

**SAN ANTONIO WATER SYSTEM
WATER SYSTEM
Addendum No. 1
For SURPLUS PROPERTY FOR SALE
RANSLEBEN FARM – ATASCOSA COUNTY
R-13-008-RA**

To Bidder of Record:

This addendum, applicable to the solicitation above, is an amendment to the bidding documents and as such shall be a part of and included in the Contract. The original contract documents and any prior addenda remain in full force except as modified by the following which shall take precedence over any contrary provisions in prior documents.

1.0 Addendum Purpose

The purpose of this addendum is to respond to bidder's questions.

2.0 Responses to Bidders Questions

Question: What did SAWS do on the property? Why did SAWS want the property?

Answer: SAWS purchased the property for the Edwards Aquifer Desalinization Program. A test well was drilled on the property. The water quality was not adequate to proceed with the project therefore the well was plugged. The Desalinization team focused on the Wilcox Formation and no longer pursued the brackish Edwards Aquifer as a source of water for desalination. SAWS has not used the property for any other use.

Question: Is this property in the Edwards Aquifer?

Answer: The property is in the Edwards Aquifer but not in the jurisdiction of the Edwards Aquifer Authority.

Question: If I'm an adjacent landowner, don't I get right of first refusal before you start the bidding process to sell the property?

Answer: The Texas Local Government Code Chapter 272 governs SAWS' actions with respect to the sale of its properties, including the 39.929 acre tract. The law requires the property be sold by competitive bid, and SAWS is not authorized to grant preferential rights of first refusal.

Question: Does the highest bidder always win?

Answer: The winning bid is selected based on best net value to SAWS.

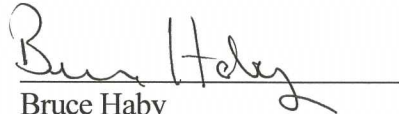
Question: If I am the winning bidder, then I decide I want to rescind my bid, what happens?

Answer: You can rescind your bid but you lose your bid deposit.

Question: On the For Sale sign it says 'Brokers Welcome'. What does that mean?

Answer: It means that it is okay for a bidder to have buyer representation from a real estate agent.

Each bidder is requested to acknowledge receipt of this Addendum No.1 by his/her signature affixed hereto and to file same with and attached to his/her bid.



Bruce Haby
Manager, Corporate Real Estate

Date

Signature of Bidder

END OF ADDENDUM