

**MUNSCH HARDT
KOPF & HARR PC**
ATTORNEYS & COUNSELORS
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Office of Proceedings

September 4, 2007

SEP 5 2007

VIA OVERNIGHT DELIVERY

Part of
Public Record

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20423



220209

Re Docket No AB-33 (Sub-No 256X), Union Pacific Railroad Company-Abandonment
Exemption-in Dallas County, Texas 220210
Docket No AB-585 (Sub-No 2X), Dallas, Garland & Northeastern Railroad Company-
Discontinuance of Service Exemption-in Dallas County, Texas

Dear Secretary Williams

This Firm represents Waterfront Towers LP ("Waterfront Towers") Our Client acquired land from Union Pacific Railroad Company ("UPR") subject to a reserved Rail Easement as specified in the Rail Release Demand Letter dated July 27, 2007 (the "UPR Demand Letter"). addressed to UPR, a copy of which UPR Demand Letter is enclosed Also enclosed is a copy of the Special Warranty Deed from UPR to Waterfront Towers under which the Rail Easement was reserved

The Rail Easement is covered by the above Petition for Exemption

Waterfront Towers is an interested person in connection with the above Petition for Exemption due to its interest in enforcing its right to obtain a release of the Rail Easement under the Tract Two Contract (as defined in the UPR Demand Letter) Please add Waterfront Towers to your service list for this Petition for Exemption, with notices to be delivered in care of me

Please call me if you have any questions or need any additional information Thanks in advance for your assistance

Yours truly,

Carl Klinke
Carl Klinke

Enclosures

cc **ALL DELIVERED VIA E-MAIL**
Louis E Gitomer Esq (w/enc)
Mack H Schumate, Jr, Esq (no enc)
Mike Rader (no enc)
Mark Murray, Esq (no encl)
Jim Fadley (no enc)

3419420

5310016
07/06/05

\$33.00 Deed

ENTERED
Office of Proceedings

SEP 5 2007

Part of
Public Record

(SPACE ABOVE FOR RECORDER'S USE ONLY)

Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.

SPECIAL WARRANTY DEED

STATE OF TEXAS

§

§ ss: KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF DALLAS

§

That **UNION PACIFIC RAILROAD COMPANY**, a Delaware corporation ("Grantor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration paid to the undersigned by the Grantee herein named, the receipt and sufficiency of which are hereby acknowledged and confessed, including the execution and delivery to Grantor by Grantee of Grantee's Real Estate Lien Note (the "Note") of even date herewith, in the principal amount of Ten Million Dollars (\$10,000,000.00), bearing interest as therein specified, payable as therein specified, secured by the vendor's lien retained herein and further secured by the lien of one (1) Deed of Trust (the "Deed of Trust") of even date herewith executed by Grantee, HAS GRANTED, SOLD, AND CONVEYED, and by these presents DOES HEREBY GRANT, SELL, AND CONVEY unto **WATERFRONT TOWERS LP**, a Delaware limited partnership ("Grantee"), whose address is 600 E. Las Colinas Blvd., Suite 1800, Irving, Texas 75039, all of that certain real estate (the "Land") lying and being situated in Dallas County, Texas, more particularly described in **Exhibits A and A-1** attached hereto and hereby made a part hereof for all purposes, together with (i) all improvements thereon except for the Communications Improvements (as defined in subparagraph (ii) below), (ii) all rights, title and interest of Grantor in and to any and all rights and appurtenances belonging or pertaining to the Land and improvements, (iii) all rights, title and interest of Grantor in and to any easements, leases, rights-of-way, rights of ingress or egress or other interests in, on or to any land, highway, street, road or avenue, open or proposed, in, on, in front of, abutting, adjoining or benefiting the Land, and (iv) all rights, title and interest of Grantor in and to all utilities, sewerage treatment capacity and water capacity to serve or which will serve the Land, but only to the extent the matters set forth in subparagraphs (ii) through (iv) above are allocable or applicable thereto and subject to the controlling terms of the following sentence. The Grantor is expressly excluding from the interest to be conveyed to Grantee pursuant to the terms hereof any right to use the

railroad tracks and right of way of Grantor (i) abutting and connecting to the Land but located off the Land, or (ii) located on the Rail Easement reserved below.

There is excepted from this conveyance, and reserved unto Grantor, its successors and assigns, the following:

(i) The railroad trackage and track appurtenances thereto now located upon, along and across the Land, and a PERPETUAL EXCLUSIVE EASEMENT ("Rail Easement") in the location described in **Exhibit B** attached hereto and hereby made a part hereof, together with the reasonable right of ingress and egress thereto as reasonably designated by Grantee, its successors and assigns, from time to time and with access to be provided, to the extent reasonably practicable, by paved streets and roads constructed from time to time by Grantee, its successors and assigns, in connection with the development of the Land, for the construction, maintenance, operation, repair, renewal, reconstruction, use and, if necessary, removal of said railroad trackage and appurtenances upon, along, across and within the easement area described in **Exhibit B**.

(ii) an exclusive PERPETUAL EASEMENT ten feet (10') in width measured from the centerline of the Communications Improvements (as defined below), in, on, over, under and across that portion of the Land described in **Exhibit C** attached hereto and hereby made a part hereof ("Communications Easement Property"), in which area Grantor (and its easement holders, lessees, sublessees, licensees, successors or assigns) shall have the right to own, construct, reconstruct, repair, maintain, operate, use and/or remove existing and/or future communication systems, lines and facilities of every kind and nature, including, but not limited to, all existing facilities, telephone, telegraph, television and communications lines and related equipment (the "Communications Improvements"). Grantor does further reserve unto itself, its successors and assigns, a right-of-way and right of access to the Communications Easement Property over and across the Land. All Communications Improvements now on or hereafter constructed on the Communications Easement Property shall remain the personal property of Grantor. Grantor shall be entitled to all revenues derived from all current and future agreements to which Grantor is a party affecting the Communications Easement Property. No permanent building, structure or fence and no material or obstruction of any kind or character shall be stored or maintained on the Communications Easement Property without the prior written consent of Grantor, its successors or assigns, provided, however, that Grantee shall have the right to install (and to grant easements to or make dedications in connection therewith) one or more roadways, utilities and landscaping across the Communications Easement Property on the conditions that any such installation must not materially interfere with the use of the Communications Easement Property by Grantor, its successors and assigns, for the purposes herein reserved, or damage or interfere with the Communications Improvements, and that Grantor, its successors and assigns, shall have no obligation to restore any such installation if such installation is removed or damaged in the course of the exercise by Grantor, its successors and assigns, of the easement rights herein reserved. If necessary to accommodate Grantee's development of the Land, Grantee, at Grantee's sole cost and expense, may cause the owner of the Communications Improvements to relocate all or any portion of the Communications

Improvements to other property owned by Grantee (except for any such property in which Grantor then has an easement for railroad trackage) and to modify the description of the Communications Easement Property accordingly, provided that such relocation causes no telecommunications service interruption, that the relocation area is acceptable to such owner as to property condition and title, and that Grantee complies with any and all other conditions that may be imposed by the owner of the Communications Improvements

This deed is made SUBJECT TO the exceptions more particularly described in **Exhibit D** attached hereto and hereby made a part hereof for all purposes (the "Permitted Exceptions").

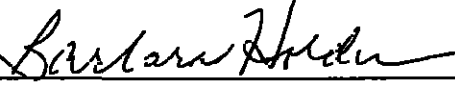
TO HAVE AND TO HOLD the Land, together with all and singular the rights and appurtenances thereto in any wise belonging unto the said Grantee, its successors and assigns forever, and Grantor does hereby bind itself, its successors and assigns, to warrant and forever defend all and singular the Land unto Grantee and its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, by, through or under it, but not otherwise, subject, however, to the Permitted Exceptions.

It is expressly agreed and stipulated that a vendor's lien and the superior title are retained against the Property until the Note, and all interest thereon, are fully paid according to its face and tenor, effect and reading, when this deed shall become absolute; provided, however, that Grantor shall not be entitled to enforce said vendor's lien or assert said superior title unless Grantor is also at such time entitled to exercise its right of foreclosure under the terms of the Deed of Trust of even date herewith from Grantee to Chicago Title Insurance Company, for the benefit of Grantor, covering said real estate and securing payment of the Note.

Executed this 1st day of July, 2005.

Attest:

UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation


Assistant Secretary

By: 
Title: GENERAL MANAGER-REAL ESTATE

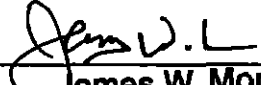
(SEAL)

Grantee hereby accepts this deed and agrees for itself, its successors and assigns, to be bound by the conditions set forth herein and to perform all obligations of Grantee set forth herein.

**WATERFRONT TOWERS LP, a Delaware
limited partnership**

By: JPI Multifamily Holding Realty LLC,
a Delaware limited liability company,
General Partner

By: JPI Multifamily Holding
Management, Inc., a Delaware
corporation, Its Managing Member

By: 
Name: James W. Morgan, Jr.
Title: Assistant Vice President

STATE OF NEBRASKA)
) **ss:**
COUNTY OF DOUGLAS)

On July 1, 2005, before me, a Notary Public in and for said County and State, personally appeared TONY K. LOVE and Barbara Holder, GENERAL MANAGER-REAL ESTATE and Assistant Secretary, respectively, of UNION PACIFIC RAILROAD COMPANY, a Delaware corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

(SEAL)



Donna M. Coltrane
Notary Public

STATE OF TEXAS)
)
COUNTY OF DALLAS)

BEFORE ME, the undersigned authority, on this day personally appeared JAMES W. MOOREHEAD who is AVP of JPI Multifamily Holding Management, Inc., a Delaware corporation, Managing Member of JPI Multifamily Holding Realty LLC, a Delaware limited liability company, General Partner of WATERFRONT TOWERS LP, a Delaware limited partnership, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein instated, as the act and deed of said corporation, limited liability company and limited partnership.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 5th day of July, 2005.

Sherry Goodwin
Notary Public, State of Texas

My commission expires:

8-10-06

(SEAL)

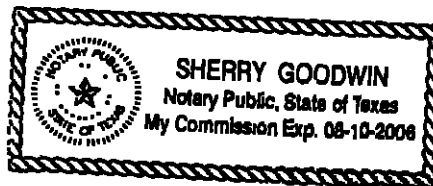


EXHIBIT "A"

UNION PACIFIC RAILROAD COMPANY
Dallas, Dallas County, Texas

Being 26 0015 acres of land situated in the Trinity Industrial District, located in the John Beeman Survey, Abstract No. 209 and the Garrett Fox Survey, Abstract No. 1679, Dallas County, Texas and being a part of that certain tract of land conveyed to the Texas and Pacific Railway Company as described as "Tract No. 20" in deed recorded in Volume 75046, Page 1978, Deed Records, Dallas County, Texas, and being more fully described by metes and bounds as follows.

Beginning at a 1/2 inch iron rod set for corner, in the southwesterly right of way of Industrial Boulevard (a 130.00' R. O. W.) being the Southeast corner of a called 9.057 acre tract conveyed by deed to the Dallas County Detention Center, and being the beginning of a curve to the right having a radius of 3754.83 feet, a central angle of 07 degrees 37 minutes 12 seconds and a chord that bears South 17 degrees 57 minutes 16 seconds East, a distance of 499 00 feet;

THENCE Southeasterly, along said curve and West line of Industrial Boulevard, an arc length of 499 37 feet to a "PK" Nail set;

THENCE South 14 degrees 08 minutes 40 seconds East, continuing along the West line of Industrial Boulevard, a distance of 229.32 feet to a 1/2 inch iron rod set for corner in the North right-of-way line of the Texas and Pacific Railway;

THENCE South 75 degrees 53 minutes 00 seconds West, along said North right-of-way line, a distance of 516.65 feet, to a 1/2 iron rod set for corner,

THENCE South 78 degrees 00 minutes 00 seconds West, a distance of 80 .64 feet to a 1/2 inch iron rod set for the beginning of a curve to the right, having a radius of 671.75 feet, a central angle of 70 degrees 21 minutes 40 seconds, and a chord that bears North 66 degrees 49 minutes 10 seconds West, a distance of 774.06 feet;

THENCE Northwesterly, along said curve, an arc length of 824 93 feet to a "PK" nail set for corner;

THENCE North 31 degrees 38 minutes 20 seconds West, a distance of 932.57 feet to a 1/2 inch iron rod set for the beginning of a non-tangent curve to the left, having a radius of 444.28 feet, a central angle of 21 degrees 59 minutes 53 seconds and a chord that bears South 54 degrees 56 minutes 26 seconds East, a distance of 169.53,feet;

THENCE Southeasterly, along said curve and arc length of 170.58 feet to a 3/8 inch iron rod found for corner, said road being the Southwest corner of Continental Terrace Addition, an

addition to the City of Dallas according to the plat thereof recorded in Volume 77074, Page 1194, Map Records, Dallas County, Texas;

THENCE North 58 degrees 10 minutes 52 seconds East, with the South line of said Continental Terrace Addition, a distance of 491.90 feet to a 3/4 inch iron rod found for corner;

THENCE South 02 degrees 34 minutes 51 seconds East, passing the Northwest corner of aforesaid Dallas County Detention Center, continuing with the West line of said Dallas County Detention Center tract for a total distance of 466 44 feet to a chain link fence post for corner, said post being the Southwest corner of said Dallas County Detention Center tract;

THENCE North 87 degrees 23 minutes 40 seconds East, with the South line of said Dallas County Detention Center tract, a distance of 994 11 feet to the Point of Beginning.

Containing 26 0015 acres of land. more or less.

OFFICE OF REAL ESTATE
OMAHA, NEBRASKA
JCO
June 30, 2004
168163.leg

EXHIBIT"A-1"

UNION PACIFIC RAILROAD COMPANY
Dallas, Dallas County, Texas

BEING a 2.6903 acre tract of land situated in the Trinity Industrial District, located in the JOHN BEEMAN SURVEY ABSTRACT NO 209 and the GARRETT FOX SURVEY, ABSTRACT NO 1679, Dallas County, Texas and being part of those tracts of land conveyed by deed to The Texas and Pacific Railway Company, recorded in Volume 1741, Page 361 and Volume 1741, Page 366, Deed Records, Dallas County, Texas, (D.R.D C T) and being more fully described as follows

BEGINNING at a 1/2" iron rod found for corner in the northerly right-of-way line of the Texas & Pacific Railroad Company (a variable width R O W.) said point bearing S 75 deg. 53 min. 00 sec W, a distance of 516.65 feet from the intersection of the northerly line of said Railroad with the southwesterly right-of-way line of Industrial Boulevard (a 130'R.O.W.); I

THENCE S 75 deg. 53 min. 00 sec. W, along the northerly line of said railroad, a distance of 585 44 feet to a 1/2" rod set for corner and being the beginning of a non-tangent curve to the left having a central angle of 02 deg. 18 n 36 sec., a radius of 5819.60 feet and a chord which bears N 29 deg 20 min 10 sec W, a distance of 234 61 feet;

THENCE northwesterly, along the said curve, an arc distance of 234.62 feet to a 1/2" iron rod set for corner and being the beginning of a non-tangent curve to the right having a central angle of 15 deg. 58 min. 47 sec., a radius of 7226.75 feet and a chord which bears N 39 deg. 37 min. 44 sec. W, a distance of 202.03 feet,

THENCE northwesterly, along the said curve, an arc distance of 202.69 feet to a 1/2" iron rod set for corner and being the end of said curve;

THENCE N 31 deg. 38 min. 20 sec. W, a distance of 981 55 feet to a point for corner,

THENCE N 58 deg. 18 min. 40 sec. E, a distance of 55 00 feet to a point for corner,

THENCE S 31 deg. 38 min. 20 sec. E, a distance of 932.57 feet to a "P K " nail found for corner and being the beginning of a curve to the left having a central angle of 70 deg 21 min. 40 sec , a radius of 671.75 feet and a chord which bears S 66 deg. 49 min 10 sec E, a distance of 774.06 feet;

THENCE southeasterly, along the said curve, an arc distance of 824.93 feet to a 1/2" iron rod found for corner a being the end of said curve:

THENCE N 78 deg. 00 min. 00 sec. E, a distance of 80 64 feet to the POINT OF BEGINNING.

Containing 117,189 sq. ft. or 2.6903 acres of land.

OFFICE OF REAL ESTATE

OMAHA, NEBRASKA JCO

June 28, 2004

168163a 1eg

EXHIBIT B

LEGAL DESCRIPTION 20' RAILWAY EASEMENT 31,909 SQ. FT. / 0.7325 ACRES

BEING a 0.7325 acre tract of land situated in the Trinity Industrial District, located in the JOHN BEEMAN SURVEY, ABSTRACT NO. 209 and the GARRETT FOX SURVEY, ABSTRACT NO. 1679, Dallas County, Texas and being part of those tracts of land conveyed by deed to The Texas and Pacific Railway Company, recorded in Volume 1741, Page 361 and Volume 1741, Page 366, Deed Records, Dallas County, Texas, (D.R.D C.T) said easement being 10 feet either side of the following described centerline:

BEGINNING at a point for corner in the northerly right-of-way line of the Texas & Pacific Railroad Company (a variable width R.O.W.) said point bearing S 75 deg. 53 min. 00 sec. W, a distance of 810.99 feet from the intersection of the northerly line of said Railroad with the southwesterly right-of-way line of Industrial Boulevard (a 130' R.O W.) and being the beginning of a non-tangent curve to the right, having a central angle of 53 deg. 12 min. 46 sec.. a radius of 709.38 feet and a chord which bears N 58 deg 14 min. 57 sec. W, a distance of 635.41 feet,

THENCE northwesterly, along the said curve, an arc distance of 658.83 feet to a point for corner and being the end of said curve;

THENCE N 31 deg. 38 min. 34 sec. W, a distance of 450.83 feet to a point for corner;

THENCE N 28 deg 07 min. 47 sec. W, a distance of 190.65 feet to a point for corner;

THENCE N 30 deg. 25 min. 48 sec. W, a distance of 294.80 feet to a point for corner and being the end of said centerline, said easement containing 31,909 sq. ft. or 0.7325 acres of land.

EXHIBIT C

**LEGAL DESCRIPTION
10' UTILITY EASEMENT
16,157 SQ. FT. / 0.3709 ACRES**

BEING a 0.3709 acre tract of land situated in the Trinity Industrial District, located in the JOIN BEEMAN SURVEY, ABSTRACT NO. 209 and the GARRETT FOX SURVEY, ABSTRACT NO. 1679, Dallas County, Texas and being part of those tracts of land conveyed by deed to The Texas and Pacific Railway Company, recorded in Volume 1741, Page 361 and Volume 1741, Page 366, Deed Records, Dallas County, Texas, (D.R.D.C.T.) said easement being 5 feet either side of the following described centerline:

BEGINNING at a point for corner in the northerly right-of-way line of the Texas & Pacific Railroad Company (a variable width R.O.W.) said point bearing S 75 deg. 53 min. 00 sec. W, a distance of 614.10 feet from the intersection of the northerly line of said Railroad with the southwesterly right-of-way line of Industrial Boulevard (a 130' R.O.W.);

THENCE S 80 deg. 24 min. 49 sec. W, a distance of 53.39 feet to a point for corner and being the beginning of a curve to the right, having a central angle of 41 deg. 13 min. 24 sec., a radius of 559.35 feet and a chord which bears N 78 deg. 58 min. 29 sec. W a distance of 393.82 feet,

THENCE northwesterly, along the said curve, an arc distance of 402.45 feet to a point for corner and being the end of said curve;

THENCE N 51 deg. 14 min. 55 sec. W, a distance of 96.76 feet to a point for corner,

THENCE N 47 deg. 10 min. 06 sec. W, a distance of 98.18 feet to a point for corner;

THENCE N 35 deg. 54 min. 46 sec. W, a distance of 92.42 feet to a point for corner;

THENCE N 31 deg. 21 min. 18 sec. W, a distance of 327.09 feet to a point for corner;

THENCE N 30 deg. 35 min. 55 sec. W, a distance of 516.11 feet to a point for corner and being the end of said centerline, said easement containing 16,157 sq. ft. or 0.3709 acres of land.

2005-1-30 '0079

EXHIBIT D

Permitted Exceptions

1. All easements and other rights reserved by Industrial Properties Corporation in deed to Texas & Pacific Railway Company dated September 30, 1931, filed March 8, 1932, recorded in Volume 1741, Page 361, and recorded in Volume 1741, Page 366, Deed Records, Dallas County, Texas, and as shown on the survey prepared by Votex Surveying Company, Dennis D. Vote, Registered Professional Land Surveyor No. 4813, Survey Company Job No. 98100, dated June 15, 2004, last revised June 22, 2005.
2. Fifteen foot (15') wide easement granted by Eagle Ford Land & Industrial Company to Dallas Power & Light Company, dated February 29, 1960, filed for record on March 22, 1960, and recorded in Volume 5301, Page 655, Deed Records, Dallas County, Texas, and as shown on the survey prepared by Votex Surveying Company, Dennis D. Vote, Registered Professional Land Surveyor No. 4813, Survey Company Job No. 98100, dated June 15, 2004, last revised June 22, 2005.
3. Twelve foot (12') wide storm sewer pipeline granted by Industrial Properties Corp. to the City of Dallas, dated November 18, 1931, recorded in Volume 1729, Page 189, Deed Records, Dallas County, Texas, and as shown on the survey prepared by Votex Surveying Company, Dennis D. Vote, Registered Professional Land Surveyor No. 4813, Survey Company Job No. 98100, dated June 15, 2004, last revised June 22, 2005.
4. Rights of third parties in and to the use of a thirty-nine inch (39") storm sewer pipeline running along the western and southern portion of the Property without benefit of easement as shown on the survey prepared by Votex Surveying Company, Dennis D. Vote, Registered Professional Land Surveyor No. 4813, Survey Company Job No. 98100, dated June 15, 2004, last revised June 22, 2005.
5. Perpetual Easement Deed dated May 13, 2002 from Union Pacific Railroad Company to Level 3 Communications, LLC, filed for record in Volume 2002 172, Pages 07982-08032, on September 3, 2002, and recorded on September 4, 2002 as Instrument No. 1973507, Deed Records, Dallas County, Texas
6. All matters shown on the survey prepared by Votex Surveying Company, Dennis D. Vote, Registered Professional Land Surveyor No. 4813, Survey Company Job No. 98100, dated June 15, 2004, last revised June 22, 2005

2005 1.30 0080

**MUNSCH HARDT
KOPF & HARR PC**

ATTORNEYS & COUNSELORS

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E-Mail cklinke@munsch.com
Direct Fax 214 978 4310

July 27, 2007

FEDERAL EXPRESS AND FACSIMILE

UNION PACIFIC RAILROAD COMPANY (Facsimile No 402-501-0340)
Attn General Manager – Real Estate
1400 Douglas Street Mail Stop 1690
Omaha, Nebraska 68179

UNION PACIFIC RAILROAD COMPANY (Facsimile No 402-501-0127)
Attn Christine M Smith, Esq
1400 Douglas Street, Mail Stop 1580
Omaha Nebraska 68179

ENTERED
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Public Record

RE Purchase and Sale Agreement dated August 20 2004, relating to certain real property located in the City of Dallas, Dallas County, Texas, and more particularly described therein as the "Land" (the "Tract Two Property"), as amended by First Amendment to Purchase and Sale Agreement dated October 14, 2004, Second Amendment to Purchase and Sale Agreement dated December 13, 2004, Third Amendment to Purchase and Sale Agreement dated February 10, 2005, Fourth Amendment to Purchase and Sale Agreement dated April 7, 2005, Fifth Amendment to Purchase and Sale Agreement dated May 31, 2005, the foregoing entered into by **UNION PACIFIC RAILROAD COMPANY**, a Delaware corporation ('Seller'), **PRIME RAIL INTEREST, INC.**, a Texas corporation ("Buyer"), and Sixth Amendment to Purchase and Sale Agreement dated June 22, 2005 (the "Sixth Amendment"), among Seller Buyer, and **WATERFRONT TOWERS LP**, a Delaware limited partnership ("Waterfront Towers") (collectively, the "Tract Two Contract")

Ladies/Gentlemen

This Firm represents Waterfront Towers in connection with the above transaction Our Client requested that we communicate with Seller about obtaining a release of the Rail Easement under Section 1(b)(i) of the Tract Two Contract

As you're aware, our Client has been working with Gregg Larsen and others to try to set up a conference call among the parties to discuss these issues, but the parties have been unable to find a mutually convenient time for the call In the meantime, our Client asked that we communicate its position via this letter Please know that our Client remains interested in a conference call among the parties and requests that it be scheduled at your earliest convenience

Section and Subsection references in this Letter refer to Sections and Subsections in the Tract Two Contract Terms used with an initial capital letter in this Letter and not defined herein have the meanings ascribed to them in the Tract Two Contract

Waterfront Towers succeeded to the interests of Buyer under the Tract Two Contract by virtue of an Assignment of Purchase and Sale Agreements dated as of June 23, 2005, between Buyer, as Assignor, and Waterfront Towers, as Assignee, a copy of which was previously provided to Seller. Waterfront Towers is now the owner of the Tract Two Property by virtue of a Special Warranty Deed dated July 1, 2005, from Seller, as Grantor, to Waterfront Towers, as Grantee, recorded in Volume 2005130, beginning at Page 00068, of the Real Property Records of Dallas County, Texas.

As you are aware, Cargill, Incorporated is no longer using the line of the railroad located upon the Rail Easement and thus the condition specified in Subsection 1(b)(i)(C)(2) is satisfied because there are no customers served by that line.

This triggers Seller's obligation under Subsection 1(b)(i)(A) to use commercially reasonable efforts to coordinate with DG&NR to obtain an amendment to the Short Line Lease (the **SLL Amendment**) to remove the Trinity Industrial Lead from the Short Line Lease.

Once the SLL Amendment is obtained, that triggers Seller's obligation under Subsection 1(b)(i)(B) to use commercially reasonable efforts to obtain authority from the Surface Transportation Board for an abandonment of the line of the railroad located upon the Rail Easement.

Once the SLL Amendment is obtained and the requisite abandonment authority is obtained from the Surface Transportation Board, then the Rail Easement automatically terminates under Section 1(b)(i), which in turn triggers Seller's obligation to deliver to Waterfront Towers a recordable release of the Rail Easement.

Waterfront Towers respectfully requests that Seller proceed diligently

1. to obtain the SLL Amendment;
2. without waiting to obtain the SLL Amendment, start on a parallel path to obtain the requisite abandonment authority from the Surface Transportation Board, and
3. as soon as the SLL Amendment and the Surface Transportation Board abandonment authority are obtained, deliver a recordable release of the Rail Easement to Waterfront Towers.

Both our Firm and Waterfront Towers stand willing to assist Seller upon its request in its efforts to satisfy the conditions in Section 1(b)(i) and deliver the recordable release of the Rail Easement.

If you have any questions of, or need any additional information from, Waterfront Towers, please contact Mr. Jim Fadley, c/o JPI, 600 East Las Colinas Boulevard, Irving, Texas 75039, phone - 972 556 3884, e-mail - jfadley@jpi.com

Your prompt attention to this matter will be greatly appreciated.

Yours truly,



Carl Klinke

Union Pacific Railroad Company
July 27, 2007
Page 3

cc: VIA E-MAIL
Gregg Larsen
Jim Fadley
Aryn Self (of the Firm)

**SIXTEENTH AMENDMENT TO
PURCHASE AND SALE AGREEMENT DATED SEPTEMBER 2, 2003
AND
SIXTH AMENDMENT TO
PURCHASE AND SALE AGREEMENT DATED AUGUST 20, 2004**

THIS SIXTEENTH AMENDMENT TO PURCHASE AND SALE AGREEMENT and SIXTH AMENDMENT TO PURCHASE AND SALE AGREEMENT (collectively, the "Sixteenth Amendment"), is entered into by and between UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Seller"), PRIME RAIL INTEREST, INC., a Texas corporation ("Buyer"), and WATERFRONT TOWERS LP, a Delaware limited partnership ("Assignee").

RECITALS:

WHEREAS, Seller and Buyer previously entered into that certain Purchase and Sale Agreement dated effective as of September 2, 2003, relating to certain real property located in the City of Dallas, Dallas County, Texas, and more particularly described therein as the "Land" (the "Tract One Property"), as amended by First Amendment to Purchase and Sale Agreement dated effective as of November 26, 2003, Second Amendment to Purchase and Sale Agreement dated effective as of December 15, 2003, Third Amendment to Purchase and Sale Agreement dated effective as of January 20, 2004, Fourth Amendment to Purchase and Sale Agreement dated effective as of February 20, 2004, Fifth Amendment to Purchase and Sale Agreement dated effective as of March 17, 2004, Sixth Amendment to Purchase and Sale Agreement dated effective as of May 20, 2004, Seventh Amendment to Purchase and Sale Agreement dated effective as of June 11, 2004, Eighth Amendment to Purchase and Sale Agreement dated effective as of June 25, 2004, Ninth Amendment to Purchase and Sale Agreement dated effective as of July 16, 2004, Tenth Amendment to Purchase and Sale Agreement dated effective as of August 16, 2004, Eleventh Amendment to Purchase and Sale Agreement dated effective as of October 14, 2004, Twelfth Amendment to Purchase and Sale Agreement dated effective as of December 13, 2004, Thirteenth Amendment to Purchase and Sale Agreement dated effective as of February 10, 2005, Fourteenth Amendment to Purchase and Sale Agreement dated effective as of April 7, 2005, and Fifteenth Amendment to Purchase and Sale Agreement dated effective as of May 13, 2005 (collectively, the "Tract One Contract"); and

WHEREAS, Seller and Buyer previously entered into that certain Purchase and Sale Agreement dated August 20, 2004, relating to certain real property located in the City of Dallas, Dallas County, Texas, and more particularly described therein as the "Land" (the "Tract Two Property"), as amended by First Amendment to Purchase and Sale Agreement dated October 14, 2004, Second Amendment to Purchase and Sale Agreement dated December 13, 2004, Third Amendment to Purchase and Sale Agreement dated February 10, 2005, Fourth Amendment to Purchase and Sale Agreement dated April 7, 2005, and Fifth Amendment to Purchase and Sale Agreement dated May 13, 2005 (collectively, the "Tract Two Contract"); and

8. Title.

(a) Seller and Buyer agree that one Special Warranty Deed will be delivered by Seller to Buyer at Closing covering both the Tract One Property and the Tract Two Property. The Special Warranty Deed attached hereto as Exhibit C-1 is substituted for the forms of Special Warranty Deed attached to the Tract One Contract as Exhibit C and attached to the Tract Two Contract as Exhibit B and referred to in Section 6(a) of each of the Contracts, and as of the date of this Sixteenth Amendment wherever in the Tract One Contract reference is made to Exhibit C and in the Tract Two Contract reference is made to Exhibit B, such reference shall be deemed to be made to Exhibit C-1 attached hereto.

(b) Section 6(b) of the Tract One Contract is deleted in its entirety and the following substituted therefor:

"The Property is subject to that certain General (Income) Mortgage dated January 1, 1955, executed by Missouri Pacific Railroad Company (predecessor in interest to Seller) in favor of Manufacturer's Trust Company (now The Chase Manhattan Bank, corporate successor Trustee) and Charles Herman (now Donnell Reid, individual successor Trustee). The Mortgage shall not be a Permitted Exception, and it shall be a condition precedent to Buyer's obligation to Close that the Title Policy is issued without exception for the Mortgage. It is understood and agreed that promptly upon Closing, application will be made to the Mortgage Trustees for the release of the Property from the lien of the Mortgage. Immediately upon receipt of the Partial Release, the same will be forwarded to Title Company. Seller agrees to indemnify and hold Buyer and Title Company harmless against failure to provide such Partial Release. The covenants and indemnity set forth in this Section 6(b) shall expressly survive Closing."

9. Assignment of Lease(s) and License(s). Section 7 of each of the Contracts and any references in the Contracts to the Assignment and Assumption Agreement are deleted in their entirety.

10. Concurrent Closings. Escrow under each of the Contracts shall Close concurrently on or before July 6, 2005.

11. Termination of Rail Easement. The following paragraph is added to Section 1(b)(i) of the Tract Two Contract:

"As a covenant that will survive the Closing, Seller agrees that the Rail Easement will automatically terminate upon the last to occur of the following: (A) Seller and Dallas, Garland & Northeastern Railroad Company, Inc. ("DG&NR"), lessee of the Rail Easement under that certain Lease Agreement No. 3 between Seller and DG&NR dated June 28, 2001, identified in the records of Seller as Audit No. MKT870 ("Short Line Lease"), mutually agree to amend the Short Line Lease to remove the Trinity Industrial Lead from such Lease, on terms and conditions acceptable to DG&NR and reasonably acceptable to Seller, and Seller agrees to

utilize commercially reasonable efforts (but without being required to expend money or incur obligations) to effectuate such Short Line Lease amendment in the event that either of the two (2) alternatives set forth in clause (C) below has been satisfied, (B) the Surface Transportation Board grants authority for the abandonment of the line of railroad located upon the Rail Easement, it being acknowledged by Buyer that Seller has no obligation to Buyer to obtain such authority except that Seller agrees to utilize commercially reasonable efforts to do so in the event that the conditions set forth in clauses (A) and (C) have been satisfied, and (C) either (1) the Texas Department of Transportation (TXDOT) acquires a portion of the Rail Easement such that the line of railroad located on the Rail Easement may no longer be used to serve all customer locations now served from such line of railroad, it being acknowledged by Buyer that Seller has no obligation to Buyer to sell the Rail Easement to TXDOT, or (2) no customers are served from such line of railroad. If the Rail Easement terminates as provided in this Section 1(b)(i), Seller agrees to execute, acknowledge and deliver to Buyer a release of the Rail Easement. In addition, if Seller transfers its interest in the Rail Easement, Seller agrees to impose the foregoing covenant on such transferee."

12. Default; Liquidated Damages. Section 12(b) of the Contracts are combined and amended in their entirety to read identically with Section 12(b) of the Tract One Contract.

13. Assignment of Contracts. Buyer, for a valuable consideration, does hereby assign, transfer and set over to Waterfront Towers LP., a Delaware limited partnership ("Assignee"), all of Buyer's right, title and interest in and to the Contracts, except for the existing Fifty Thousand Dollar (\$50,000.00) Escrow Fund which shall first be replaced by Assignee and then released by Title Company to Buyer. Assignee hereby accepts the above assignment and, for the benefit of Seller, agrees to be bound by and to perform and observe fully and faithfully all of the covenants, stipulations and conditions outlined in the Contracts to be performed and observed by Buyer and assumes all liabilities mentioned in the Contracts to be assumed by Buyer. Seller hereby consents to the foregoing assignment, without in any manner releasing Buyer from its obligations under the Contracts and without authorizing any additional assignment.

14. Counterparts; Facsimile Execution. This Sixteenth Amendment may be executed in any number of counterparts, each of which shall constitute one and the same instrument and either party hereto may execute this Sixteenth Amendment by signing any such counterparts. Seller and Buyer agree that facsimile signatures shall be binding upon all parties.

15. Entire Agreement. THE CONTRACTS, AS MODIFIED HEREBY (EITHER EXPRESSLY OR BY NECESSARY IMPLICATION), CONSTITUTE THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. IT IS UNDERSTOOD AND AGREED THAT ALL UNDERSTANDINGS AND AGREEMENTS, WHETHER WRITTEN OR ORAL, HERETOFORE HAD BETWEEN