

August 22, 2017

Southwest Gulf Railroad Company (SGRR) is pleased to announce the beginning of construction for The Medina Line, a 9-mile common-carrier railroad near Dunlay that will serve as a long-term catalyst for new jobs and economic opportunity in Medina County.

The U.S. Surface Transportation Board in 2008 granted SGRR the authority to build and operate The Medina Line. The line is being constructed along the Modified Eastern Bypass Route, determined by the U.S. Surface Transportation Board, engineers and environmental experts to be the optimal route.

Additional information about SGRR and The Medina Line is available at www.TheMedinaLine.com. Future project updates will be posted to www.TheMedinaLine.com/project-updates.

Our Commitment to the Community

SGRR is committed to constructing and operating The Medina Line in a safe, responsible manner in accordance with all local, state and federal standards and regulations. We're making every effort to plan, manage and implement construction with safety and the community in mind.

Your SGRR project team includes:

- Erik Remmert, Vice President, Southwest Gulf Railroad Company
- Barton Chevreaux, Project Manager, Southwest Gulf Railroad Company
- Cynthia Prieto, Community Liaison, Southwest Gulf Railroad Company

Our general contractor is Houston-based WT Byler Co, Inc., which has performed hundreds of miles of railroad construction in Texas and Louisiana. The company is a leader in the industry and has earned awards for their safety, health and environmental track record.

All workers will be held to the highest standards of safety and will be respectful of neighbors.

We are committed to continuing to work with our neighbors, answer questions and provide updates.

- Project updates posted to www.TheMedinaLine.com
- 24/7 community feedback line for questions and concerns at (800) 474-4086
- Sign up for email updates at www.TheMedinaLine.com

Neighbors should contact SGRR at (800) 474-4086 with questions, comments or concerns relating to construction. SGRR will coordinate responses with WT Byler Co. and the project team.

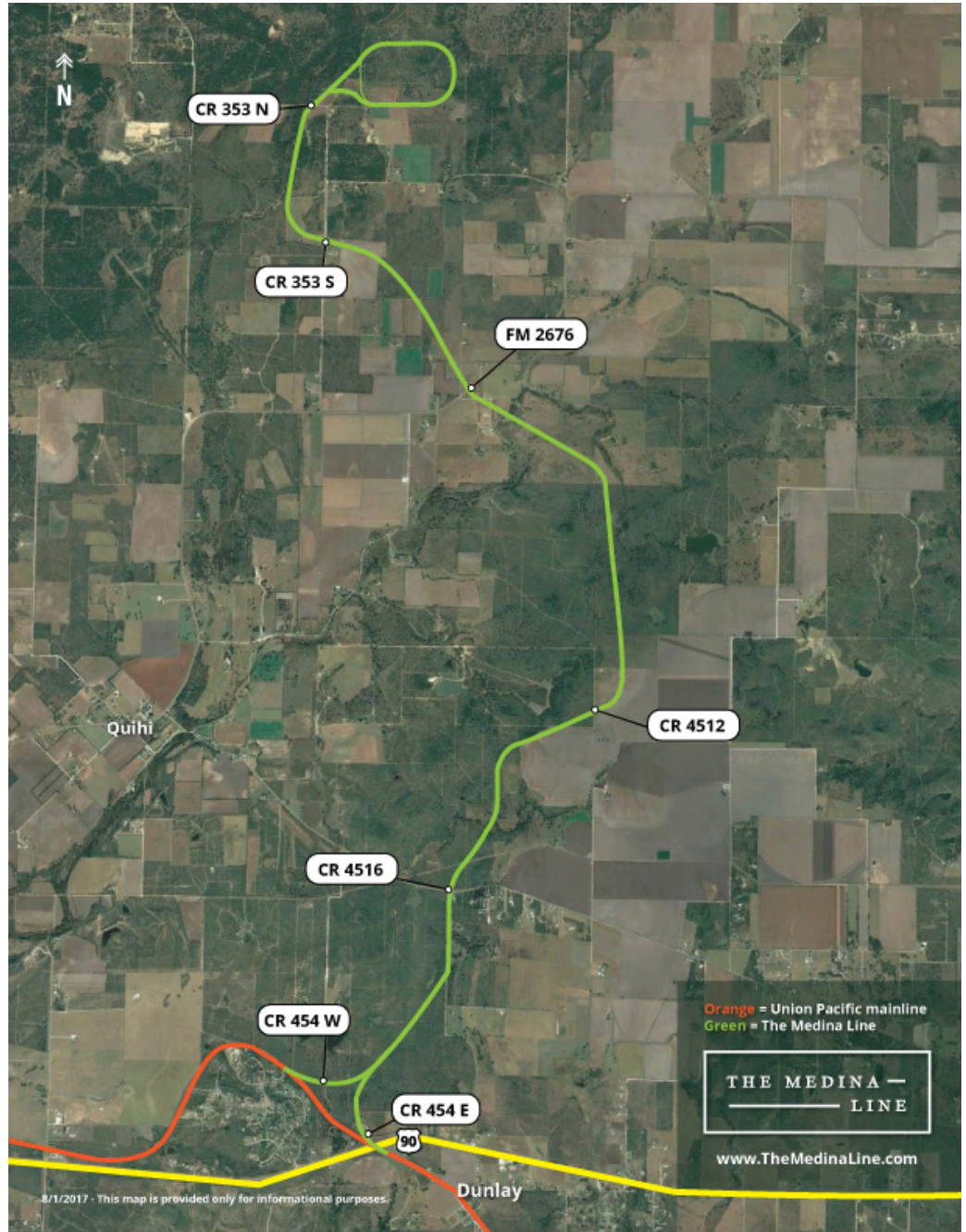
Route Map

The Medina Line, a 9-mile common-carrier railroad near Dunlay, will serve as a long-term catalyst for new jobs and economic opportunity in Medina County.

SGRR has recently completed all of the design and engineering and has acquired the necessary land and right of way to build the line.

From south to north, crossings will be located at: CR 454 (East), CR 454 (West), CR 4516, CR 4512, FM 2676, CR 353 (South) and CR 353 (North).

SGRR will exceed TxDOT standards by installing electric warning signals and gates at all roadway crossings except CR 4512, which will follow TxDOT standards.



An interactive map is available at www.sgrr.com/map-line.

Project Timeline

Construction activities began with surveying. Activity can be expected to progress over time along the nine-mile route, within the established right of way. The following construction phases will overlap, and work will generally progress from south to north but may vary.

Phase 1: Surveying

Duration: Approximately 2 weeks

- A crew of approximately three will work the project site to establish the right of way. Markers will be placed in 25-50 foot intervals.

Phase 2: Fencing

Duration: Approximately 2 ½ months

- Working generally in a south to north direction, crews will clear the right-of-way perimeter and install fencing to establish the right-of-way boundary. A construction Access Point at CR 454 will be established.
- Crews will remain within the right of way for the duration of the construction process.

Phase 3: Earthwork

Duration: Approximately 8-10 months

- Working generally from a south to north direction, crews will perform cut and fill along the route. This includes construction of culverts and bridges. Additional construction Access Points will be established for crew access via public roads.

Phase 4: Sitework

Duration: Approximately 6 months

- Crews will install base material along the route.

Phase 5: Rail

Duration: Approximately 12 months

- Crews will install rail, ties and ballast along the route and construct the seven road crossings.
- SGRR will exceed TxDOT standards by installing electric warning signals and gates at all roadway crossings except at CR 4512, a minor crossing that will follow TxDOT standards and include appropriate signage.
- Construction across roadways is being coordinated with Medina County and TxDOT to minimize traffic impacts.
- SGRR will communicate road closures in advance to neighbors and stakeholders, and closings will be publicly posted via road signs 14 days in advance.
- Crossing construction will result in temporary closure for each crossing. Detours will be communicated and posted.

Construction complete: 2019

Frequently Asked Questions (FAQs)

Additional FAQs about SGRR and The Medina Line are available at www.TheMedinaLine.com/faq. The following FAQs pertain to construction.

Overview

Where is your construction office located?

WT Byler Co will maintain a project office located at 201 CR 3640 off of FM 2676. SGRR's main office is located in Hondo at 734 18th Street.

How many construction workers can we expect?

The average daily workforce starting in Phase 3 will have approximately 70-80 workers spread out along various parts of the nine-mile route.

How will construction workers and deliveries access the route?

On a daily basis, workers will report directly to one of six designated Access Points. These Access Points are accessible from public roads and located within the right of way or on SGRR-owned property. Material and equipment will be delivered through these gated Access Points.

Where are the construction Access Points located?

From south to north, Access Points will be constructed over time at CR 454, CR 4516, CR 4512, FM 2676, CR 353 (South) and CR 353 (North). Appropriate signage will be added along the roads indicating the construction entrances.

Roadway Crossings

When will public roadways be closed?

No roadways are expected to be closed until 2018. Each crossing will require temporary closure. SGRR will communicate road closures in advance to neighbors and stakeholders, and closings will be publicly posted via road signs 14 days in advance. Detours will be communicated and posted. SGRR will coordinate with Medina County and local police, fire and emergency medical services. SGRR will exceed TxDOT standards by installing electric warning signals and gates at six roadway crossings.

Safety

How will you ensure a safe worksite?

SGRR is committed to maintaining a safe worksite for all workers and the public. Construction workers will report to a weekly safety meeting at the project office in addition to a daily safety meeting at their project site. Personal Protective Equipment (PPE) will be required on the jobsite at all times. SGRR will comply with all appropriate Occupational Safety and Health Administration (OSHA) standards. To ensure the safety of the workers and public, no unauthorized personnel will be allowed on the worksite.

What's your emergency response plan during construction?

SGRR is coordinating with Medina County and local police, fire and emergency medical services to ensure first responders know how to access the site. Each construction Access Point will be labeled with signage and serve as the emergency gathering point.

How will you designate the construction areas?

The construction activity will be confined to SGRR-owned property and the right of way, which will be fenced and marked. To prohibit public access to the construction site, fencing will clearly establish the right of way and purple posts and signage will indicate no trespassing. Construction Access Points will be signed and gated.

Environmental

How will you control storm water?

SGRR will maintain a plan to prevent erosion and sediment runoff from impacted areas for the duration of construction activities. SGRR will maintain full compliance with the mitigation measures, including best management practices (BMPs) during construction to minimize impacts of sediment runoff, and planning for flood conditions.

SGRR will have a Storm Water Pollution Prevention Plan (SWPPP) and implement the measures into the plan during construction.

How will you control dust?

SGRR will maintain a dust control plan, including the use of water trucks. SGRR will also implement BMPs to minimize the impact of air pollutants.

Community

Who do we contact if we have a comment or question?

Neighbors should contact SGRR on our 24/7 community feedback line at (800) 474-4086 with questions, comments or concerns relating to construction.

How will you ensure workers are mindful of neighbors and the community?

All workers will be held to the highest standards of safety and be respectful of and courteous to our neighbors. They'll commit to a community pledge that includes a code of conduct. Workers will be required to stay within the right of way, follow posted speed limits and keep the area clean.

Jobs and Economic Opportunity

Where do I get information about jobs and opportunities associated with The Medina Line?

Whenever possible, we'll be hiring local workers and using local products, materials and services. Jobs and opportunities for construction and operations will be posted at www.TheMedinaLine.com/opportunities.

What current opportunities are available?

WT Byler Co is currently accepting applications for heavy equipment operators and laborers. More information is available at www.TheMedinaLine.com/opportunities.