIAL REIT III - CONTAINER, a Texas real estate investment trust, having its principal place of business at 9830 Colonnade Boulevard, Suite 600, San Antonio, Texas 78230 (“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, including, without limitation, the leases described in Exhibit B attached hereto and incorporated herein (“Specific Leases”);
- B. Borrower has entered into that certain Collateral Loan Agreement with Lender dated of even date herewith (as the same may be amended from time to time, the “Loan Agreement”) (capitalized terms used herein without definitions shall have the meaning ascribed to such term in the Loan Agreement or in that certain Deed of Trust, Assignment of Leases and Rents, Security and Fixture Filing Agreement (Mississippi – Stateline Distribution Center/Building F) made by Borrower to First American Title Insurance Company, as trustee, for the benefit of Lender as of the date of this Assignment with respect to the Property (the “Instrument”));
- C. Lender has made certain loans to Borrower in the aggregate stated principal sum more particularly set forth in the Loan Agreement (“Loan”) evidenced by (x) the Mississippi Note (as defined in the Loan Agreement), and (y) the Other Notes (as defined in the Instrument), and secured by, among

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other things, (i) the Property, and (ii) certain other properties, as identified from time to time on Exhibit B to the Loan Agreement, owned by Borrower; and

D. Lender was willing to make the Loan to Borrower only if Borrower assigned the Leases and Rents to Lender in the manner provided below to secure payment of the Obligations.

IN CONSIDERATION of the principal sum of the Note and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, 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 Termination Fee (as defined in the Note); (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. Until an Event of Default occurs, Borrower shall have a revocable license ("License") from Lender to exercise all rights extended to the landlord under the Leases. Borrower shall hold the Rents and any Termination Fee in an amount of \$100,000.00 or less, 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 and any Termination Fees in an amount of \$100,000.00 or less remaining thereafter. Upon 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), and any Termination Fee in an amount of \$100,000.00 or less, 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 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 as a result of any claim by Borrower, any Tenant, or any third party by reason of this Assignment, except for Losses incurred as a direct result of Lender's willful misconduct or gross negligence. 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 complete control of all 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 related thereto shall, at Lender's request, be reimbursed by Borrower, excluding those which are incurred as a direct result of Lender's willful misconduct or gross negligence. 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. Representations and Warranties. Borrower represents and warrants that (a) Borrower is the absolute owner of the landlord's interest in the Leases, (b) Borrower has the right, power and authority to assign, transfer, and set over all of its right, title and interest in, to and under the Leases and Rents and no other person has any right, title or interest therein, (c) the Leases are valid and in full force and effect and have not been modified, amended or terminated, nor have any of the terms and conditions of the Leases been waived, except as expressly stated in the Leases, (d) there are no outstanding assignments or pledges of the Leases or Rents, (e) there are no outstanding leasing commissions due under the Leases for the initial term or for any extensions, renewals or expansions, (f) except as disclosed to Lender in writing, to the best of Borrower's knowledge, after due inquiry and investigation, there are no existing defaults or any state of facts which, with the giving of notice and/or passage of time, would constitute a default under the Leases by any party thereto, (g) no Tenant has notified Borrower in writing of any defense, set-off or counterclaim against Borrower, (h) each Tenant is in possession of its leased premises and paying Rent and other charges as provided in its Lease, (i) no Rents have been or will later be anticipated, discounted, released, waived, compromised or otherwise discharged, except as may be expressly permitted by the Lease, (j) except as specified in the Leases and shown on the rent roll delivered to Lender in connection with the funding of the Loan (the "Rent Roll"), there are no (i) unextinguished rent concessions, abatements or other inducements relating to the Leases, (ii) options or other rights to acquire any interest in the Property in favor of any Tenant, or (iii) options or other rights (whether in the form of expansion rights, purchase rights, rights of first refusal to lease or purchase, or otherwise) relating to property which

is not part of the Property and/or would require Borrower and/or Lender to possess or control any property (other than the Property) to honor such rights, and (k) the Rent Roll discloses all currently existing Leases and is true, complete and accurate in all material respects.

7. Leasing Restrictions.

(a) With respect to any Lease with a Major Tenant, as such term is defined in the Instrument (a "Major Tenant Lease"), Borrower shall not, without first obtaining Lender's prior written consent, (1) amend or modify any such Lease, (2) extend or renew (except in accordance with mandatory actions by the landlord under the existing provisions of such Major Tenant Lease, if any) any such Major Tenant Lease, (3) terminate or accept the surrender of any such Major Tenant Lease, unless there is a default beyond the expiration of any applicable notice and/or cure period under such Major Tenant Lease, (4) enter into any new Major Tenant Lease, or (5) accept any (i) prepayment of rent more than one (1) month in advance, (ii) termination fee (except in accordance with a termination option, under the terms of a Major Tenant Lease approved by Lender on the part of the tenant thereunder that Borrower does not have the discretion to accept or refuse to accept), or (iii) similar payment.

(b) With respect to any Lease that is not with a Major Tenant, Borrower may (1) enter into a new Lease (if such new Lease does not give the Tenant any rights, whether in the form of a right to expand any portion of the Improvements, rights of first refusal to lease at below market rates or purchase, or otherwise, relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property other than the Property to honor such rights and/or would grant such Tenant any purchase rights with respect to any portion of the Property), (2) terminate any such Lease, or (3) amend any such Lease (if such amendment does not give the Tenant any rights at below market rates, whether in the form of a right to expand any portion of the Improvements, rights of first refusal to lease or purchase, or otherwise, relating to property which is not part of the Property and/or would require Borrower and/or Lender to possess or control any property other than the Property to honor such rights and/or would grant such Tenant any purchase rights with respect to any portion of the Property), provided, that, with respect to all decisions made and all actions taken by Borrower pursuant to subsections (b) (1), (2) and (3) above represent prudent business practices for the benefit of the Property and are on market terms and rents (based on the type, quality and location of the Property) and are bona fide, binding contracts, duly authorized and executed with third-party tenants unrelated to Borrower or any of its affiliates. All free rent and similar concessions shall be given only at the beginning of the term of the Lease, there shall be no step down or other decrease in base rent payable over the term of the applicable Lease, there shall be no decrease in the expense stop or change in the base year, and there shall be no economic obligations on the landlord under a Lease beyond maintaining the Property. Any allowance for tenant improvements shall only be given at the beginning of the term of the Lease.

(c) No portion of the Property shall (1) be leased to any party or entity that uses dry cleaning solvents on the Property or (2) permit the use or storage of hazardous substances in excess of limits allowed by applicable law, rule or regulation.

8. Covenants. Borrower shall not, except with the prior written consent of Lender in each instance, (a) sell, assign, pledge, mortgage or otherwise transfer or encumber (except hereby) any of the Leases, Rents or any right, title or interest of Borrower therein; (b) accept prepayments of any Rents for a period of more than one (1) month in advance of the due dates thereof; (c) in any manner intentionally or materially impair the value of the Property or the benefits to Lender of this Assignment; (d) except as otherwise permitted in this Assignment, waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any Tenant from any of its obligations under the Leases; (e) except as otherwise permitted hereby, enter into any settlement of any action or proceeding arising under, or in any

manner connected with, the Leases or with the obligations of the landlord or the Tenants thereunder; (f) except as otherwise permitted in this Assignment, modify, cancel or terminate any guaranties under any Lease; or (g) lease any portion of the Property to a dry cleaner that uses dry cleaning solvents on the Property. Borrower shall, at its sole cost and expense, duly and timely keep, observe, perform, comply with and discharge all of the material obligations of the landlord under the Leases, or cause the foregoing to be done, and Borrower shall not take any actions that would, either presently or with the passage of time, cause a default by Borrower under any of the Leases. Borrower shall give Lender prompt notice of any Major Tenant Lease it enters into subsequent to the date hereof, together with a certified copy of such Lease. At Borrower's expense, Borrower shall (a) promptly deliver to Lender copies of all notices of default Borrower has sent to any Major Tenant, (b) enforce the Leases and all remedies available to Borrower upon any Tenant's default, (c) upon Lender's request, deliver to Lender copies of all papers served in connection with any such enforcement proceedings, and (d) upon Lender's request, consult with Lender, its agents and attorneys with respect to the conduct thereof.

9. No Merger. Each Lease shall remain in full force and effect, notwithstanding any merger of Borrower's and Tenant's interest thereunder.
10. Documents Incorporated. The terms and conditions of the Documents are incorporated into this Assignment as if fully set forth in this Assignment.
11. 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.
12. Security Deposits. INTENTIONALLY OMITTED.
13. Termination. At such time as the Loan is paid in full and the Instrument is released or assigned of record, this Assignment and all of Lender's right, title and interest hereunder shall terminate.

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[SIGNATURES ON FOLLOWING PAGE]

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

BORROWER:

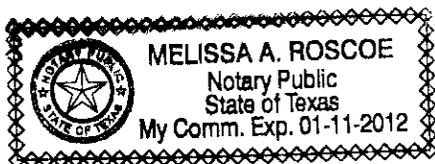
US INDUSTRIAL REIT III - CONTAINER, a Texas real estate investment trust

By: *Bruce C. Petersen* [SEAL]
Name: BRUCE C. PETERSEN
Title: Executive Managing Director

STATE OF Texas
COUNTY OF Bexar

Personally appeared before me, the undersigned authority in and for the said county and state, on this 22nd day of Oct, 2008, within my jurisdiction, the within named Bruce C. Petersen, who acknowledged that (he)(she) is Exec. Man. Dir. of US Industrial REIT III - Container, a Texas real estate investment trust, and that for and on behalf of the said trust, and as its act and deed (he)(she) executed the above and foregoing instrument, after first having been duly authorized by said trust so to do.

[NOTARY SEAL]



Melissa A. Roscoe
Signature of Notarial Officer
melissa A. Roscoe
Printed Name of Notary Public
My Commission expires: 1/11/2012

EXHIBIT A**LEGAL DESCRIPTION
[Mississippi – Stateline Distribution/Building F]**

Real property in the City of Southaven, County of DeSoto, State of Mississippi, described as follows:

Property description of the US Industrial REIT III – Midwest, Stateline Building F property as described in Book 594, Page 104 and being Lot 5, Phase 5, Stateline Business Park PBP as recorded in Plat book 101 Pages 27-28 and being in the Northwest Quarter of Section 20, Township 1 South, Range 7 West, City of Southaven, Desoto County, Mississippi:

Commencing at the recognized and accepted Northwest Corner of Section 20, Township 1 South, Range 7 West, City of Southaven, Desoto County, Mississippi (found pk nail); thence South 88 Degrees 59 Minutes 18 Seconds East a distance of 1530.80 feet to a point; thence South 01 Degrees 00 Minutes 42 Seconds West a distance of 1110.12 feet to an iron pin found at the intersection of the southeast line of Lot 1, 2nd Revision to Phase 1, Stateline Business Park as recorded in Plat Book 101 Page 21 with the east line of Commerce Drive (68 foot right-of-way), said iron pin being the true point of beginning; thence North 31 Degrees 57 Minutes 07 Seconds East with said southeast line a distance of 52.99 feet to an iron pin found at angle point; thence South 89 Degrees 32 Minutes 55 Seconds East with the south line of said Phase 1 a distance of 1012.82 feet to an iron pin found in the west line of the Chris-Hill Construction Co., LLC property as described in Book 346 Page 609; thence South 00 Degrees 27 Minutes 05 Seconds West with the west line of said Chris-Hill Construction Co., LLC property and the west line of the Fancher property as described in Book 189 Page 853 and the west line of the now or formerly Alexander property as described in Book 27 Page 51 a distance of 1591.93 feet to an iron pin set in the north line of the Hugh Dancy property as described in Book 156 Page 583; thence North 89 Degrees 07 Minutes 48 Seconds West with said north line a distance of 975.84 feet to an iron pin set in the east line of C.O.S. C, Phase 4, Stateline Business Park PBP as recorded in Plat book 101 page 25; thence North 00 Degrees 52 Minutes 12 Seconds East with said east line a distance of 85.94 feet to an iron pin set on curve in the south line of Commerce Drive; thence northeastwardly along a curve to the left having a radius of 70.00 feet with the south line of Commerce Drive a distance of 80.01 feet (chord = North 24 Degrees 52 Minutes 38 Seconds East 75.73 feet, Delta = 65 Degrees 29 Minutes 34 Seconds) to an iron pin set at a point of reverse curve; thence northwestwardly along a curve to the right having a radius of 25.00 feet with the east line of Commerce Drive a distance of 3.63 feet (chord = North 03 Degrees 42 Minutes 32 Seconds West 3.63 feet, Delta = 08 Degrees 19 Minutes 14 Seconds) to an iron pin set at a point of tangency; thence North 00 Degrees 27 Minutes 05 Seconds East with the east line of Commerce Drive a distance of 1020.40 feet to an iron pin set at a point of curvature; thence northwestwardly along a curve to the left having a radius of 554.00 feet with the east line of Commerce Drive a distance of 195.21 feet (chord = North 09 Degrees 38 Minutes 36 Seconds West 194.20 feet, Delta = 20 Degrees 11 Minutes 21 Seconds) to an iron pin set at a point of tangency; thence North 19 Degrees 44 Minutes 16 Seconds West with the east line of Commerce Drive a distance of 180.62 feet to the point of beginning.

Easement Tract:

Together with the rights and privileges appurtenant to the Land granted in that certain Declaration of Protective Covenants, Agreements, Easements, Charges and Liens for Stateline Business Park, recorded in Book 485, Page 94 and Amendment to Declaration of Protective Covenants, Agreement, Easement, Charges and Liens for Stateline Business Park recorded in Book 520, Page 475.

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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:

- (a) 8650 Commerce Drive, LLC