



October 22, 2018

Mayor Boyle and the City Council
City of Cibolo
200 South Main Street
Cibolo, TX 78108

Re: Cibolo Parkway Project

Mayor and City Council,

Cibolo Turnpike, LP is pleased to provide you and the City Council with an update on the progress of the Cibolo Parkway Project while addressing recent questions we have heard from the community. Though much of this information can be found online at ciboloparkway.org, we know it is helpful to update you on a few specifics and will continue to do so as we move through this process.

Right-of-Way Status

In August of this year, we engaged CobbFendley to begin working on the right-of-way (ROW) for this Project. There are several steps that will occur before CobbFendley begins to negotiate the acquisition of the ROW. The first step is to obtain a Right of Entry (ROE) from parcel owners along the ROW. This ROE allows access by engineers, surveyors, and other consultants to conduct on-site inspections. These on-site inspections will be used for additional analysis for the environmental study, geotechnical inspection and surveying.

Fifty-three introductory letters were mailed out to the land owners that were identified in the ROW. To date, CobbFendley has received 32 executed ROEs, which represents over 70% of the ROW land. It is worthy to note that, in addition to obtaining the ROEs, CobbFendley also obtained the landowner's willingness to negotiate a sale of the affected property. CobbFendley is actively working on obtaining the remaining ROEs and anticipates obtaining those over the next few weeks. Attached is a copy of the ROE map that shows the current status, with green are the Since there is a significant amount of land in the ROEs that have been collected, aci consulting and Huitt-Zollars surveyors will commence on-site inspections and surveying. The ROW limits of the route have narrowed from the original 250' to a variable width from 160' up to 200' at intersections where there are ramps. These widths will allow for future expansion, if warranted, without closing the road and for the least projected cost.

Environmental

At the City's request, last year we provided aci consulting's partially completed environmental report, including placeholders in sections to be completed after on-site visits have been conducted. The germane part of the unfinished report provided is information that was obtained from the initial "desktop review." A desktop review is the first phase of a multiple phase process in creating the environmental assessment for this Project. The first phase is comprised from information

obtained using aerial mapping, researching known environmental sites, and other public information. It is usually where potential environmental conflicts would be noted, major or minor. If something appears to be too problematic then potential adjustments may need to be considered. For example, there is a known cemetery along the route adjacent to the high school. The ROW was narrowed there to avoid the cemetery and an on-site visit will provide the inspection necessary to be sure to avoid it. The desktop review did not indicate there were any insurmountable environmental issues along this route. At this point, we estimate aci consulting will be able to start on-site inspections within the next two weeks. It is anticipated that the Environmental Assessment will be completed by February 2019.

Financing

KPMG Infrastructure, the Project's financial advisor, has been canvassing construction financing candidates in the market since mid-August. They initially distributed preliminary information on the Project to thirty infrastructure finance firms, representing billions of dollars in capital. Seventeen of those firms executed Confidentiality Agreements and were provided all necessary project information. KPMG and Cibolo Turnpike, LP have vetted all of those firms and are currently in conversations with seven of those entities. KPMG envisions reducing that list down to three or four bidders by the end of November before beginning exclusive negotiations with one thereafter.

Design

Huitt-Zollars has completed approximately 30% of the Parkway design and is essentially in a holding pattern until we have achieved Financial Closing. That said, they continue to interact with Cibolo Turnpike, LP when questions come up or information is needed to make progress on certain design elements. For example, they developed the engineering drawings submitted to the Union Pacific Railroad, which was critical in obtaining the railroad's permission to build the four-lane bridge over their ROW. Such permission was received last week.

FM 1103 Turnback Agreement with TxDOT

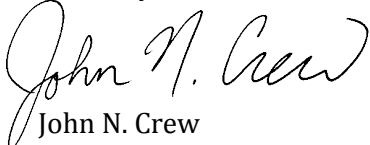
Last week, per the Development Agreement, we asked the City to submit the request for the turnback of FM 1103 from TxDOT. It is our understanding that TxDOT has recently set the letting date for the contract to build FM 1103 to October 2019.

Questions

For convenience, we have attached to this letter responses to recent questions we have heard from the public. These responses also can be found on our website at ciboloparkway.org under the "Facts" tab as "FAQs."

We appreciate and value our partnership with the City of Cibolo and will continue to provide updates as we make progress. As always, please feel free to call with any questions.

Sincerely,

A handwritten signature in black ink that reads "John N. Crew". The signature is written in a cursive, flowing style.

John N. Crew
Cibolo Turnpike, LP

FAQs

Question: Will FM 1103 also become a tolled road?

Answer: Current FM 1103 lanes, any roads that feed onto FM 1103, and through travel lanes scheduled to be added by TxDOT in 2019-2022 will not be tolled. The Cibolo Expressway, which is Phase 2 of Cibolo Parkway Project, is a 2.7-mile two-lane toll road in the City of Cibolo between Old Wiederstein & Weil Road that will be built in the median of FM 1103. The anticipated timeline for the Expressway is 2022-2025.

Question: What material will be used for the Cibolo Parkway?

Answer: The Cibolo Parkway will have a concrete road surface, which is a requirement of the Development Agreement for the project.

Question: How will future repairs and other maintenance work for Cibolo Parkway be paid for?

Answer: All operating and maintenance expenses associated with Cibolo Parkway will be paid by the project, not the city of Cibolo.

Question: What private entities are involved in the Cibolo Parkway and Cibolo Expressway projects and what are their responsibilities?

Answer: The Texas Turnpike Corporation (TTC) was formed in 1991 as a private company committed to helping Texans get to where they're going safely and efficiently. The company collaborates and partners with local governmental entities seeking funding for the development of needed road infrastructure. It essentially provides private dollars to bring about the construction of needed transportation improvements and new roadways that promote sustainable growth.

The City of Cibolo approved by Ordinance 1203 on May 9, 2017, an Amended Development Agreement with Cibolo Turnpike, LP to design, build, finance, operate and maintain a toll road in the City. Cibolo Turnpike, LP was specifically formed by TTC for the Cibolo Parkway project. This entity authorizes Cibolo Turnpike, LP to develop, toll, operate and maintain the project.

Public Werks is a private, for-profit Texas-based corporation that specializes in partnering with municipalities and other governmental agencies to develop essential infrastructure needs. Public Werks has entered into a management services agreement with TTC to provide management and administrative services to TTC.

Note: Public Werks principals own a controlling interest in Texas Turnpike Corporation and Cibolo Turnpike G.P., LLC. They are board members of Cibolo Turnpike G.P., LLC and control the endeavors of Cibolo Turnpike LLC.

Texas Turnpike Corporation/Public Werks follow the same development process as TxDOT, North Texas Tollway Authority and Central Texas Regional Mobility Authority. As a private developer venturing with public entities, Public Werks and or a related entity, funds the upfront expenses associated with the analysis, design, potential development and management of a potential new road. It coordinates all phases of the development, working with industry professionals and governmental entities throughout the process. With the Cibolo Parkway project, Public Werks is interfacing with all of the governmental agencies (Cibolo, Guadalupe County, AAMPO and

TxDOT)and working alongside and coordinating with experienced, project consultants: Stantec (feasibility/revenue studies); aci consulting (environmental studies); KPMG Infrastructure (financial consultant); Huitt-Zollars (design, engineering, construction estimates); and Cobb Fendley (right of way acquisition).

Question: Who will construct the Project?

Answer: Cibolo Turnpike will seek bids from pre-qualified roadway construction contractors. These prequalified contractors will have demonstrated that they have the ability to construct a project of similar size and scope to this project. The selected contractor will provide the typical bonding requirements for a project of this size such as a performance, payment and completion.