BEFORE THE
COLORADO RIVER COMMISSION OF NEVADA

In the Matter Of:

Joint Application to Change Holder of the Entitlement to Appropriate Water Brought by Southern Nevada Water Authority and Borman Specialty Materials

ORDER APPROVING CHANGE TO SECTION 5 ENTITLEMENT HOLDER

At a regularly called meeting of the Colorado River Commission of Nevada ("Commission") on July 14, 2026, a public hearing was held pursuant to NRS 538.171, NRS 538.181, and NAC 538.075 to NAC 538.330, inclusive to consider the Application for Recommendation to Approve Adjustments to Certain Nevada Section 5 Contract Entitlement Holders (the "Application") brought by Southern Nevada Water Authority ("SNWA") and EMD Acquisition LLC, a Nevada limited liability company d/b/a Borman Specialty Materials ("BORMAN") (attached hereto at Exhibit A).

PRESENT: Chairwoman Puoy K. Premsrirut
Vice Chairwoman Kara J. Kelley
Commissioner George M. Caan
Commissioner Marilyn Kirkpatrick
Commissioner Dan H. Stewart
Commissioner Steve Walton
Commissioner Cody T. Winterton
Executive Director Eric Witkoski

I. BACKGROUND

BORMAN holds an entitlement to appropriate Colorado River water pursuant to a contract with the United States Department of the Interior, Bureau of Reclamation ("Reclamation") and the Commission under Contract No. 14-06-300-2083 dated September 18, 1969 (the Contract for Delivery of Water to Basic Management, Inc.), as

amended (hereinafter "1969 Section 5 Water Delivery Contract").[1] BORMAN received its water allocation through an agreement with Basic Water Company ("BWC") until BWC filed for bankruptcy protection in 2022. At that time, the infrastructure necessary for BWC to pump water from Lake Mead was inoperable. BWC negotiated a temporary water delivery contract with Las Vegas Valley Water District ("LVVWD") to continue water service to BORMAN from the City of Henderson. As part of its bankruptcy plan, BWC assigned its contracts with the Commission to Henderson WC, LLC ("HWC"), but HWC has not improved the failed infrastructure and still cannot pump water from Lake Mead to serve BORMAN.

BORMAN, SNWA and LVVWD are parties to that certain "Agreement Relating to Colorado River Contract Rights owned by Borman Specialty Materials" (hereinafter, "Water Assignment Agreement") to ensure BORMAN's future delivery of water. A copy of the Water Assignment Agreement is attached to the Application at Exhibit A. Under the Water Assignment Agreement, BORMAN will assign a portion of its water entitlement to SNWA and in turn LVVWD will authorize the City of Henderson to service BORMAN's water needs. SNWA and BORMAN now seek the Commission's approval to change the entitlement holder of a portion of BORMAN's allocation to SNWA which would act as a recommendation to Reclamation to prepare the necessary transfer documents.

For good cause appearing, the Commission finds the following.

II. FINDINGS OF FACT

1. On September 17, 2026, a public hearing was held in the above-entitled

[1] "Section 5" refers to Section 5 of the Boulder Canyon Project Act of 1928 (Public Law 70-642, 45 Stat. 1057) which governs federal contracts for water delivery from the Colorado River.

matter in compliance with the provisions of the Nevada Open Meeting Law Chapter 241 of Nevada Revised Statutes (NRS), NRS 538 and Chapter 538 of the Nevada Administrative Code (NAC).

2. BORMAN produces electrolytic manganese dioxide and other specialty chemicals within the Black Mountain Industrial Complex and owns real property defined as the "BORMAN Service Area" attached to the Water Assignment Agreement.

3. SNWA acquires, treats and distributes water to water utilities in Clark County, Nevada.

4. Under the 1969 Section 5 Water Delivery Contract, as successor-in-interest to American Potash & Chemical Corporation, BORMAN's water entitlement currently consists of 703 acre-feet per year.

5. Under the Water Assignment Agreement, BORMAN agrees to transfer 310 acre-feet to SNWA and LVVWD will authorize the City of Henderson to provide water service to BORMAN's Service Area (as defined in the Water Assignment Agreement attached to the Application at Exhibit A).

6. BORMAN will use approximately 300 acre-feet for its current and potential future expansion of its business operations, and 10 acre-feet may be used by a third-party purchaser of real property within BORMAN's Service Area.

7. The Water Assignment Agreement provides for restrictions on future transfers, within the SNWA Boundary (as defined in the Water Assignment Agreement) or the service territories of its member agencies, of the retained portion of BORMAN's water entitlement; such that the entitlement shall be subject to conservation-based Colorado River use restrictions as applicable at the time of any such future transfer.

8. SNWA holds an entitlement to appropriate Colorado River water pursuant to a contract with Reclamation and the Commission under Contract No. 2-07-30-W0266 dated March 2, 1992 (Contract with the Southern Nevada Water Authority, Nevada, for the Delivery of Colorado River Water) (hereinafter "SNWA Section 5 Water Delivery Contract").

9. BORMAN's 1969 Section 5 Water Delivery Contract will be amended to reduce BORMAN's water right entitlement by 310 acre-feet, and the SNWA Section 5 Water Delivery Contract will be amended to increase SNWA's water right entitlement in the amount of 310 acre-feet with such entitlement maintaining BORMAN's priority date.

10. With approval from the Commission, Reclamation will prepare the necessary amendments to the 1969 Section 5 Water Delivery Contract and SNWA Section 5 Water Delivery Contract.

11. The Commission has authority from NRS and NAC Chapters 538 to approve applications to change entitlement holders of Colorado River water.

III. FINDINGS, CONCLUSIONS AND ORDER

Based on the foregoing, the Commission makes the following findings and conclusions, and orders as follows.

12. The Commission shall receive, protect and safeguard and hold in trust for the State of Nevada all water and water rights, and all other rights, interests or benefits in and to the waters described in NRS 538.041 to 538.251, inclusive pursuant to NRS 538.171.

13. The Commission's actions on the Application constitute the recommendation of the State of Nevada to the United States for the purposes of any

federal action on the matter required by law.

14. The Commission holds and administers all rights and benefits pertaining to the distribution of water mentioned in NRS 538.041 to 538.251, inclusive, for the State of Nevada pursuant to NRS 538.171.

15. As required by NRS 538.171, when considering the Application, the Commission shall apply the criteria set forth in NRS 533.370, which are the criteria used by the State Engineer when considering applications for a permit to appropriate water.

16. NRS 533.370 identifies criteria for the approval of applications by the State Engineer which, in part, requires the water be put to beneficial use by showing proof satisfactory to the State Engineer of the applicant's: (1) Intention in good faith to construct any work necessary to apply the water to the intended beneficial use with reasonable diligence; and (2) Financial ability and reasonable expectation actually to construct the work and apply the water to the intended beneficial use with reasonable diligence.

17. Furthermore, NRS 533.370 requires that the State Engineer reject applications if the proposed use or change conflicts with existing rights or with protectable interests or threatens to prove detrimental to the public interest.[2]

18. In applying the criteria in NRS 533.370, the Nevada Supreme Court adopted the anti-speculation doctrine finding that the doctrine comports with the language and goals of NRS 533.370. *See Bacher v Office of State Engineer, State of Nevada*, 122 Nev. 1110,1119-20, 146 P.3d 793, 799 (2006).

19. The anti-speculation doctrine precludes speculative water right acquisitions without a showing of beneficial use.

[2] NRS 533.370 includes additional criteria not applicable to the Application.

20. The criteria protect against speculation by requiring a showing of financial ability and a reasonable expectation with respect not only to constructing any work needed to apply the water, but also to apply the water to the intended beneficial use with reasonable diligence. *See Bacher*, 122 Nev. at 1120 (citations omitted).

21. Applying those criteria here, changing the holder of the entitlement from BORMAN to SNWA satisfies the criteria in NRS 533.370 and the anti-speculation doctrine as SNWA has its own Section 5 Water Delivery Contract and the water will be put to beneficial use through its existing water delivery infrastructure.

22. Additionally, changing the entitlement holder from BORMAN to SNWA will not conflict with existing rights or protectable interests or threaten to prove detrimental to the public interest.

After due deliberation and good cause appearing therefore, it is hereby **ORDERED**:

1. The Application is **APPROVED** in accordance with NRS 538.171 which shall serve as a recommendation of the State of Nevada to the United States for the purpose of amending the 1968 Section 5 Water Delivery Contract to decrease BORMAN's allocation by 310 acre-feet and amending the SNWA Section 5 Water Delivery Contract to increase SNWA's allocation by the same amount.

2. The Chair of the Commission shall have authority to sign any documents prepared by Reclamation to effectuate the transfer of the water entitlement, including, without limitation, the amendments to the 1968 Section 5 Water Delivery Contract and the SNWA Section 5 Water Delivery Contract.

3. The change to entitlement holder shall not change the priority date for the transferred 310 acre-feet which shall remain the same as if it were still held by BORMAN.

4. Commission staff shall cause to be published the notice required by NRS 538.181(4). The parties to the Application shall pay for the publication. This Order shall be final once the notice and objection process concludes.

IT IS SO ORDERED.

Dated this 17th day of September, 2026.

COLORADO RIVER COMMISSION OF NEVADA

Puoy K. Premsrirut
Chairwoman

Exhibit A
Application for Recommendation to Approve Adjustments to Certain Nevada Section 5 Contract Entitlement Holders

Eric Witkoski
Executive Director
Colorado River Commission of Nevada
100 North City Parkway, Suite 1100
Las Vegas, Nevada 89106

Re: APPLICATION FOR RECOMMENDATION TO APPROVE ADJUSTMENTS TO CERTAIN NEVADA SECTION 5 CONTRACT ENTITLEMENT HOLDERS

This Application for Recommendation to Approve Adjustments to Certain Nevada Section 5 Contract Entitlement Holders (Application) is filed jointly by the Southern Nevada Water Authority (SNWA) and EMD Acquisition LLC, a Nevada limited liability company, d/b/a Borman Specialty Materials (successor-in-interest to American Potash & Chemical Corporation) (BORMAN) pursuant to NRS 538.171(2), NRS 538.181, and NAC 538.075 to 538.330, inclusive, in connection with the enclosed Agreement Relating to Colorado River Contract Rights Owned by Borman Specialty Materials (Water Agreement) by and between BORMAN, the Las Vegas Valley Water District (LVVWD), and SNWA.

In summary, the Water Agreement provides, among other things, that in exchange for LVVWD authorizing water service to BORMAN by the City of Henderson within LVVWD's Service Territory, BORMAN will assign 310 acre-feet of BORMAN's water rights under Bureau of Reclamation (BOR) Contract No. 14-06-300-2083 to SNWA, pursuant to the Water Agreement's terms. To effect the transaction, BOR has indicated it will, upon receiving a favorable recommendation from the Colorado River Commission of Nevada, draft the appropriate assignment documents, reduce BORMAN's ownership of Contract No. 14-06-300-2083 by 310 acre-feet, and increase SNWA's BOR Contract 2-07-30-W0266 by an equivalent amount while maintaining the priority date of the BORMAN contract.

The transaction complies with the criteria in NRS 533.370. The transaction does not violate the anti-speculation doctrine now applied through NRS 533.370 public interest analysis as set forth in Bacher vs. State Engineer, 146 P.3d 793 (Nev. 2006). Furthermore, because the contemplated diversion works have been constructed for many years and the beneficial uses at BORMAN's facilities are all existing (NRS 533.370(1)(c)(1)), the only remaining criteria is whether the transaction threatens to prove detrimental to the public interest (NRS 533.370(2)). As BORMAN is already using its own water rights for existing purposes, the transaction is very much in the public interest.

Please let us know if you have any questions.

Respectfully submitted,

SOUTHERN NEVADA WATER AUTHORITY

By: Gregory Walch (Aug 17, 2026 11:18:11 PDT)

Name: Gregory Walch

Title: General Counsel

Date: Aug 17, 2026

BORMAN SPECIALTY MATERIALS

By: William Golden (Aug 17, 2026 16:37:09 EDT)

Name: William Golden

Title: Director

Date: Aug 17, 2026

AGREEMENT RELATING TO COLORADO RIVER CONTRACT RIGHTS OWNED BY BORMAN SPECIALTY MATERIALS

This Agreement Relating to Colorado River Contract Rights Owned by EMD Acquisition LLC, a Nevada limited liability company, d/b/a Borman Specialty Materials ("Agreement"), is made and entered into as of the Effective Date (as such term is defined below) by EMD Acquisition LLC, a Nevada limited liability company, d/b/a Borman Specialty Materials (successor-in-interest to American Potash & Chemical Corporation) ("BORMAN"), the Las Vegas Valley Water District, a political subdivision of the State of Nevada ("LVVWD"), and the Southern Nevada Water Authority, a political subdivision of the State of Nevada ("SNWA"), and together with BORMAN and LVVWD, the "Parties").

RECITALS

A. LVVWD is statutorily authorized to distribute potable water within a service area that includes the City of Las Vegas, Nevada and portions of unincorporated Clark County, Nevada.

B. SNWA is engaged in the acquisition, treatment, and wholesale distribution of water to water utilities in Clark County, Nevada, including, without limitation, LVVWD and the City of Henderson, Nevada ("City").

C. BORMAN and/or its affiliates produces electrolytic manganese dioxide and other specialty chemicals within the Black Mountain Industrial Complex ("BMI Complex").

D. City, a municipal corporation in Clark County, operates a public water system serving properties within its incorporated city boundaries as well as certain properties in unincorporated Clark County.

E. The BMI Complex is an island of unincorporated Clark County, Nevada, completely enclosed within the contiguous boundary of City. As of the Effective Date, the industrial entities located within the BMI Complex (the "Producing Companies") are (1) BORMAN, (2) Pioneer Americas LLC, a Delaware limited liability company, d/b/a Olin Chlor Alkali Products and Vinyls (successor-in-interest to Stauffer Chemical Company), (3) Lhoist North America of Arizona Inc., an Arizona corporation, (successor-in-interest to The Flintkote Company), and (4) Titanium Metals Corporation, a Delaware corporation, (successor-in-interest to Titanium Metals Corporation of America).

F. Since the 1950s and until approximately July 1, 2022, Basic Water Company ("BWC") along with Basic Water Company SPE 1, LLC ("SPE") and their predecessors (collectively "Basic"), were engaged in the delivery of Colorado River water under the United States Department of Interior and Bureau of Reclamation Contract No. 14-06-300-2083, dated

September 18, 1969, as amended ("1969 Water Rights Agreement"). BWC, the Producing Companies (or their predecessors in interest), the Colorado River Commission of Nevada ("CRC"), and the United States Bureau of Reclamation ("BOR") are all signatories to the 1969 Water Rights Agreement.

G. The 1969 Water Rights Agreement authorized Basic to divert Colorado River water through Basic's intake facility at Saddle Island on Lake Mead, which was then conveyed through approximately 16.6 miles of pipelines and associated water infrastructure ("Basic Water Infrastructure") and redelivered to the Producing Companies, including BORMAN.

H. In June 2022, in response to decreasing water levels at Lake Mead and Basic's failure to modify the Basic Water Infrastructure prior to that time to enable its continued operation, LVVWD and City executed an Interlocal Agreement (LVVWD Agreement No. 010231.0, dated June 23, 2022, "2022 ILA") authorizing City to temporarily supply potable water to Basic, with Basic then distributing this water to the BMI Complex service area for the Producing Companies, while Basic, the Producing Companies, SNWA, LVVWD, and City evaluated long-term solutions.

I. Concurrent with the signing of the 2022 ILA, City and Basic executed the 2022 Water Service Contract (City contract number #26526, dated June 13, 2022, and subsequently amended on December 5, 2022) ("Water Service Agreement"). The Water Service Agreement authorized Basic to receive temporary potable water service from City. Basic would then redeliver the water to the Producing Companies, Nevada Environmental Response Trust ("NERT"), and Saguaro Power Company, A Limited Partnership whose assets were thereafter acquired by Nightpeak Energy and branded Saguaro Power ("Saguaro"), for use in the BMI Complex service area. Water supplied under the Water Service Agreement is used for the Producing Companies' industrial needs, Saguaro's industrial operations, NERT's remediation activities, and to meet fire protection and sprinkler system needs.

J. On or about July 1, 2022, the surface elevation of Lake Mead fell below the operational level of Basic's intake. The Basic Water Infrastructure failed, and Basic terminated delivery of raw water to the Producing Companies. Subsequently, after the Producing Companies paid SNWA's standard connection fees, City began providing temporary potable water service to Basic under the 2022 Water Service Agreement for redelivery to the Producing Companies.

K. On September 10, 2022, BWC and SPE, citing lost revenue from raw water sales impacting their ability to meet debt obligations, each filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court for the District of Nevada (Case Nos. BK-22-13252-MKN and BK-22-13253-MKN, respectively). These cases were later administratively consolidated by the court. Both companies sought to sell their assets, including the Basic Water Infrastructure, through their Chapter 11 plan.

L. Basic's confirmed Chapter 11 plan calls for Basic to sell all its assets, including but not limited to the Basic Water Infrastructure, real property, right-of-way grants, easements, and assignment of certain state of Nevada and federal contracts (including the 1969 Water

Rights Agreement), to Precision Castparts Corp. ("Precision"), the parent company of TIMET, or Precision's assignee, Henderson Water Company, LLC ("HWC"). The bankruptcy court entered an order approving that plan on October 20, 2023, and the sale to Precision occurred in November 2023.

M. Subject to the terms of this Agreement and in accordance with the terms of a Permanent ILA (as defined in Section 1, below), LVVWD is willing to authorize City to provide water to BORMAN, either directly or through HWC's Water Delivery System, to be used within the BORMAN Service Area (as defined in Section 1, below).

NOW, THEREFORE, in exchange for the mutual promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1 DEFINITIONS

The following initially capitalized terms are in addition to the terms defined elsewhere in this Agreement and shall have the meanings specified below unless the context otherwise requires:

1.1 "1969 Water Rights" means Colorado River water contract rights granted to the Producing Companies by BOR pursuant to Section 5 of the Boulder Canyon Project Act through the 1969 Water Rights Agreement.

1.2 "Assigned Water Rights" means Assigned Water Rights Type 1 and Assigned Water Rights Type 2.

1.3 "Assigned Water Rights Type 1" means 300 acre-feet of BORMAN's 1969 Water Rights that BORMAN will convey to SNWA pursuant to this Agreement, which is the amount of BORMAN's expected annual water use within the BORMAN Service Area plus an amount of annual water use BORMAN reasonably believes sufficient for potential expansion of its existing or future operations within the BORMAN Service Area, including those of BORMAN's subsidiaries, joint ventures, partnerships or tenants within the BORMAN Service Area.

1.4 "Assigned Water Rights Type 2" means 10 acre-feet of BORMAN's 1969 Water Rights that BORMAN will convey to SNWA to hold for the benefit of BORMAN pursuant to this Agreement, which is the amount of annual water use that BORMAN reasonably believes sufficient for any real property that is located within the BORMAN Service Area and that, after the Effective Date, the fee title to which is conveyed by BORMAN to a third party.

1.5 "Effective Date" shall have the meaning ascribed to such term in Section 6.1, below.

1.6 "NRS" means Nevada Revised Statutes, as amended.

1.7 "Permanent ILA" means an interlocal agreement between LVVWD and City authorizing City to deliver water to BORMAN within the BORMAN Service Area for industrial and domestic purposes within LVVWD's service territory.

1.8 "Retained Water Rights" means (1) the balance of BORMAN's 1969 Water Rights retained by BORMAN after assignment of the Assigned Water Rights to SNWA, and (2) any Assigned Water Rights that are reconveyed from SNWA back to BORMAN as provided herein.

1.9 "SNWA Boundary" shall include the contiguous boundary of Clark County, Nevada and any other county in Nevada in which SNWA owns water rights.

1.10 "BORMAN Service Area" means the parcel(s) within the BMI Complex owned by BORMAN as set forth in Exhibit A.

1.11 "Transfer" or "Transferred" means BORMAN's disposition of any portion of the Retained Water Rights by any means including, without limitation, sale, lease, license, gift, foreclosure, or pledge, to any person, and also means any use of Retained Water Rights by BORMAN or BORMAN's subsidiaries, joint ventures, affiliates, partnerships or tenants.

2 OBLIGATIONS OF BORMAN

2.1 Assignment. Prior to the effective date of a Permanent ILA, and as a condition precedent therefore, BORMAN shall assign the Assigned Water Rights to SNWA through an instrument the substance and form of which is acceptable to SNWA, CRC, and BOR, SNWA shall accept such assignment, and CRC and BOR shall approve and document the assignment.

2.2 Cooperation on Access Rights. BORMAN shall cooperate in good faith with SNWA and other necessary government agencies to provide such agencies with access rights as reasonably necessary for the continuing provision of water services and deliveries.

2.3 Restrictions on the Use and Transfer of Retained Water Rights. Any Transfer shall be performed in compliance with then-existing laws, regulations, orders, determinations or the like applicable to BORMAN's 1969 Water Rights. And use of any water rights Transferred within the SNWA Boundary or the service territories of its member agencies, is subject to all generally applicable SNWA or member-agency conservation-based Colorado River use restrictions (such as, for example, restrictions on use of Colorado River water for evaporative cooling, turfgrass, decorative fountains, and large swimming pools) existing as of the time of the Transfer and applicable within the place of use upon Transfer. To memorialize and give effect to the restrictions set forth herein, and as a condition precedent to the Permanent ILA and obtaining permanent water service from City, (i) BORMAN agrees to bind any transferee of the Retained Water Rights to the restrictions contained herein, and (ii) the Parties shall file a memorandum or copy of this Agreement containing the foregoing restrictions with the CRC and the BOR to be maintained in files pertinent to the Retained Water Rights such that any transferee or user, or prospective transferee or user, of all or any portion of the Retained Water Rights will have constructive notice of the foregoing restrictions. Notwithstanding anything to the contrary herein, the Parties agree that any such restrictions will not apply to the use by BORMAN or BORMAN's subsidiaries, joint venturers, affiliates, partnerships, or tenants of any Assigned Water Rights within the BORMAN

Service Area, including any Assigned Water Rights that revert to BORMAN pursuant to Section 3.3, nor to Retained Water Rights used to increase the capacity of existing or historical operations within the BORMAN Service Area. Provided BORMAN complies with the restrictions on the Transfer described herein, SNWA and LVVWD shall not object to any such Transfer.

3 OBLIGATIONS OF SNWA AND LVVWD

3.1 Permanent ILA and Nature of Relationship between Parties. In exchange for BORMAN's performance of obligations under this Agreement, SNWA and LVVWD shall make water available to BORMAN by SNWA providing wholesale water service to City in accordance with this agreement, and further, LVVWD shall enter into the Permanent ILA with City for City's retail redelivery to BORMAN. The Permanent ILA will provide that City has authority to serve BORMAN and BORMAN's subsidiaries, joint ventures, partnerships, tenants, transferees or assignees within the BORMAN Service Area water as a customer(s) of City in an area of unincorporated Clark County, Nevada, that would otherwise be served by LVVWD. LVVWD agrees that if City ever ceases to provide retail water service to BORMAN for any reason, LVVWD will cooperate with BORMAN and work to provide such retail water service within the BORMAN Service Area directly to BORMAN and BORMAN's subsidiaries, joint, ventures, partnerships, tenants, transferees and assignees. Subject to the foregoing, BORMAN acknowledges and agrees that (a) neither SNWA nor LVVWD will have any contractual or utility/customer relationship with BORMAN for delivery of water to BORMAN or BORMAN's subsidiaries, joint ventures, partnerships, tenants, transferees or assignees within the BORMAN Service Area, (b) SNWA shall under no circumstances be responsible for delivering water to BORMAN or BORMAN's subsidiaries, joint ventures, partnerships, tenants, transferees or assignees within the BORMAN Service Area, and (c) neither SNWA nor LVVWD shall be liable to BORMAN for any damages or losses incurred by BORMAN or others occasioned by any failure of City to provide water to BORMAN in a quantity or of a quality necessary for BORMAN's operations or those of BORMAN's subsidiaries, joint ventures, partnerships, tenants, transferees or assignees within the BORMAN Service Area.

3.2 License for BORMAN and/or HWC Diversion and Use of Assigned Water Rights. SNWA hereby grants an irrevocable license to BORMAN and HWC, as applicable, to divert from Lake Mead any portion of the Assigned Water Rights as may be authorized by BOR and to convey and use of any portion of the Assigned Water Rights for BORMAN's own operations in the BORMAN Service Area or those of BORMAN's subsidiaries, joint ventures, partnerships or tenants within the BORMAN Service Area; provided, however, that as conditions precedent for the exercise of any license rights hereunder, (i) BORMAN, HWC and BOR must be able to accurately account for BORMAN's and HWC's diversions and return flows, if any, through reliable metering or gauging devices, and BORMAN and HWC, as applicable, must provide monthly reports of the foregoing to LVVWD and the City, (ii) BORMAN shall provide not less than thirty (30) days written notice to SNWA, LVVWD, and City before undertaking any such diversions; (iii) BORMAN and HWC shall comply with all federal, state and local laws and regulations regarding the diversion, use and conveyance of the Assigned Water Rights, including water quality, treatment, and cross-connection of City's municipal supply and that provided by BORMAN or HWC; (iv) the amount of Assigned Water Rights to be delivered by the City or LVVWD in connection with retail water service will automatically be reduced by the amount of the diversion; and (v) BORMAN shall indemnify, defend (with counsel reasonably acceptable to

LVVWD, SNWA and City), and hold harmless LVVWD, SNWA and City, and their respective agents, employees, representatives, contractors, officers, and board members (collectively and individually, the "Indemnitees") from and against any and all loss, damage, cause of action, claim, liability, cost, and expense (including without limitation reasonable attorneys' fees, expert witness fees and costs of litigation or arbitration) suffered or incurred by or asserted against Indemnitees arising from or relating to BORMAN's exercise of license rights hereunder.

3.3 BORMAN's Reversionary Interest. Should SNWA fail to provide wholesale water service to City despite the State of Nevada having access to not less than 270,000 acre feet of its basic apportionment of Colorado River water in a given year, and should SNWA's failure to provide wholesale water service to City result in City being unable to deliver some portion of the Assigned Water Rights to BORMAN or to BORMAN's subsidiaries, joint ventures, partnerships, or tenants, transferees or assignees, then upon BORMAN's written notice of default, and provided SNWA does not restore such service within thirty (30) days of BORMAN's written notice of default, BORMAN may require that SNWA reconvey to BORMAN, through an instrument the substance and form of which is acceptable to BORMAN, CRC, and BOR, the portion of the Assigned Water Rights impacted by the failure of wholesale water service to City for retail delivery to BORMAN, or to BORMAN's subsidiaries, joint ventures, partnerships, or tenants, transferees or assignees. The amount of Assigned Water Rights to be delivered by the City or LVVWD in connection with retail water service will automatically be reduced accordingly.

4 MUTUAL OBLIGATIONS OF THE PARTIES

4.1 Sale of BORMAN Service Area; Notice of Assigned Water Rights Type 2, and Additional Assigned Water Rights Type 2. In the event BORMAN conveys its fee ownership interest in all or any portion of the BORMAN Service Area to a third party that will require water service from the City, BORMAN shall provide notice to City and LVVWD of the volume of water that may be used such third party, which volume shall then be committed from the Assigned Water Rights Type 2 held by SNWA for the benefit of BORMAN. LVVWD shall enter into a permanent ILA authorizing City to serve any third parties receiving a commitment of Assigned Water Rights Type 2 as provided in this Agreement. In the event there are insufficient uncommitted Assigned Water Rights Type 2 to satisfy a given third-party's use, BORMAN agrees to convey to SNWA, and SNWA shall accept, Retained Water Rights in an amount sufficient to satisfy such third-party's use. The form and substance of such conveyance(s) shall be in a form agreed upon by the Parties and approved by CRC and BOR. The Parties acknowledge and agree that BORMAN shall have the right to negotiate and receive for itself the value of any commitment of Assigned Water Rights Type 2 with third parties and contract for their use of the same.

4.2 Sale of Retained Water Rights. If BORMAN considers a sale of any portion of the Retained Water Rights, BORMAN agrees to promptly notify and consult with SNWA regarding such sale.

4.3 Regional Connection Fee Refund; Future Regional Connection Fees. The Parties acknowledge and agree that BORMAN has undertaken certain measures to reduce its demand for water both prior to and after BORMAN paid SNWA's Regional Connection Charge ("RCC") that was assessed under the Water Service Agreement and necessary for BORMAN (through the Basic Water Infrastructure) to connect temporarily to City's water system. The Parties further agree that

BORMAN will be refunded that portion of the RCC attributable to the volume of water BORMAN will ultimately not be using as a result of its permanently reduced demand for its operations at the BORMAN Service Area, as those operations exist as of the Effective Date, and that BORMAN will not be required to pay an additional RCC to convert the temporary water service to permanent water service. To calculate the RCC for an existing unmetered user within a master metered system, it is first necessary to calculate the meter size or sizes required to serve such user. At the time of the RCC calculation for Basic Water, it was clear that certain Producing Companies, including BORMAN, were implementing changes that would reduce their water demand significantly and would effectively result in smaller or fewer required meters. Due to the urgency of the Producing Companies' water needs, the RCC was calculated based on historical data and it was agreed that a true-up calculation would be performed based upon post-improvement water demand when there was sufficient water use data. SNWA has now performed the true-up calculation, which reflects that BORMAN has substantially reduced its water demands and will refund to BORMAN the portion of the deposited RCC represented by the reduction in use within thirty (30) days of the Effective Date. Notwithstanding the foregoing, BORMAN acknowledges that BORMAN and/or BORMAN's subsidiaries, joint ventures, partnerships, tenants, transferees or assignees within the BORMAN Service Area, as applicable, will be required to pay any SNWA, City, and LVVWD connection fees and other charges, as applicable, in connection with any new service(s) or increased water use(s) above those for which RCC's within the BORMAN Service Area have already been paid.

4.4 WET Program Award. If expenses are not funded through any other third-party funding program, BORMAN may submit information in support of a potential award from SNWA's WET program for expenses related to reducing water use. SNWA will evaluate such requests in accordance with applicable program rules.

4.5 Agreement to Work Expeditiously to Acquire Required Consents and Agreements from Third Parties. The Parties acknowledge and agree that, to fulfill the terms of this Agreement and to memorialize the obligations herein, including, without limitation, the obligations found in Sections 2.1 and 2.3, the Parties, as appropriate, shall execute any associated assignments. The Parties further acknowledge that executing any associated assignments will require the consent and cooperation of multiple third parties, including, without limitation, CRC and BOR. The Parties may also be required to execute additional agreements or obtain other approvals from third parties. The Parties covenant to work expeditiously and in good faith to obtain agreements and consents with appropriate third parties.

4.6 Notice of Expansion of Operations. BORMAN shall provide SNWA, LVVWD and City written notice not less than 90 days prior to undertaking any expansion of operations or new uses in the BORMAN Service Area that will foreseeably lead to an increase in BORMAN's water use (or that of BORMAN's subsidiaries, joint ventures, partnerships or tenants operating within the BORMAN Service Area) to the extent such expansion of operations or new uses exceed those for which an RCC has been paid. In addition to payment of SNWA, City, and LVVWD connection fees and other charges, as applicable, relating to such new or expanded service(s) or water use(s) by BORMAN and/or BORMAN's subsidiaries, joint ventures, partnerships or tenants within the BORMAN Service Area), BORMAN shall, to the extent the Assigned Water Right Type 1 or 2 are insufficient to cover the new or expended uses, assign to SNWA Retained Water Rights in an amount sufficient to satisfy the new or expanded uses.

4.7 Costs and Damages Generally. The Parties agree that neither LVVWD nor SNWA shall have any obligation whatsoever to pay for BORMAN to (a) construct improvements that enable BORMAN to connect to the water facilities of City or HWC, or (b) operate, maintain, add to, survey, construct, reconstruct, modify, maintain, remove, repair and/or replace its own water delivery system, the water delivery system of HWC, or the water delivery system of City, to obtain or retain access to water service. If City determines that it will not provide water service to BORMAN, or if City decides to cease such service after water service has commenced, neither LVVWD nor SNWA shall be responsible or liable for any costs or damages associated with BORMAN's ability or that of BORMAN's subsidiaries, joint ventures, partnerships, tenants, transferees or assignees within the BORMAN Service Area to obtain continued access to water service.

4.8 Agreement with City. Contemporaneously with the execution of this Agreement, BORMAN agrees to enter into an agreement with City related to City's provision of water to BORMAN, either directly or through HWC's Water Delivery System, for use within the BORMAN Service Area.

5 INDEMNITY

5.1 BORMAN Indemnity. BORMAN shall indemnify, defend (with counsel reasonably acceptable to LVVWD and SNWA), and hold harmless LVVWD and SNWA and their agents, employees, representatives, contractors, officers, and board members (collectively and individually, the "Indemnitees") from and against any and all loss, damage, cause of action, claim, liability, cost, and expense (including without limitation reasonable attorneys' fees, expert witness fees and costs of litigation or arbitration) suffered or incurred by or asserted against Indemnitees arising from or relating to actions or inaction of City in providing City's water service to BORMAN, a BORMAN subsidiary, joint venture, partnership or tenant, or the use or distribution of such water by BORMAN or a BORMAN subsidiary, joint venture, partnership or tenant ("BORMAN's Indemnity"). BORMAN's Indemnity shall survive the expiration or earlier termination of this Agreement.

6 MISCELLANEOUS

6.1 Agreement Effectiveness, Term, and Termination. This Agreement shall become effective, and shall remain in effect until terminated by written agreement of the Parties, on the date the last of the following occurs (the "Effective Date"): (a) Board approval of this Agreement by both SNWA and LVVWD; (b) execution of this Agreement by the undersigned; and (c) Board approval and execution of the Permanent ILA by both LVVWD and City. Satisfaction of the foregoing conditions precedent (a) through (c), above, is required on or before December 31, 2026, to give effect to this Agreement, and the Parties shall have no rights or obligations whatsoever under this Agreement in the event the conditions precedent are not fully satisfied on or prior to December 31, 2026. Any Party may either send a notice to the other Parties that confirms the Effective Date or provide written confirmation that the conditions precedent were not satisfied (timely or otherwise) and therefore the Agreement never took effect and therefore the Parties have no rights or obligations whatsoever under this Agreement.

6.2 No Third-Party Beneficiaries. Except as expressly set forth herein (such as where City is indemnified), this Agreement is intended only to benefit the Parties and their successors-in-interest, shall not be deemed to be for the benefit of any other entity or person other than a Party or that Party's successor-in-interest and does not create any rights, benefits or causes of action for any other person, entity, governmental agency, or member of the general public, including, without limitation, one of the other Producing Companies, City, CRC or BOR.

6.3 Independent Contractors. No Party is, nor will any Party be deemed to be, for any purpose, the agent, representative, contractor, subcontractor, or employee of the other by reason of this Agreement. Furthermore, the Parties do not intend to, and nothing contained in this Agreement shall, create any partnership, joint venture, agency, or other similar arrangement between the Parties.

6.4 Assignment. BORMAN shall not assign, transfer, convey or otherwise dispose of this Agreement or its right, title, or interest in or to the same, or any part thereof, without prior written consent of LVVWD and SNWA, which either LVVWD or SNWA may withhold in its sole discretion, provided such consent is not unreasonably withheld, conditioned, or delayed. Any attempted assignment in violation hereof shall be void and not merely voidable. No assignment is effective until after the assignee agrees in writing to assume all obligations and liabilities of the assignor under this Agreement and the other Parties consent in writing to such assignment. The terms, provisions, covenants, and conditions of this Agreement shall apply to, bind, and inure to the benefit of the Parties hereto, their successors and any permitted assigns.

6.5 Governing Law; Venue. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the substantive and procedural laws of the State of Nevada, without giving effect to its choice or conflicts of law provisions. All actions shall be initiated in a state or federal court located in Clark County, Nevada. Each Party agrees that it shall not initiate an action against any other Party in any other jurisdiction in connection with this Agreement. Each Party irrevocably agrees to submit and consents to the exclusive jurisdiction of the courts located in Clark County, Nevada over any dispute or matter arising under or in connection with this Agreement. The terms of this Section 6.5 shall survive termination of this Agreement.

6.6 No Waiver. No waiver by either Party of any right or obligation hereunder shall be effective unless in writing, provided by the Party's authorized representative, and delivered by the Party to be charged in accordance with Section 6.10 (Notices). The waiver of any right under this Agreement as to a particular transaction or occurrence shall not be deemed a waiver as to any future transaction or occurrence.

6.7 Amendment. This Agreement may be modified or amended only by a written instrument signed by the Parties with the same formality as this Agreement.

6.8 Other Agreements. Nothing contained herein shall be construed as affecting the Parties' respective duties to perform their respective obligations under other agreements, which obligations are and shall remain independent of the rights and obligations of the Parties under this Agreement.

6.9 Counterparts. The Parties may execute this Agreement in electronic form by AdobeSign and/or in one or more counterparts, each of which when so signed and delivered shall be deemed an original, and all of which, when taken together, shall constitute one and the same Agreement. A facsimile, email or other electronic copy of a signature has the same legal effect as an originally drawn signature.

6.10 Notices. Each notice, invoice and other communication required under this Agreement must (a) be in writing, (b) be delivered personally, sent by certified mail (postage prepaid, return receipt requested), sent by electronic mail, or sent by a nationally recognized courier and (c) be addressed to a Party as set forth below:

If to LVVWD or SNWA:
Attention: Deputy General Manager, Engineering and Operations
1001 S. Valley View Boulevard
Las Vegas, Nevada 89153
Email: doa.ross@lvvwd.com

With a copy to:
Attention: General Counsel
1001 S. Valley View Boulevard
Las Vegas, Nevada 89153
Email: greg.walch@lvvwd.com

If To BORMAN:
Borman Specialty Materials
Attn: Travis Starling
560 W. Lake Mead Parkway
Henderson, Nevada 89015
email: travis.starling@bormansm.com

With a copy to:
William J. Golden, Esq.
c/o Borman Specialty Materials
560 W. Lake Mead Parkway
Henderson, Nevada 89015
Email: wjgolden@bormansm.com

Each notice, invoice and other communication required under this Agreement shall be deemed to have been delivered (i) when delivered if delivered personally; (ii) on the date officially recorded as delivered (or delivery refused) according to the record of delivery if mailed by certified mail; (iii) upon transmittal to the email addresses set forth above; or (iv) on the date officially recorded as delivered (or delivery refused) according to the record of delivery if delivered by courier. Each Party may change its contact information for purposes of the Agreement by giving written notice to the other Party in the manner set forth above. The terms of this Section 6.10 shall survive termination of this Agreement.

6.11 Headings; Cross References; Usage of Words. The section titles contained in this Agreement are used solely for convenience and do not constitute a part of this Agreement, nor should they be used to aid in any manner in the construction of this Agreement. All references in this Agreement to Sections and Subsections are to Sections and Subsections in this Agreement, unless otherwise specified. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural include the singular, and words in the singular include the plural and the masculine gender includes the feminine gender. Unless otherwise expressly stated, words not defined herein shall be given their common and ordinary meaning.

6.12 Interpretation. Each Party to this Agreement acknowledges that it has carefully reviewed this Agreement and that each fully understands and has participated in drafting its provisions, and, accordingly, the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party are not to be employed or used in any interpretation of this Agreement.

6.13 Severability. If any provision of this Agreement shall be held to be invalid or unenforceable, the remaining provisions of this Agreement shall remain valid and binding on the Parties. Any invalid or unenforceable provision will be deemed severed from this Agreement, and the balance of this Agreement will be construed and enforced as if it did not contain the specifically invalid or unenforceable provision. The Parties further agree to amend this Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision.

6.14 Authority. Each Party represents that it has taken all actions necessary or advisable and proper to authorize this Agreement, the execution and delivery of it, and the performance contemplated in it. The individual(s) executing this Agreement on behalf of a Party state and acknowledge that she/he/they are authorized and empowered to do so on behalf of that Party.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

SNWA:
Southern Nevada Water Authority,
a political subdivision of the State of Nevada

By: _____
John J. Entsminger
General Manager

APPROVED AS TO FORM:

Brent Gunson
Brent Gunson (Aug 20, 2026 17:56:32 PDT)

Gregory J. Walch
General Counsel

LVVWD:
Las Vegas Valley Water District,
a political subdivision of the State of Nevada

By: _____
John J. Entsminger
General Manager

APPROVED AS TO FORM:

Brent Gunson
Brent Gunson (Aug 20, 2026 17:56:32 PDT)

Gregory J. Walch
General Counsel

BORMAN:
EMD Acquisition LLC, a Nevada limited liability company,
d/b/a Borman Specialty Materials

By: William Golden
William Golden (Aug 24, 2026 15:28:17 EDT)
William Golden
Director

Exhibit A

BORMAN Service Area

[Attached]


Exhibit A
EMD Acquisition LLC dba Borman Specialty Materials
Service Area (depicted within bold pink lines)
Warm Springs Road
Boulder Highway
N Water Street
Lake Mead Parkway
Eastgate Road
US 11