

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM A
FOR MEETING OF JULY 31, 2023**

| |
|---|
| SUBJECT: Roll Call / Conformance to Open Meeting Law. |
| RELATED TO AGENDA ITEM: None. |
| RECOMMENDATION OR RECOMMENDED MOTION: None. |
| FISCAL IMPACT: None. |

STAFF COMMENTS AND BACKGROUND:

Announcement of actions taken to conform to the Open Meeting Law will be reported at the meeting.

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM B
FOR MEETING OF JULY 31, 2023**

| |
|---|
| SUBJECT: Comments from the public. Members of the public are invited to comment on items on the meeting agenda. (No action may be taken on a matter raised during public comment until the matter itself has been specifically included on an agenda as an item for possible action). |
| RELATED TO AGENDA ITEM: None. |
| RECOMMENDATION OR RECOMMENDED MOTION: None. |
| FISCAL IMPACT: None. |

STAFF COMMENTS AND BACKGROUND:

Staff will provide an update at the meeting.

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM C
FOR MEETING OF JULY 31, 2023**

| |
|--|
| SUBJECT: <i>For Possible Action:</i> Consideration of and possible action to approve the proposed Assignment, Assumption, and Consent Agreement among the Colorado River Commission of Nevada (Commission), Basic Water Company, and Henderson WC LLC of existing hydropower contracts and related agreements between the Commission and Basic Water Company. |
| RELATED TO AGENDA ITEM: None. |
| RECOMMENDATION OR RECOMMENDED MOTION: Staff recommends that the Commission approve the Agreement conditioned upon the closing of the sale of Basic Water Company's assets to Henderson WC LLC (HWC) and HWC providing the recommended amount of collateral to the Commission. |
| FISCAL IMPACT: None. |

STAFF COMMENTS AND BACKGROUND:

A. Background

Basic Water Company (BWC) provided raw water from Lake Mead to the industrial customers at Black Mountain Industrial complex. The arrangement to utilize an intake structure on Saddle Island at Lake Mead to pump and provide water goes back to the 1950s. The recent years of drought and the falling levels at Lake Mead during 2022, caused BWC to no longer be able to provide water as of July 1, 2022. In anticipation of BWC no longer being able to provide water, BWC and the industrial customers at BMI negotiated an Agreement for Temporary Potable Water Service from the City of Henderson and Las Vegas Valley Water District in June of 2022.

On September 10, 2022, BWC filed a voluntary petition for Chapter 11 bankruptcy. Under the supervision of the Bankruptcy Court, BWC proceeded through a process to sale the assets of the company. Following a series of events, BWC entered into a Purchase and Sale Agreement dated May 25, 2023, with Precision Castparts Corp. (Precision). Precision is the parent company of Titanium Metals Corporation (Timet) which has operations at the Black Mountain Industrial Complex.¹ The Bankruptcy Court is scheduled to approve the Purchase and Sale Agreement from Basic to Precision on the morning of July 31, 2023, with a planned close of the sale on August 4, 2023.

Following approval of the Purchase and Sale Agreement by the Bankruptcy Court, Precision will assign the Purchase and Sale Agreement to Henderson WC LLC (HWC). HWC will need additional time to assess the future operation of the pumps and water delivery system that BWC used to delivery water to the BMI complex and the need for the hydropower contracts that were used to power the delivery system. To facilitate the transfer of the contracts from BWC and HWC, Staff has negotiated an agreement for the Commission's consideration.

¹ Berkshire Hathaway Inc., is the parent company of Precision Castparts Corp.

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM C
FOR MEETING OF JULY 31, 2023**

B. Proposed “Assignment, Assumption and Consent Agreement” or “Agreement”

The proposed agreement provides for the assignment and transfer of seven contracts between the Commission and BWC to be transferred and assigned to HWC. The agreement acknowledges that the Commission is limited to the customers it can serve under the contracts by NRS 704.787 with some flexibility in serving successors of interest of such contracts at the BMI Complex. The agreement provides that HWC will post cash collateral in the amount of \$170,077 or provide an appropriate letter of credit to support that level of collateral.² HWC agrees to lay off its excess hydropower allocation while it determines its ability to operate the water delivery system. The lay off of the power allows for another contractor to use the power and provides payment for the respective power allocation. Further, HWC agrees to give the Commission no less than 30 days’ notice of its intent to operate the water delivery system that would necessitate use of any of the excess power that was laid off to other contractors.

C. List of the Contracts Being Assigned and Assumed:

Below are the contracts that would be assigned from BWC through Precision to HWC under the terms of the Agreement:

- Contract No. P01-BCPESC-A for the Sale of Electric Service from the Boulder Canyon Project.
- Renewal Contract No. P01-70R for the Sale of Electric Power from the Parker Davis Project.
- Contract No. P20-77 Agreement to Advance Funds for Parker-Davis Project Generation Facilities.
- Contract No. P01-79 Agreement to Repay its Proportionate Share of the Cost of Securities Issued by the Commission to Prepay Hoover Power Base Charges.
- Contract No. P18-JMA - Joint Management Agreement Among the Colorado River Commission of Nevada and Basic Water Company for Management and Power Supply Services, effective December 16, 2021.
- Contract No. P01-MAPPS – Contract between the Colorado River Commission of Nevada and Basic Water Company for Management and Power Supply Services, effective December 16, 2021.
- Contract No. P20-47 First Amended Agreement to Share the Costs of Implementation of the Lower Colorado River Multi-Species Conservation Program.

² Currently, the Commission holds \$170,077 cash collateral on the behalf of BWC. The Staff is waiting on confirmation whether the asset purchase by Precision from BWC includes the collateral held by the Commission for BWC.

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM C
FOR MEETING OF JULY 31, 2023**

D. Recommendation:

Staff recommends the Commission approve the Assignment, Assumption and Consent Agreement conditioned on:

1. The Bankruptcy Court has approved the Purchase and Sale Agreement between BWC and Precision,
2. Precision transfers the related agreements from BWC to HWC,
3. HWC provides the required collateral specified in the Agreement,
4. HWC agrees to abide by the Commission's regulations, specifically NAC 538.340 to N538.670; and
5. The Commission's approval is conditioned on the terms of the Assignment, Assumption and Consent Agreement.

ASSIGNMENT, ASSUMPTION, AND CONSENT AGREEMENT

This Assignment, Assumption, and Consent Agreement ("Assignment") is effective as of _____ ("Effective Date") by and among, the State of Nevada, acting by and through its COLORADO RIVER COMMISSION of NEVADA, hereinafter referred to as the CRCNV or the Commission, created by and existing pursuant to state law, the CRCNV acting both as principal in its own behalf and as an agent in behalf of the state, Assignor, BASIC WATER COMPANY, a Nevada corporation ("BWC"), and Assignee, Henderson WC LLC, an Oregon limited liability company ("HWC").

BACKGROUND

Whereas, CRCNV and BWC have entered into the following contracts and agreements (CRCNV Contracts):

1. Contract No. P01-BCPESC-A for the Sale of Electric Service from the Boulder Canyon Project.
2. Renewal Contract No. P01-70R for the Sale of Electric Power from the Parker Davis Project.
3. Contract No. P20-77 Agreement to Advance Funds for Parker-Davis Project Generation Facilities.
4. Contract No. P01-79 Agreement to Repay its Proportionate Share of the Cost of Securities Issued by the Commission to Prepay Hoover Power Base Charges.
5. Contract No. P18-JMA - Joint Management Agreement Among the Colorado River Commission of Nevada and Basic Water Company for Management and Power Supply Services, effective December 16, 2021.
6. Contract No. P01-MAPPS – Contract between the Colorado River Commission of Nevada and Basic Water Company for Management and Power Supply Services, effective December 16, 2021.
7. Contract No. P20-47 First Amended Agreement to Share the Costs of Implementation of the Lower Colorado River Multi-Species Conservation Program.

Whereas, BWC used hydropower to operate the water delivery system to the industries referred to as the Basic Group in that certain 1969 Section 5 Contract for the Delivery of Water

with the Department of the Interior and CRCNV (Contract No. 14-06-300-2083) (“Section 5 Water Delivery Contract”);

Whereas, BWC filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code under the caption: In re Basic Water Company, Case No. 22-13252-mkn (the “Bankruptcy Case”);

Whereas, as part of the Bankruptcy Case, BWC entered into a Purchase and Sale Agreement dated May 25, 2023 with PRECISION CASTPARTS CORP., an Oregon corporation (“PRECISION”), the parent company of TITANIUM METALS CORPORATION, a Delaware corporation (“Timet”), part of the Basic Group, which includes the assumption of the CRCNV Contracts and the Section 5 Water Delivery Contract;

Whereas, pursuant to such Purchase and Sale Agreement, PRECISION will purchase the water delivery assets of BWC (and co-debtor Basic Water SPE 1, LLC (“SPE”), Case No. 22-13253-mkn);

Whereas, PRECISION assigned the Purchase and Sale Agreement to HWC;

Whereas, Timet is the sole member of HWC;

Whereas, BWC desires to assign all of its rights, obligations and liabilities under the CRCNV Contracts to HWC;

Whereas, HWC desires to accept and assume all of the rights, obligations and liabilities of BWC under the CRCNV Contracts;

Whereas, pursuant to NAC 538.550, no CRCNV hydropower contract may be assigned or otherwise transferred without prior written Commission approval;

Whereas, NRS 704.787 limits the customers that the CRCNV can serve under its current operations and customers that assume contracts for delivery of hydropower from the CRCNV would need to meet the requirements of the statute;

Whereas, this Assignment is proper based on the “load and location” interpretation of NRS

704.787 (*See In re Petition of Kerr-McGee Chemical, LLC*, 02-6041, 2002 WL 31017409 (Nev. P.U.C. Aug. 1, 2002); and

Whereas, HWC and BWC request that the Commission approve such assignment, acceptance, and assumption subject to the conditions in this Assignment.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as set forth below.

1. BWC hereby assigns to HWC and HWC hereby accepts and assumes all of BWC's rights, obligations, and liabilities under the CRCNV Contracts.

2. Without amending any provisions in the CRCNV Contracts to the contrary, CRCNV hereby consents to the foregoing assignment and assumption of rights on the following conditions:

- a. HWC will post cash collateral in the amount of \$170,077 or provide a letter of credit as collateral and meet all requirements outlined in NAC 538.744 associated with the hydropower contracts being assumed under this Assignment.
- b. HWC will assume all financial responsibility for any power that is being consumed by the equipment formerly owned by BWC or SPE and metered by the CRCNV.
- c. HWC agrees to layoff its excess hydropower allotment while it determines its ability to operate the water delivery system to the Basic Group. HWC agrees to give the CRCNV no less than 30 days notice of its intent to operate the water delivery system.
- d. Following the Effective Date, HWC agrees to make reasonable efforts to regularly provide a non-binding monthly forecast of its electrical energy and demand for the upcoming 12 months.

3. This Assignment and any actions arising out of or relating to this Assignment shall be governed by and construed and interpreted in accordance with the laws of the state of Nevada and the United States of America without regard to the conflict of law provisions thereof.

4. This Assignment may be executed in counterparts, each of which shall be an original, but all of which together constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed this Assignment as of the Effective Date set forth above.

**STATE OF NEVADA, acting by and through its
COLORADO RIVER COMMISSION
OF NEVADA**

Approved as to form:

| | |
|--------------------|------|
| Eric Witkoski | Date |
| Executive Director | |

Michelle D. Briggs
Special Counsel

BASIC WATER COMPANY

Approved as to form:

Chief Executive Officer

Date

General Counsel

Date

HENDERSON WC LLC

Date _____

**OPERATING AGREEMENT
OF
HENDERSON WC LLC**

1. General. The undersigned sole member of Henderson WC LLC, an Oregon limited liability company (the “**Company**”), enters into this Operating Agreement as of June 29, 2023 (this “**Agreement**”). The undersigned member agrees to conduct the Company’s affairs in a manner consistent with the Oregon Limited Liability Company Act, as amended from time to time (the “**Act**”), the Company’s Articles of Organization, as amended from time to time (the “**Articles**”), and this Agreement. In the event of any conflict, this Agreement shall control to the maximum extent permitted by law.

2. Duration of Company. The Company shall have perpetual existence unless and until dissolved by action of the member.

3. Purpose. The Company may engage in such activities as are permitted under the Act and are determined from time to time by the member.

4. Membership Interests. Membership interests in the Company shall be expressed in percentages. Titanium Metals Corporation, a Delaware corporation, holds a 100% membership interest in the Company.

5. Management by Member. The affairs of the Company shall be managed by the member. The member shall have authority to make all decisions with respect to the Company. The member shall have authority to execute documents on behalf of the Company, and the signature of the member on behalf of the Company shall be binding on the Company.

6. Company Officers.

(a) In addition to the authority of the member to make all decisions with respect to the Company, which shall not be reduced or otherwise impaired by this Section 6, the authority to manage and conduct the Company’s day-to-day business and affairs is delegated to and shall be held by the officers of the Company (each, an “**Officer**”) serving from time to time. Each Officer shall be an agent for the Company with the duties and powers set forth herein or in any written delegation of authority by the member to any such Officer.

(b) The Officers appointed from time to time may include a Chief Executive Officer, a President, one or more Vice Presidents, a Chief Financial Officer and a Secretary. The Company may also have one or more Assistant Secretaries and a Treasurer. The member may from time to time also (i) appoint such other Officers and agents, if any, having such duties and powers as the member in its discretion may deem necessary or appropriate or (ii) authorize any officer of the member or Officer to appoint assistant and subordinate Officers and prescribe their respective duties and powers. The Officers on the date hereof are named on Exhibit A to this Agreement.

(c) Appointment of any Officer, employee or agent, whether by action of the member or otherwise, shall not in and of itself create contract rights. An Officer may hold more than one office in the Company. An Officer may but need not be an officer of the member. Each

Officer shall hold office at the pleasure of the member or until the Officer's death, resignation or removal, with or without cause, by action by the member. Any Officer may resign at any time upon written notice to the Company. The member or any Officer who appointed an assistant or subordinate Officer or other agent may remove such assistant or subordinate Officer or other agent, with or without cause. The removal of any Officer, employee or agent shall not prejudice the contract rights, if any, of such Officer, employee or agent.

(d) In addition to such authority as any Officer may have under this Agreement or as may from time to time be expressly delegated to any Officer, each Officer shall have authority to execute such contracts, certificates, documents and instruments on behalf of the Company as are within the scope of the Officer's level of responsibility and authority within the Company and are entered into in the ordinary course of business in respect of the Officer executing the same or within the established practice of the Company with respect to the delegation of authority to such Officer.

(e) The duties and powers of each of the following Officers, if appointed, shall be as follows:

(i) *Chief Executive Officer.* The Chief Executive Officer shall have overall responsibility for the management of the business of the Company and for the operations and functioning of the Company, subject to the oversight and control of the member. The Chief Executive Officer shall have the power to sign all certificates, contracts and other instruments on behalf of the Company.

(ii) *President.* The President shall be subject to the direction and control of the Chief Executive Officer and shall have general active management of the business, affairs and policies of the Company. The President shall have the power to sign all certificates, contracts and other instruments on behalf of the Company. If the Chief Executive Officer is absent, disqualified from acting, unable to act or refuses to act, then the President shall have the powers of, and shall perform the duties of, the Chief Executive Officer.

(iii) *Vice Presidents.* The Vice Presidents shall have such titles as are conferred on them by this Agreement or the member. Each Vice President shall have such powers and perform such duties as may from time to time be assigned to such Officer by the member or the President and Chief Executive Officer.

(iv) *Chief Financial Officer; Treasurer.* The Chief Financial Officer shall have the custody of the Company funds and securities and shall keep complete and accurate accounts of all receipts and disbursements of the Company and shall deposit all monies and other valuable effects of the Company in the Company's name and to its credit in such banks and other depositories as may be approved from time to time by the member. The Chief Financial Officer shall disburse the funds of the Company, taking proper vouchers and receipts for such disbursements. The Chief Financial Officer shall have such other powers and perform such other duties as the member or the President and Chief Executive Officer shall from time to time prescribe. The Company may also have a Treasurer having duties and authority with respect to the matters within the authority of the Chief Financial Officer as the member, the President and Chief Executive Officer or the Chief Financial Officer may from time to time prescribe.

(v) *Secretary.* The Secretary shall keep a record of all meetings of the members and any action of the member in a book or books to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the members and shall perform such other duties as may be prescribed by the member or the President and Chief Executive Officer. The Secretary shall see that all books, reports, statements, certificates and other documents and records required by law to be kept or filed are properly kept or filed, as the case may be. The Company may also have one or more Assistant Secretaries having duties and authority with respect to the matters within the authority of the Secretary as the member, the President and Chief Executive Officer or the Secretary may from time to time prescribe.

7. Limited Liability; Indemnification. The liability of the member shall be limited to the fullest extent permitted by law. The Company shall indemnify the member against any loss, cost and expense the member may incur by reason of acting as member and shall defend the member against any claims made against the member by reason of serving in such capacity. The Company shall also indemnify any Officer acting on behalf of the Company within the scope of the Officer's authority.

8. Capital Contributions. The member may make capital contributions to the Company from time to time. The member shall not be obligated to make any capital contribution to the Company. The member shall not have personal liability for the repayment of any capital contribution.

9. Profits and Losses. The profits and losses of the Company shall pass through to the member and be reported by the member for tax purposes.

10. Distributions of Cash or Other Property. The Company will from time to time make distributions of cash or property to the member, at such times and in such amounts as are determined by the member.

11. Transfers of Interests. Upon any transfer of an interest in the Company, the transferee shall be an assignee only unless admitted as a member in a writing executed by the member and the transferee that binds the transferee to all provisions of this Agreement and contains the consent of the member to admission of the transferee as a member. Notwithstanding the foregoing, in any circumstance in which the Company otherwise would have no member immediately following a transfer, the assignee shall be admitted as a member simultaneously with the transfer, as provided in the Act.

12. Withdrawal; Dissolution. The member does not have the right or power to withdraw voluntarily from the Company. Any purported withdrawal shall be ineffective, shall be a breach of this Agreement and shall not entitle the member to any distribution from the Company. Notwithstanding the foregoing, the Company may be dissolved at any time with the approval of the member, which such event shall, to the fullest extent permitted by law, be the only event that results in a dissolution of the Company.

13. Not for Benefit of Creditors. The provisions of this Agreement are for the regulation of the member and the Company, are not intended for the benefit of non-member creditors and do not grant any rights to non-member creditors.

14. Amendments. This Agreement and the Articles may be amended only by a writing signed by the member.

[Signature Page Follows]

The undersigned sole member has executed this Operating Agreement as of the date first set forth above.

Titanium Metals Corporation

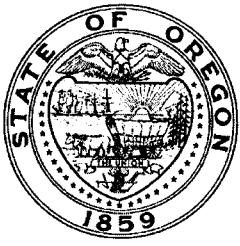
By: Jason Dalton

Name: Jason Dalton

Title: Vice President

Exhibit A
OFFICERS

| <u>Name:</u> | <u>Office:</u> |
|------------------|---|
| Jeff Kijak | Chief Executive Officer |
| Steve Wright | President |
| Shawn R. Hagel | Executive Vice President, Chief Financial Officer and Assistant Secretary |
| Ruth A. Beyer | Senior Vice President, General Counsel and Secretary |
| Kirk Pulley | Senior Vice President |
| Anna M. Armagno | Vice President, Corporate Controller and Assistant Secretary |
| Jason A. Dalton | Vice President, Deputy General Counsel and Assistant Secretary |
| Jim Puetz | Vice President—Taxes and Assistant Secretary |
| Stephen Tachouet | Vice President and Treasurer |
| Matt Domenico | Vice President—Human Resources |
| Fred Schwarz | Vice President—Finance, Strategy & Administration |



Secretary of State
Corporation Division
255 Capitol Street NE, Suite 151
Salem, OR 97310-1327

Phone: (503) 986-2200
FAX: (503) 378-4381
sos.oregon.gov/business

REGISTRY NUMBER: 214042996
TYPE: DOMESTIC LIMITED LIABILITY COMPANY

Next Renewal Date: 6/29/2024

HENDERSON WC LLC
5885 MEADOWS ROAD
SUITE 620
LAKE OSWEGO OR 97035

Acknowledgment Letter

The document you submitted was recorded as shown below. Please review and verify the information listed for accuracy.

DOCUMENT

ARTICLES OF ORGANIZATION

FILED ON

6/29/2023

STATUS

ACTIVE

NAME

HENDERSON WC LLC

JURISDICTION

OREGON

PRINCIPAL PLACE OF BUSINESS

5885 MEADOWS ROAD
SUITE 620
LAKE OSWEGO, OR 97035

REGISTERED AGENT

NATIONAL REGISTERED AGENTS, INC.
780 COMMERCIAL STREET SE
SUITE 100
SALEM, OR 97301

MAILING ADDRESS

5885 MEADOWS ROAD
SUITE 620
LAKE OSWEGO, OR 97035

JONWAT
ACK - NEWORG
06/29/2023



214042996-25009923

HENDERSON WC LLC

NEWORG

**ARTICLES OF ORGANIZATION
OF
HENDERSON WC LLC**
an Oregon limited liability company

2140429-96

ARTICLE I

The name of the limited liability company (the "**Company**") is Henderson WC LLC.

ARTICLE II

The Company shall have perpetual existence.

ARTICLE III

The name of the initial registered agent is National Registered Agents, Inc., and the address of the initial registered agent is 780 Commercial Street SE, Suite 100, Salem, Oregon 97301.

ARTICLE IV

The principal place of business of the Company and the address where the Division may mail notices is 5885 Meadows Road, Suite 620, Lake Oswego, Oregon 97035.

ARTICLE V

The Company shall be member-managed.

ARTICLE VI

The name and address of the organizer of the Company are Jason Dalton, 5885 Meadows Road, Suite 620, Lake Oswego, Oregon 97035.

ARTICLE VII

Jason Dalton, located at 5885 Meadows Road, Suite 620, Lake Oswego, Oregon 97035, possesses direct knowledge of the operations and business activities of the Company.

ARTICLE VIII

To the fullest extent the Oregon Limited Liability Company Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of liability of members, a member shall not be liable to the Company or the other members for monetary damages for conduct as a member. Any amendment to or repeal of this Article VIII shall not adversely affect any right or protection of a member for or with respect to any acts or omissions of such member occurring prior to such amendment or repeal.

I declare, under the penalty of perjury, that this document does not fraudulently conceal, fraudulently obscure, fraudulently alter or otherwise misrepresent the identity of the person or any members, managers, employees or agents of the limited liability company. This filing has been examined by me and is, to the best of my knowledge and belief, true, correct, and complete. Making false statements in this document is against the law and may be penalized by fines, imprisonment or both.

Dated: June 28, 2023.



Jason Dalton, Organizer

Samuel A. Schwartz, Esq.
Nevada Bar No. 10985
saschwartz@nvfirm.com
Gabrielle A. Hamm, Esq.
Nevada Bar No. 11588
ghamm@nvfirm.com
SCHWARTZ LAW, PLLC
601 East Bridger Avenue
Las Vegas, NV 89101
Telephone: 702.385.5544
Facsimile: 702.442.9887

Attorneys for the Debtors

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA**

In re:

BASIC WATER COMPANY,

Debtor.

Case No.: 22-13252-MKN

Chapter 11

Jointly administered with:

In re Basic Water Company SPE 1, LLC,
Case No. 22-13253-MKN

Affects All Debtors ☒
Affects Basic Water Company ☐
Affects Basic Water Company
SPE 1, LLC ☐

NOTICE OF EXECUTED PURCHASE AND SALE AGREEMENTS

Basic Water Company (“**BWC**”) and Basic Water Company SPE 1, LLC (“**SPE**”), the debtors and debtors-in-possession in the above-referenced jointly administered Chapter 11 cases (BWC together with SPE, the “**Debtors**”), by and through their counsel of record, Schwartz Law, PLLC, hereby provides notice of their entry into the following purchase and sale agreements with Precision Castparts Corp.:¹ (i) Purchase and Sale Agreement & Escrow Instructions (for the sale of all of the Debtors’ real property assets); and (ii) Purchase and Sale Agreement (for the sale of all of the Debtors’ non-real property assets) (collectively, the “**Purchase Agreements**”). The

¹ Precision Castparts Corp. is an affiliate of Titanium Metals Corporation.

Purchase Agreements, which remain subject to Court approval, are attached hereto as **Exhibit 1** and **Exhibit 2**, respectively.

Dated this 25th day of May 2023.

SCHWARTZ LAW, PLLC

By: /s/ Samuel A. Schwartz
Samuel A. Schwartz, Esq.
Gabrielle A. Hamm, Esq.
601 East Bridger Avenue
Las Vegas, NV 89101

Attorneys for the Debtor

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was sent electronically via the Court's CM/ECF system on May 25, 2023, to the following:

BRETT A. AXELROD for Creditors LAS VEGAS VALLEY WATER DISTRICT and SOUTHERN NEVADA WATER AUTHORITY
baxelrod@foxrothschild.com; pchlum@foxrothschild.com; mwilson@foxrothschild.com

OGONNA M. BROWN on behalf of Creditor TITANIUM METALS aka TIMET
OBrown@lrrc.com; ogonna-brown-4984@ecf.pacerpro.com; dberhanu@lewisroca.com; ombcalendar@lewisroca.com; jhess@lewisroca.com; klopez@lewisroca.com; gmercado1@lewisroca.com; gmercado@lewisroca.com

LOUIS M BUBALA, III for Interested Parties BANK OF NEVADA, A DIVISION OF WESTERN ALLIANCE BANK, AS INDENTURE TRUSTEE and WESTERN ALLIANCE BUSINESS TRUST
lbubala@kcnvlaw.com; cdroessler@kcnvlaw.com; bsheehan@kcnvlaw.com

CANDACE C CARLYON on behalf of Interested Party CITY OF HENDERSON
ccarlyon@carlyoncica.com; CRobertson@carlyoncica.com; nrodriguez@carlyoncica.com; 9232006420@filings.docketbird.com; Dcica@carlyoncica.com

KAROL K DENNISTON for Interested Parties BANK OF NEVADA, A DIVISION OF WESTERN ALLIANCE BANK, AS INDENTURE TRUSTEE and WESTERN ALLIANCE BUSINESS TRUST
karol.denniston@squirepb.com

THOMAS H. FELL on behalf of Trustee Le Petomane XVII, Inc., as Trustee of the Nevada Environmental Response Trust (NERT)
tfell@fennemorelaw.com; clandis@fennemorelaw.com; CourtFilings@fennemorelaw.com

MARY LANGSNER on behalf of Creditor Colorado River Commission of Nevada
mlangsner@gtg.legal; bknotices@gtg.legal; tluciano@gtg.legal; mlangsner@gtg.legal

TIMOTHY A LUKAS on behalf of Creditor EMD Acquisitions LLC
ecflukast@hollandhart.com

MAURA P. MCINTYRE for Interested Parties BANK OF NEVADA, A DIVISION OF WESTERN ALLIANCE BANK, AS INDENTURE TRUSTEE and WESTERN ALLIANCE BUSINESS TRUST
maura.mcintyre@squirepb.com

DAVID NEWTON on behalf of Creditor Colorado River Commission of Nevada
dwnewton@crc.nv.gov; mmillam@ag.nv.gov; dwright2@ag.nv.gov

1 TRACY M. O'STEEN on behalf of Interested Party CITY OF HENDERSON
2 tosteen@carlyoncica.com; crobertson@carlyoncica.com; nrodriguez@carlyoncica.com;
3 ccarlyon@carlyoncica.com

4 JEFFREY N. ROTHLEDER for Interested Parties BANK OF NEVADA, A DIVISION OF
5 WESTERN ALLIANCE BANK, AS INDENTURE TRUSTEE and WESTERN ALLIANCE
6 BUSINESS TRUST
7 jeffrey.rothleder@shirepb.com, jackson.toof@arentfox.com

8 STRETTO
9 ecf@cases-cr.stretto-services.com; aw01@ecfcbis.com; pacerpleadings@stretto.com

10 U.S. TRUSTEE - LV - 11
11 USTPRegion17.lv.ecf@usdoj.gov

12 JUSTIN CHARLES VALENCIA on behalf of U.S. Trustee U.S. TRUSTEE - LV - 11
13 justin.c.valencia@usdoj.gov

14 RYAN J. WORKS on behalf of Creditor SAGUARO POWER COMPANY, A LIMITED
15 PARTNERSHIP
16 rworks@mcdonaldcarano.com; kkirn@mcdonaldcarano.com; bgrubb@mcdonaldcarano.com

17 STEVEN L. YARMY on behalf of Interested Parties DARCIE YAKUBIK and JOSEPH
18 YAKUBIK
19 sly@stevenyarmylaw.com; admin@yarmylaw.com; luz@yarmylaw.com

20 MATTHEW C. ZIRZOW on behalf of Interested Party PIONEER AMERICAS LLC
21 mzirzow@lzlawnv.com; carey@lzlawnv.com; trish@lzlawnv.com; jennifer@lzlawnv.com;
22 zirzow.matthewc.r99681@notify.bestcase.com

23 /s/ Brian J. Braud
24 Brian J. Braud, an employee of
25 SCHWARTZ LAW, PLLC
26
27
28

EXHIBIT 1

EXHIBIT 1

PURCHASE AND SALE AGREEMENT & ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT (collectively with all exhibits and attachments, the “**Agreement**”) dated as of May 25, 2023, by and between PRECISION CASTPARTS CORP., an Oregon corporation and/or its assignee (“**Buyer**”), on the one hand; and BASIC WATER CORPORATION, a Nevada corporation (“**BWC**”) and BASIC WATER COMPANY SPE 1, LLC, a Nevada limited liability company (“**SPE**” and collectively with BWC, “**Seller**”), on the other hand. Each party may be referred to herein as a “**Party**,” or collectively as the “**Parties**.”

RECITALS

A. On September 10, 2022, BWC and SPE each filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101, et seq. (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the District of Nevada (the “**Bankruptcy Court**”) under the captions: *In re Basic Water Company*, Case No. 22-13252-mkn and *In re Basic Water Company SPE 1, LLC*, Case No. 22-13253-mkn (collectively, the “**Bankruptcy Cases**”).

B. Seller intends to sell the Property (hereinafter defined) in conjunction with the Bankruptcy Cases.

C. Pursuant to, *inter alia*, Sections 363 and 365 of the Bankruptcy Code and the applicable Federal Rules of Bankruptcy Procedure, Seller desires to sell and convey to Buyer, and Buyer desires to purchase from Seller all of Seller’s right, title, and interest in the Property, pursuant to the terms and conditions set forth herein, and subject to Bankruptcy Court approval.

D. Concurrently with the execution and delivery of this Agreement, the Parties have executed and delivered that certain Purchase and Sale Agreement of even date herewith by and between the Parties with respect to the purchase and sale of certain personal property as set forth therein (the “**Asset Purchase Agreement**”).

E. The Buyer intends to deliver water to those certain industries located at the Black Mountain Industrial Complex (collectively, the “**Industries**”), in exchange for which the Industries and the Buyer agreed to waive all claims and causes of action they against BWC, SPE, and each of their affiliates, insiders and related parties (collectively, the “**Bankruptcy Releases**”), which Bankruptcy Releases shall be formalized as part of the Asset Purchase Agreement.

NOW, THEREFORE, in consideration of the promises and agreements set forth below and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties incorporate the above recitals by this reference and agree as follows:

AGREEMENT

1. Bankruptcy Matters.

(a) **Bankruptcy Court Approval.** The Parties acknowledge and agree that this Agreement is subject to entry of an order by the Bankruptcy Court authorizing the sale of the Property (as defined herein) to Buyer free and clear of all liens, claims, encumbrances and interests, but subject to the Patent (defined below) (the “**Bankruptcy Court Order**”). Prior to the entry of the Bankruptcy Court Order, Seller will provide a proposed form of Bankruptcy Court Order to Buyer for its review and approval, which will provide, among other things:

(i) that the notice of the contemplated sale of the Property is in all respects adequate, proper, and sufficient;

(ii) a description of the proposed transaction, the parties involved, the value of the consideration to be paid by Buyer for the Property;

(iii) that Buyer is a good faith purchaser and is entitled to all of the protections of Section 363(m) of the Bankruptcy Code;

(iv) that the Purchase Price (defined below) and all other aspects of the transaction were proposed in good faith and were negotiated at arm’s length; and

(v) that upon the Bankruptcy Court’s approval of such transactions, all of the terms and conditions of this Agreement are valid and enforceable obligations.

(b) **Bankruptcy Court Motions.** Seller will file and prosecute such motions and other filings with the Bankruptcy Court as may be necessary to obtain entry of the Bankruptcy Court Order.

2. **Effective Date.** The effective date of this Agreement (the “**Effective Date**”) shall be the date when the Bankruptcy Court Order substantially approving this Agreement becomes a final order. The Bankruptcy Court Order shall be final if it is not reversed, stayed, modified or amended, and for which the time to appeal, or seek or move for a new trial, re-argument or rehearing has expired and no appeal or other proceedings is pending. All Parties agree not to appeal, or file a motion to stay, the Bankruptcy Court Order substantially approving this Agreement.

3. **Property.** Subject to the terms and conditions set forth in this Agreement and the Bankruptcy Court Order, upon the Effective Date, Seller hereby agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, all of Seller’s right, title and interest in, to and under all of the following described parcels of real property (collectively, the “**Property**”), as more particularly described on **Exhibit A**, attached hereto, together with all rights, easements, permits, entitlements and appurtenances pertaining to the Property, all buildings, improvements and fixtures on, or appurtenant to, the Property, all items of tangible or intangible personal property used in connection with the operation of the Property, and all tenant leases, un-applied deposits and un-earned fees, whether refundable or nonrefundable, all of the foregoing free and clear of any and all liens and financial encumbrances but subject to the Patent (as applicable):

(a) **Intake Parcel.** Fee simple title to the real property owned by SPE consisting of approximately 15.0 acres and identified as Assessor’s Parcel Number (“**APN**”) 181-11-000-002, located in Henderson, Nevada (the “**Intake Parcel**”). Buyer acknowledges that the

Intake Parcel is subject to a certain land patent and reservation of rights, Patent No. 27-65-0234, as entered into on or about April 15, 1965, and recorded on April 21, 1965, in Book No. 621 as Instrument No. 499460 in the Clark County, Nevada Recorder's Office (the "**Patent**"). The Patent is currently held by the Bureau of Land Management (the "**BLM**").

(b) **Booster I Parcel.** Fee simple title to the real property owned by SPE consisting of: (i) approximately 34.38 acres and identified as APN 158-00-002-006; (ii) approximately 21.63 acres and identified as APN 181-03-000-002; and (iii) approximately 3.35 acres and identified as APN 181-04-000-002, each located in Henderson, Nevada (collectively, the "**Booster I Parcel**"). Buyer acknowledges that the Booster I Parcel is subject to the Patent held by the BLM.

(c) **Booster II Parcel.** Fee simple title to the real property owned by SPE consisting of approximately 53.1 acres and identified as APN 160-33-801-001, and located at 1720 East Lake Mead Parkway, Henderson, Nevada 89015 (the "**Booster II Parcel**"). Buyer acknowledges that the Booster II Parcel is subject to the Patent held by the BLM.

(d) **Terminal Reservoir Parcels.** Fee simple title to the real property owned by SPE consisting of: (i) approximately 8.34 acres and identified as APN 179-19-503-003; and (ii) approximately 11.03 acres and identified as APN 179-20-101-002, each located on Van Wagenen Street in Henderson, Nevada (together, the "**Terminal Reservoir Parcels**").

(e) **Van Wagenen Parcels.** Fee simple title to the real property owned by SPE consisting of: (i) approximately 11.22 acres and identified as APN 179-18-402-001; (ii) approximately 3.78 acres and identified as APN 179-18-403-003; (iii) approximately 5.39 acres and identified as APN 179-18-802-003; and (iv) approximately 6.08 acres and identified as APN 179-19-502-001, all located on Van Wagenen Street in Henderson, Nevada (collectively, the "**Van Wagenen Parcels**").

(f) **BWC Parcels.** Fee simple title to the real property owned by BWC consisting of: (i) approximately 0.73 acres and identified as APN 179-18-401-004; (ii) approximately 0.24 acres and identified as APN 179-18-401-005; and (iii) approximately 0.11 acres and identified as APN 179-18-401-006 (collectively, the "**BWC Parcels**").

(g) **Right of Way Parcels.** Seller's right, title and interest in those certain rights of way for water pipelines, telephone control lines, a 69-KV transmission line and related facilities referred to as Right of Way Nevada 011112 (the "**Right of Way Parcels**")

(h) **Bypass Easement Parcel.** Seller's right, title and interest in that certain Grant of Easement from Buyer to BWC, recorded on January 19, 2007, as document number 20070119-0002077 (the "**Bypass Easement Parcel**").

(i) **[Lake Mead Crossing Parcel.** Seller's right, title, and interest in and to Lot 1 of Lake Mead Crossing per the map thereof in book 138 of plats, page 17, in the records of Clark County, Nevada (the "**Lake Mead Crossing Parcel**") , if applicable, to be clarified among the Parties].

(j) **[BMI Parcels.** [Seller's right, title, and interest in the Black Mountain Industrial Complex, more particularly described in Exhibit A, attached hereto (collectively, the "BMI Parcels"), if applicable, to be clarified among the Parties].

(k) Note: Property to shall exclude any landfill or similar use parcels, to be clarified among the Parties.

4. **Purchase Price.** The purchase price to be paid by Buyer to Seller for the purchase of the Property shall be \$_____ [to be agreed following discussion among Buyer and Seller] (the "Purchase Price"), payable as follows:

(a) **Deposit.** Concurrently with the execution of this Agreement Buyer shall deposit the sum of \$[], representing ten percent (10.0%) of the Purchase Price, in immediately available federal funds (the "Deposit") with First American Title Insurance Company, attn: Troy Lochhead (the "Escrow Agent"). The Deposit shall only become refundable (and shall be refunded) to Buyer in the event that: (i) Seller sells the Property to another party; (ii) the Bankruptcy Court does not enter the Bankruptcy Court Order approving the sale of the Property to Buyer, or (iii) pursuant to Section 17 of this Agreement.

(b) **Cash at Closing.** On or before Closing (as defined below), Buyer shall deposit in immediately available federal funds with the Escrow Agent the remainder of the Purchase Price and any other sums required herein; such funds to be deposited or wired to Escrow Agent on or before 10:00 am PST on the day of Closing.

(c) **Return of Deposit.** If under the terms of this Agreement, either Buyer or Seller is entitled to receive the Deposit, the other party agrees to take such actions and execute and deliver such instruments, instructions, or documents, which may be reasonably necessary to assure that the Escrow Agent promptly pays or refunds the Deposit to the appropriate party.

5. **Closing.** Closing for the purchase of the Property (the "Closing") shall occur on or before 5:00 p.m. prevailing Pacific Time on that date which is ten (10) days after the Effective Date (the "Closing Date").

6. **Title and Survey.**

(a) **Title.** Buyer shall have the right, in Buyer's discretion, to obtain a title policy for the Property from a title company of its choosing, provided, however, Buyer's obligations to purchase the Property under this Agreement shall not be contingent on Buyer's acceptance of a title policy.

(b) **Survey.** Buyer shall have the right, in Buyer's discretion, to have a survey of the Property prepared, at Buyer's expense. Seller will provide Buyer with access to the Property in order to obtain the survey, provided, however, any exceptions to title revealed by a survey shall not relieve Buyer of its obligation to purchase the Property under this Agreement.

7. **Representations and Warranties of Seller.** Seller represents and warrants to Buyer as follows, which representations and warranties shall be reaffirmed at Closing by Seller:

(a) **Authority.** Subject to Bankruptcy Court approval, Seller has full right, title, authority, and capacity to execute, deliver and perform this Agreement and all agreements and documents contemplated by this Agreement to which Seller is a party and to consummate all of the transactions contemplated by this Agreement and all such other agreements and documents. The individual who executes and delivers this Agreement on behalf of Seller and all documents to be delivered to Buyer under this Agreement is and shall be duly authorized to do so.

(b) **Good Standing.** Each Seller is duly organized, validly existing and in good standing as a corporation or limited liability company, as applicable, under the laws of the State of Nevada.

8. **Representations and Warranties of Buyer.** Buyer represents and warrants to Seller as follows, which representations and warranties shall be reaffirmed at Closing by Buyer:

(a) **Authority.** Buyer has full right, title, authority, and capacity to execute, deliver and perform this Agreement and all agreements and documents contemplated by this Agreement to which Buyer is a party and to consummate all of the transactions contemplated by this Agreement and all such other agreements and documents. The individual who executes and delivers on behalf of Buyer this Agreement and all documents to be delivered to Seller under this Agreement is and shall be duly authorized to do so.

(b) **Good Standing.** Buyer is duly organized and validly existing as a corporation under the laws of the State of Oregon.

9. **"As-Is" Condition.**

(a) **NO SIDE AGREEMENTS OR REPRESENTATIONS; AS-IS PURCHASE.** BUYER REPRESENTS, WARRANTS AND COVENANTS TO SELLER THAT BUYER HAS INDEPENDENTLY AND PERSONALLY INSPECTED THE PROPERTY AND THAT BUYER HAS ENTERED INTO THIS AGREEMENT BASED UPON SUCH PERSONAL EXAMINATION AND INSPECTION. BUYER AGREES THAT, EXCEPT AS EXPRESSLY PROVIDED HEREIN, BUYER WILL ACCEPT THE PROPERTY, IN ITS THEN CONDITION AS-IS AND WITH ALL ITS FAULTS. NO PERSON ACTING ON BEHALF OF SELLER IS AUTHORIZED TO MAKE, AND BY EXECUTION HEREOF, BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO: (i) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON, INCLUDING ANY DEVELOPMENT OF THE PROPERTY; (ii) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY,

PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY; (iii) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY; (iv) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY; INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY; (v) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (vi) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATION, ORDERS OR REQUIREMENTS, INCLUDING, BUT NOT LIMITED TO, THE ENDANGERED SPECIES ACT, TITLE III OF THE AMERICANS WITH DISABILITIES ACT OF 1990 OR ANY OTHER LAW, RULE OR REGULATION GOVERNING ACCESS BY DISABLED PERSONS, THE FEDERAL WATER POLLUTION CONTROL ACT, THE FEDERAL RESOURCE CONSERVATION AND RECOVERY ACT, THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, THE RESOURCES CONSERVATION AND RECOVERY ACT OF 1976, THE CLEAN WATER ACT, THE SAFE DRINKING WATER ACT, THE HAZARDOUS MATERIALS TRANSPORTATION ACT, THE TOXIC SUBSTANCE CONTROL ACT, AND REGULATIONS PROMULGATED UNDER ANY OF THE FOREGOING; (vii) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER, OR ADJACENT TO THE PROPERTY; AND (viii) THE CONTENT, COMPLETENESS OR ACCURACY OF THE MATERIALS PROVIDED BY OR ON BEHALF OF SELLER, INCLUDING ANY INFORMATIONAL PACKAGE, COST TO COMPLETE ESTIMATE OR OTHER MATERIALS PREPARED BY SELLER.

BUYER FURTHER ACKNOWLEDGES AND AGREES HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY. BUYER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION MADE AVAILABLE TO BUYER OR PROVIDED OR TO BE PROVIDED BY OR ON BEHALF OF SELLER WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION EXCEPT AS MAY OTHERWISE BE PROVIDED HEREIN. EXCEPT AS OTHERWISE PROVIDED HEREIN, SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY OF THE FOREGOING ENTITIES AND INDIVIDUALS OR ANY OTHER INDIVIDUAL OR ENTITY. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, AND EXCEPT AS PROVIDED HEREIN, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS-IS" CONDITION AND BASIS WITH ALL FAULTS, AND THAT SELLER HAS NO OBLIGATIONS TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS.

(b) **RELEASE.** EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT AND IN ANY INSTRUMENTS OF CONVEYANCE DELIVERED AT CLOSING, BUYER AND ANYONE CLAIMING BY, THROUGH OR UNDER BUYER,

HEREBY FULLY AND IRREVOCABLY RELEASES SELLER, SELLER'S AFFILIATES, PARENT COMPANIES AND SUBSIDIARIES, AND EACH OF THEIR RESPECTIVE EMPLOYEES, OFFICERS, DIRECTORS, MEMBERS, REPRESENTATIVES, AGENTS, SERVANTS, ATTORNEYS, SUCCESSORS AND ASSIGNS, AND ALL PERSONS, FIRMS, CORPORATIONS AND ORGANIZATIONS ACTING ON THE BEHALF OF SELLER (COLLECTIVELY, THE "**SELLER PARTIES**") FROM ANY AND ALL CLAIMS THAT IT MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST ANY SELLER PARTY FOR ANY COSTS, LOSS, LIABILITY, DAMAGE, EXPENSES, DEMANDS, ACTIONS OR CAUSES OF ACTION ARISING FROM OR RELATED TO ANY CONSTRUCTION DEFECTS, ERRORS, OMISSIONS OR OTHER CONDITIONS, LATENT OR OTHERWISE, GEOTECHNICAL AND SEISMIC, AFFECTING THE PROPERTY OR ANY PORTION THEREOF INCLUDING, WITHOUT LIMITATION, ALL CONTRACTS AND AGREEMENTS BETWEEN THE BUYER AND SELLER, THE ITEMS DESCRIBED IN SECTION 9(a) ABOVE.

10. Conditions to Closing.

(a) **Performance by Seller.** As a condition to Buyer's obligation to complete Closing, all representations and warranties by Seller set forth in this Agreement shall be true and correct at and as of Closing in all material respects as though such representations and warranties were made at and as of Closing, and Seller shall have performed, observed and complied with all covenants, agreements and conditions required by this Agreement to be performed, observed and complied with prior to or as of Closing.

(b) **Bankruptcy Court Approval.** The Bankruptcy Court shall have entered the Bankruptcy Court Order approving this Agreement and authorizing the sale of the Property to Buyer and such Bankruptcy Court Order shall not have been reversed, stayed or modified in any material respect prior to the Closing Date.

(c) **Asset Purchase Agreement.** The closing for the purchase of the Assets (as defined in the Asset Purchase Agreement) shall have occurred immediately prior to the Closing.

11. Closing Procedure. On or before the date of Closing, the Parties shall either exchange or deposit with any party mutually designated as the Closing officer, the following funds and documents:

(a) **Seller's Deposits:**

(i) **Deed.** A Grant Bargain and Sale as to the Intake Parcel, Booster I Parcels, Booster II Parcels, Terminal Reservoir Parcels, Van Wagenen Parcels, BWC Parcels and Right of Way Parcels, and a Quitclaim Deed as to the Bypass Easement Parcel, Lake Mead Crossing Parcels and BMI Parcels, each duly executed and acknowledged by Seller and suitable for recording, conveying to the Buyer good and marketable title in and to all of the Property, and in accordance with the Bankruptcy Court Order (the "**Deed**").

(ii) **Declaration of Value.** A counterpart of a State of Nevada Declaration of Value (the "**Declaration of Value**").

(iii) **FIRPTA Affidavit.** Seller's Affidavit stating, under penalty of perjury, Seller's U.S. taxpayer identification number and that Seller is not a foreign person within the meaning of 26 U.S.C. Section 1445 to assure Buyer that the withholding of taxes by Buyer is not required by Section 1445.

(iv) **Bankruptcy Court Order.** The Bankruptcy Court Order entered by the Bankruptcy Court approving the sale of the Property to Buyer.

(v) **Additional Documents.** Such other documents and funds as may reasonably be required to close the sale in accordance with this Agreement.

(b) Buyer's Deposits:

(i) **Money.** Funds for the balance of the Purchase Price together with any additional cash necessary to pay Buyer's share of closing costs and prorations as set forth herein, or such lesser amount as may be required due to credits given to Buyer for the items prorated and/or adjusted per the terms of this Agreement.

(ii) **Declaration of Value.** A counterpart of the Declaration of Value, duly executed by Buyer.

(iii) **Title Affidavits.** Affidavits and other documents as might be reasonably requested by Buyer's title insurer to issue any title policy to Buyer.

(iv) **Additional Documents.** Such other documents and funds as may reasonably be required to close the sale in accordance with this Agreement.

12. Prorations and Adjustments.

(a) **Closing Prorations.** The following items are to be finally prorated or adjusted as of the close of business on the day of the Closing or any other time agreed to by the Parties to this Agreement (the "**Proration Time**"):

(i) **Taxes.** Real and personal property taxes and assessments for the current tax year levied or assessed against the Property. If the amount of taxes and assessments for the current tax year has not been fixed by the Closing, the proration shall be based upon the taxes paid for the previous year and re-prorated at the time the amount of taxes and assessments for the current tax year has been fixed.

(ii) **Operating Costs.** All charges for electricity, sewer, gas, telephone and all other utilities, if any, serving the Property itself shall be prorated on a per diem basis as of the Closing Date. The foregoing shall not, however, be deemed to refer to any charges for water under or pursuant to the Agreement for Temporary Potable Water

Service, dated and effective June 13, 2022, by and between the City of Henderson Nevada, Basic Water Company SPE 1, LLC, and Basic Water Company, as amended.

(b) Closing Costs.

(i) Seller shall pay one-half (1/2) of the real property transfer tax; one half (1/2) of the Escrow Agent's fees and costs; all brokerage commissions, if any; Seller's legal fees; and Seller's share of the prorations.

(ii) Buyer shall pay all premiums for any standard or extended coverage title policy; one-half (1/2) of all real property transfer tax; one half (1/2) of Escrow Agent's fees and costs; Buyer's legal fees; and Buyer's share of the prorations.

13. Inspection. Buyer shall have access during normal business hours to inspect the Property, make engineering and environmental studies, surveys, inspections and other reasonable evaluations of the Property. Buyer shall provide Seller with at least one (1) business day notice prior to accessing the Property and Seller shall have the right to have a representative present at each inspection and test. Buyer, however, agrees that:

(a) Buyer shall conduct such inspections in a manner which will avoid or minimize any disruption of Seller's business;

(b) Prior to any such entry or testing, at Seller's reasonable request, Buyer will obtain, maintain and provide Seller, or shall cause any consultant, contractor or other person entering the Property to obtain, maintain and provide Seller, with proof of comprehensive limited liability insurance in an amount of at least One Million Dollars (\$1,000,000) combined, single limit coverage, naming Seller as an additional insured;

(c) Buyer will indemnify, defend and hold Seller harmless for, from and against any and all claims, demands, liabilities, costs, expenses, damages and losses, cause or causes of action and suit or suits of any nature whatsoever (including mechanics' liens) (collectively, the "**Losses**") arising out of any entry onto the Property by Buyer or its agents, designees or representatives; and

(d) To the extent the Property is damaged during any inspection, Buyer will restore the Property at Buyer's sole cost and expense if this transaction does not close. Until any such restoration is complete, Buyer will take all steps necessary to ensure that any conditions on the Property created by Buyer's entry will not interfere with the normal operation of the Property or create any dangerous, unhealthy, unsightly or noisy conditions on the Property.

14. Risk of Loss or Condemnation. In the event of loss or damage to the Property by fire, condemnation or otherwise, until transfer of title at Closing, Seller shall have the right, but not the obligation, to cure any damage or loss by fully repairing or fully restoring the Property to at least its condition at the date of this Agreement prior to Closing and obligate Buyer to close the sale in accordance with this Agreement. If Seller decides not to cure or does not, by Closing, fully repair or restore the property, Buyer shall have the right to either: (i) close the sale in accordance

with this Agreement and accept an assignment of all insurance and/or condemnation proceeds, together with a credit from Seller for the amount of any deductible, or (ii) to terminate this Agreement and receive the Deposit back in full and complete settlement of any and all claims.

15. Possession. Upon Closing, Seller shall deliver to Buyer possession of the Property.

16. Default. If the Closing does not occur due to a default by Buyer, Seller shall retain the Deposit paid by Buyer as liquidated damages in full settlement of any and all claims, and not as a penalty, the parties hereto acknowledging and agreeing that the injury caused by such default is difficult or impossible accurately to estimate and that the Deposit is a reasonable pre-estimate of the probable loss associated with such injury.

17. Termination. This Agreement may be terminated before Closing (a) by written order of the Bankruptcy Court; (b) by Buyer with written notice to Sellers if any closing condition for the benefit of Buyer will not be met; or (c) by Seller with written notice to Buyer if any closing condition for the benefit of Seller will not be met. If this Agreement is terminated for any reason set forth in this Section 17, except in the case of Buyer's default, the Deposit shall be promptly returned to Buyer.

18. Brokers/Commissions. Buyer warrants and represents to Seller that it has not hired any brokers or real estate agents with respect to this transaction and that it does not owe any broker or real estate agent a commission for this transaction. Buyer further acknowledges that all broker commissions paid in connection with the transactions contemplated by this Agreement must be approved by the Bankruptcy Court.

19. Notices. All notices, claims, demands, and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by email if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this paragraph:

If to Seller:

Basic Water Company
Basic Water Company SPE 1, LLC
c/o Samuel A. Schwartz, Esq.
601 East Bridger Ave., Suite 200
Las Vegas, Nevada 89101
Email: saschwartz@nvfirm.com

With a copy to:
Bank of Nevada
c/o Jeffrey N. Rothleder
Squire Patton Boggs (US) LLP

2550 M Street, NW Washington, DC 20037
Jeffrey.rothleder@squirepb.com

If to Buyer:

Precision Castparts Corp.
5885 Meadows Road, Suite 620
Lake Oswego, OR 97035
Attn: Ruth Beyer and Kirk Pulley
Email: rbeyer@precastcorp.com and kpulley@precastcorp.com

20. Cooperation/Further Assurances. After the Closing, the Seller will assist the Buyer in an orderly transfer of the Property so that the change of ownership can be accomplished with minimum interference to the efficient operation of the Property. The Seller will, on the request of Buyer, provide such information with respect to the Property or sign such other documents as may be reasonably requested by Buyer in order to carry out the purpose and intent of this Agreement.

21. Time. Time is of the essence in this Agreement. In any case where a date for performance by either Party shall fall on a Saturday, Sunday or holiday, the time for performance shall automatically extend to the next regular business day.

22. General. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada. This Agreement constitutes the entire agreement between the Parties with respect to this transaction. This Agreement may not be changed or modified except by instrument in writing signed by the Parties hereto. The terms, covenants and conditions herein shall bind and inure to the benefit of the successors and assigns of the Parties hereto. Neither Party may assign its rights in and to this Agreement without the prior written consent of the other Party; provided that the Buyer may assign its rights in and to this Agreement to any affiliated entity of the Buyer so long as Buyer remains liable hereunder. The title and headings of the sections hereof are solely for means of reference and are not intended to modify, explain or place any construction on any of the provisions of this Agreement. The covenants, representations and warranties of the Seller and the Buyer contained herein will be effective as of the date hereof and will survive the Closing for one (1) year.

23. Authority of Parties. Each Party represents and warrants that the person executing this Agreement on such Party's behalf has the authority to execute this Agreement on behalf of such Party.

24. Enforcement. If either Buyer or Seller must sue to enforce this Agreement or any document executed and delivered in connection herewith, the prevailing Party shall be entitled to its court costs and reasonable attorneys' fees incurred in doing so.

25. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument, binding on the Seller and Buyer, and the signature of any Party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

26. WAIVER OF RIGHT TO JURY. TO THE EXTENT PERMITTED BY APPLICABLE LAW, BUYER AND SELLER EACH HEREBY EXPRESSLY, IRREVOCABLY, FULLY AND FOREVER RELEASES, WAIVES AND RELINQUISHES ANY AND ALL RIGHT TO TRIAL BY JURY AND ALL RIGHT TO RECEIVE PUNITIVE, EXEMPLARY AND CONSEQUENTIAL DAMAGES FROM THE OTHER (OR ANY PAST, PRESENT OR FUTURE BOARD MEMBER, TRUSTEE, DIRECTOR, OFFICER, EMPLOYEE, AGENT, REPRESENTATIVE, OR ADVISOR OF THE OTHER) IN ANY CLAIM, DEMAND, ACTION, SUIT, PROCEEDING OR CAUSE OF ACTION IN WHICH BUYER AND SELLER ARE PARTIES, WHICH IN ANY WAY (DIRECTLY OR INDIRECTLY) ARISES OUT OF, RESULTS FROM OR RELATES TO ANY OF THE FOLLOWING, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER BASED ON CONTRACT OR TORT OR ANY OTHER LEGAL BASIS: THIS AGREEMENT; THE ASSETS; ANY PAST, PRESENT OR FUTURE ACT, OMISSION, CONDUCT OR ACTIVITY WITH RESPECT TO THIS AGREEMENT OR THE ASSETS; ANY TRANSACTION, EVENT OR OCCURRENCE CONTEMPLATED BY THIS AGREEMENT; THE PERFORMANCE OF ANY OBLIGATION OR THE EXERCISE OF ANY RIGHT UNDER THIS AGREEMENT; OR THE ENFORCEMENT OF THIS AGREEMENT.

27. Waiver. The failure of any Party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

28. Partial Invalidity. If any term, provision, covenant or condition of this Agreement, or any application thereof, should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all terms, provisions, covenants and conditions of this Agreement, and all applications thereof, not held invalid, void or unenforceable, shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby, provided that the invalidity, voidness or unenforceability of such term, provision, covenant or condition (after giving effect to the next sentence in this Section) does not materially impair the ability of the Parties to consummate the transactions contemplated hereby. In lieu of such invalid, void or unenforceable term, provision, covenant or condition, the Parties shall negotiate in good faith to add to this Agreement a term, provision, covenant or condition that is valid, not void and enforceable and is as similar to such invalid, void or unenforceable term, provision, covenant or condition as may be possible.


29. No Other Liabilities. Other than liabilities and obligations relating to the Property first arising after Closing and liabilities assumed pursuant to the Asset Purchase Agreement, Buyer is not and shall not assume nor be responsible to pay, perform or discharge any liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured, or otherwise of Seller or any of Seller's affiliates.

[No Further Text. Signatures on Following Page.]

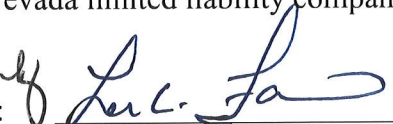
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

SELLER:

BASIC WATER COMPANY,
a Nevada Corporation

By: 
Name: LCCC-Farris
Title: President

BASIC WATER COMPANY SPE 1, LLC
a Nevada limited liability company

By: 
Name: LCCC-Farris
Title: President

BUYER:

PRECISION CASTPARTS CORP.
an Oregon corporation

By: _____
Name: _____
Title: _____

ESCROW AGENT:

The undersigned Escrow Holder hereby acknowledges receipt of a fully signed copy of this Agreement.

FIRST AMERICAN TITLE INSURANCE COMPANY

By: _____
Name: _____
Title: _____

Date: May ___, 2023

[Signature Page to Purchase and Sale Agreement & Escrow Instructions]

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

SELLER:

BASIC WATER COMPANY,
a Nevada Corporation

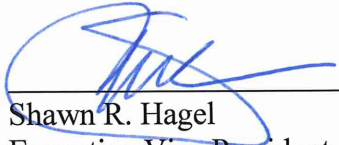
By: _____
Name: _____
Title: _____

BASIC WATER COMPANY SPE 1, LLC
a Nevada limited liability company

By: _____
Name: _____
Title: _____

BUYER:

PRECISION CASTPARTS CORP.
an Oregon corporation

By:  _____
Name: Shawn R. Hagel
Title: Executive Vice President & Chief Financial Officer

ESCROW AGENT:

The undersigned Escrow Holder hereby acknowledges receipt of a fully signed copy of this Agreement.

FIRST AMERICAN TITLE INSURANCE COMPANY

By: _____
Name: _____
Title: _____

Date: May __, 2023

[Signature Page to Purchase and Sale Agreement & Escrow Instructions]

EXHIBIT A

REAL PROPERTY LEGAL DESCRIPTION

Intake Parcel.

PARCEL 1:

TRACT 37, SECTIONS 33 AND 34, TOWNSHIP 21 SOUTH, RANGE 64 EAST, M. D. M., CLARK COUNTY, NEVADA.

EXCEPTING THEREFROM GOVERNMENT LOTS 9 AND 10, SECTION 3, TOWNSHIP 22 SOUTH, RANGE 64 EAST, M.D.M., CLARK COUNTY, NEVADA.

AND ALSO EXCEPTING THEREFROM GOVERNMENT LOT 13, SECTION 4, TOWNSHIP 22 SOUTH, RANGE 64 EAST, M.D.M., CLARK COUNTY, NEVADA.

AND ALSO EXCEPTING THEREFROM THAT PORTION OF LAND CONVEYED TO NEVADA DEPARTMENT OF FISH AND GAME, RECORDED ON APRIL 14, 1972 IN BOOK 233 AS DOCUMENT NO. 182449, OFFICIAL RECORDS, CLARK COUNTY, NEVADA.

AND ALSO FURTHER EXCEPTING THEREFROM THAT AREA DESIGNATED AS LAKE SHORE HIGHWAY.

PARCEL 2:

GOVERNMENT LOTS 9 AND 10 IN SECTION 3, TOWNSHIP 22 SOUTH, RANGE 64 EAST, M.D.M., CLARK COUNTY NEVADA.

EXCEPTING THEREFROM THAT PORTION OF LAND CONVEYED TO NEVADA DEPARTMENT OF FISH AND GAME, RECORDED ON APRIL 14, 1972 IN BOOK 223 AS DOCUMENT NO. 182449, OFFICIAL RECORDS, CLARK COUNTY, NEVADA.

AND ALSO FURTHER EXPECTING THEREFROM THAT AREA DESIGNATED AS LAKE SHORE HIGHWAY.

PARCEL 3

GOVERNMENT LOT 13 IN SECTION 4, TOWNSHIP 22 SOUTH, RANGE 64 EAST, M.D.M., CLARK COUNTY, NEVADA.

EXCEPTING THEREFROM THAT PORTION OF LAND CONVEYED TO NEVADA DEPARTMENT OF FISH AND GAME, RECORDED ON APRIL 14, 1972 IN BOOK 223 AS DOCUMENT NO. 182449, OFFICIAL RECORDS, CLARK COUNTY, NEVADA.

AND ALSO FURTHER EXCEPTING THEREFROM THAT AREA DESIGNATED AS LAKE SHORE HIGHWAY.

Booster I Parcel.

THE WEST HALF (W ½) OF THE SOUTHEAST QUARTER (se 1/3) OF THE SOUTHEAST QUARTER (SE ¼) OF THE NORTHWEST QUARTER (NW ¼) AND THE SOUTHWEST QUARTER (SW ¼) OF THE SOUTHEAST QUARTER (SE ¼) OF THE NORTHWEST

QUARTER (NW $\frac{1}{4}$) OF SECTION 11, TOWNSHIP 22 SOUTH, RANGE 64, M.D.M., CLARK COUNTY, NEVADA

Booster II Parcel.

A PORTION OF THE SOUTH HALF (S $\frac{1}{2}$) OF SECTION 33, TOWNSHIP 21 SOUTH, RANGE 63 EAST, M.D.M., CLARK COUNTY, NEVADA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER (SW $\frac{1}{4}$) OF SAID SECTION 33;
THENCE ALONG THE EAST LINE THEREOF, NORTH $03^{\circ}22'29''$ WEST 343.15 FEET TO THE POINT OF BEGINNING;
THENCE DEPARTING SAID LINE, SOUTH $89^{\circ}14'00''$ WEST 328.08 FEET;
THENCE NORTH $03^{\circ}13'00''$ WEST 1116.69 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF LAKE MEAD PARKWAY AND THE BEGINNING OF A NON TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 4800.00 FEET, A RADIAL LINE TO SAID BEGEGINNING BEARS NORTH $23^{\circ}35'26''$ WEST;
THENCE ALONG SAID CURVE TO THE RIGHT TRHOUGH A CENTRAL ANGLE OF $17^{\circ}34'57''$ AN ARC LENGTH OF 1472.98 FEET;
THENCE NORTH $83^{\circ}59'31''$ EAST 248.04 FEET;
THENCE DEPARTING SAID SOUTHERLY RIGHT-OF-WAY LINE SOUTH $03^{\circ}46'20''$ EAST 1463.73 FEET;
THENCE SOUTH $87^{\circ}52'21''$ WEST 685.86 FEET;
THENCE SOUTH $87^{\circ}53'26''$ WEST 685.87 FEET TO THE POINT OF BEGINNING.

NOTE: THE ABOUVE METES AND BOUNDS DESCRIPTION PREVIOUS APPEARED IN THAT CERTAIN DOCUMENT RECORDED FEBRUARY14, 2017 IN BOOK 20170214 AS INSTRUMENT NO. 02069 OF OFFICIAL RECORDS, CLARK COUNTY, NEVADA.

Terminal Reservoir Parcels.

PARCEL I:

A PORTION OF SECTION 19, TOWNSHIP 22 SOUTH, RANGE 63 EAST, M.D.M., CITY OF HENDERSON, CLARK COUNTY, NEVADA, BEING MADE PARTICULARY DESCRIBED AS FOLLOWS:

A PORTION OF PARCEL 1 OF PARCEL MAP, AS DEPICTED BY FILE 85, PAGE 14 OF PARCEL MAPS ON FILE IN THE OFFICE OF THE RECORDER, CLARK COUNTY, NEVADA, COMMONLY KNOWN AS APN 179-19-503-003

PARCEL II;

A PORTION OF SECTION 20, TOWNSHIP 22 SOUTH, RANGE 63 EAST, M.D.M., CITY OF HENDERSON, CLARK COUNTY, NEVADA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A PORTION OF PARCEL 1 OF PARCEL MAP, AS DEPICTED BY FILE 85, PAGE 14 OF PARCEL MAPS ON FILE IN THE OFFICE OF THE RECORDER, CLARK COUNTY, NEVADA, COMMONLY KNOWN AS APN 179-20-101-002.

Van Wagenen Parcels.

The Land referred to herein below is situated in the County of Clark, State of Nevada, and is described as follows:

PARCEL I:

A PORTION OF THE SOUTHWEST QUARTER (SW1/4) OF SECTION 18, TOWNSHIP 22 SOUTH, RANGE 63 EAST, M.D.M., CITY OF HENDERSON, CLARK COUNTY, NEVADA, AND BEING A PORTION OF PARCEL 1 AS SHOWN ON THE MAP THEREOF IN FILE 85 OF PARCEL MAPS, PAGE 14, OFFICIAL RECORDS, CLARK COUNTY, NEVADA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID PARCEL 1;
THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL 1, SOUTH 46°26'00" EAST, 467.47 FEET; THENCE SOUTH 64°59'13" EAST, 1724.58 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF PACIFIC AVENUE;
THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE; SOUTH 13°52'08" WEST, 7.88 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 2932.88 FEET;
THENCE ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 3°37'38", AN ARC LENGTH OF 185.67 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 25.00 FEET, A RADIAL LINE TO SAID BEGINNING BEARS SOUTH 79°45'29" EAST;
THENCE ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 104°46'09", AN ARC LENGTH OF 45.71 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF VAN WAGENEN STREET;
THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, NORTH 64°59'21" WEST, 2013.86 FEET TO THE WEST LINE OF SAID PARCEL 1;
THENCE ALONG SAID WEST LINE, NORTH 00°05.57. WEST, 407.34 FEET TO THE POINT OF BEGINNING.

NOTE: THE ABOVE METES AND BOUNDS DESCRIPTION APPEARED PREVIOUSLY IN THAT CERTAIN DOCUMENT RECORDED DECEMBER 02, 2016 IN BOOK 20161202 AS INSTRUMENT NO. 03335, OF OFFICIAL RECORDS CLARK COUNTY, NEVADA.

PARCEL II:

A PORTION OF THE SOUTHWEST QUARTER (SW1/4) OF SECTION 18, TOWNSHIP 22 SOUTH, RANGE 63 EAST, M.D.M., CITY OF HENDERSON, CLARK COUNTY, NEVADA,

AND BEING A PORTION OF PARCEL 1 AS SHOWN ON THE MAP THEREOF IN FILE 85 OF PARCEL MAPS, PAGE 14, OFFICIAL RECORDS, CLARK COUNTY, NEVADA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER (SE 1/4) OF SAID SECTION 18;

THENCE ALONG THE SOUTH LINE THEREOF, SOUTH 89°22'08" WEST, 2048.53 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF VAN WAGENEN STREET;

THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, NORTH 64°59'21" WEST, 656.46 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, NORTH 64°59'21" WEST, 148.58 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 1460.00 FEET;

THENCE ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 7°24'07", AN ARC LENGTH OF 188.61 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 1540.00 FEET, A RADIAL LINE TO SAID BEGINNING BEARS NORTH 32°24'46" EAST;

THENCE ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 7°24'07", AN ARC LENGTH OF 198.95 FEET;

THENCE NORTH 64°59'21" WEST, 100.99 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 25.00 FEET;

THENCE ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 74°32'06", AN ARC LENGTH OF 32.52 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF PACIFIC AVENUE AND THE BEGINNING OF A COMPOUND CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 2852.88 FEET;

A RADIAL LINE TO SAID BEGINNING BEARS NORTH 80°27'14" WEST;

THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE AND SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 4°09'53", AN ARC LENGTH OF 207.37 FEET;

THENCE DEPARTING SAID EASTERLY RIGHT-OF-WAY LINE, SOUTH 64°59'13" EAST, 592.04 FEET;

THENCE SOUTH 00°20'37" EAST, 271.12 FEET TO THE POINT OF BEGINNING.

NOTE: THE ABOVE METES AND BOUNDS DESCRIPTION APPEARED PREVIOUSLY IN THAT CERTAIN DOCUMENT RECORDED DECEMBER 02, 2016 IN BOOK 20161202 AS INSTRUMENT NO. 03335, OF OFFICIAL RECORDS CLARK COUNTY, NEVADA.

PARCEL III:

A PORTION OF THE SOUTHEAST QUARTER (SE1/4) OF SECTION 18, TOWNSHIP 22 SOUTH, RANGE 63 EAST, M.D.M., CITY OF HENDERSON, CLARK COUNTY, NEVADA, AND BEING A PORTION OF PARCEL 1 AS SHOWN ON THE MAP THEREOF IN FILE 85 OF PARCEL MAPS, PAGE 14, OFFICIAL RECORDS, CLARK COUNTY, NEVADA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER (SE1/4) OF SAID SECTION 18;

THENCE ALONG THE SOUTH LINE THEREOF, SOUTH 89°22'08" WEST, 1482.49 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID SOUTH LINE, SOUTH 89°22'08" WEST, 566.04 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF VAN WAGENEN STREET;

THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, NORTH 64°59'21" WEST, 656.46 FEET;

THENCE DEPARTING SAID NORTHERLY RIGHT-OF-WAY LINE, NORTH 00°20'37" WEST, 271.12 FEET;

THENCE SOUTH 64°59'13" EAST, 1282.85 FEET TO THE POINT OF BEGINNING.

NOTE: THE ABOVE METES AND BOUNDS DESCRIPTION APPEARED PREVIOUSLY IN THAT CERTAIN DOCUMENT RECORDED DECEMBER 02, 2016 IN BOOK 20161202 AS INSTRUMENT NO. 03335, OF OFFICIAL RECORDS CLARK COUNTY, NEVADA.

PARCEL IV:

A PORTION OF THE NORTHEAST QUARTER (NE1/4) OF SECTION 19, TOWNSHIP 22 SOUTH, RANGE 63 EAST, M.D.M., CITY OF HENDERSON, CLARK COUNTY, NEVADA, AND BEING A PORTION OF PARCEL 1 AS SHOWN ON THE MAP THEREOF IN FILE 85 OF PARCEL MAPS, PAGE 14, OFFICIAL RECORDS, CLARK COUNTY, NEVADA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHEAST QUARTER (NE1/4) OF SAID SECTION 19;

THENCE ALONG THE NORTH LINE THEREOF, SOUTH 89°22'08" WEST, 1482.49 FEET TO THE POINT OF BEGINNING;

THENCE DEPARTING SAID NORTH LINE, SOUTH 64°59'13" EAST, 937.08 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF OCEAN AVENUE;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE, SOUTH 08°08'27" WEST, 222.22 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 25.00 FEET;

THENCE ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 106°52'12", AN ARC LENGTH OF 46.63 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF VAN WAGENEN STREET;

THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, NORTH 64°59'21" WEST, 1487.94 FEET;

THENCE DEPARTING SAID NORTHERLY RIGHT-OF-WAY LINE, NORTH 89°22'08" EAST, 566.04 FEET TO THE POINT OF BEGINNING.

NOTE: THE ABOVE METES AND BOUNDS DESCRIPTION APPEARED PREVIOUSLY IN THAT CERTAIN DOCUMENT RECORDED DECEMBER 02, 2016 IN BOOK 20161202 AS INSTRUMENT NO. 03335, OF OFFICIAL RECORDS CLARK COUNTY, NEVADA.

BWC Parcels.

PARCEL I:

A PORTION OF THE SOUTHWEST QUARTER (SW $\frac{1}{4}$) OF SECTION 18, TOWNSHIP 22 SOUTH, RANGE 63 EAST, M.D.M., CITY OF HENDERSON, CLARK COUNTY, NEVADA, AND BEING A PORTION OF PARCEL 1 AS SHOWN ON THE MAP THEREOF IN FILE 74 OF PARCEL MAPS, PAGE 97, OFFICIAL RECORDS, CLARK COUNTY, NEVADA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID PARCEL 1;
THENCE ALONG THE WESTERLY LINE OF SAID PARCEL 1, NORTH $00^{\circ}05'57''$ WEST, 26.50 FEET; THENCE DEPARTING SAID WEST LINE AND ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF VAN WAGENEN STREET, SOUTH $64^{\circ}59'21''$ EAST, 1279.44 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 5.48 FEET, A RADIAL LINE TO SAID BEGINNING BEARS NORTH $60^{\circ}14'41''$ EAST;
THENCE ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF $44^{\circ}46'21''$, AN ARC LENGTH OF 4.28 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF PATRICIA WAY;
THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE, SOUTH $15^{\circ}9'49.2''$ WEST, 20.79 FEET TO THE SOUTHERLY LINE OF SAID PARCEL 1;
THENCE ALONG SAID SOUTHERLY LINE, NORTH $64^{\circ}59'21''$ WEST, 1274.03 FEET TO THE POINT OF BEGINNING.

NOTE: THE ABOVE METES AND BOUNDS LEGAL DESCRIPTION APPEARED PREVIOUSLY IN THE DEED RECORDED FEBRUARY 14, 2017 IN BOOK 20170214 AS INSTRUMENT NO. 02068, OF OFFICIAL RECORDS CLARK COUNTY, NEVADA.

PARCEL II:

A PORTION OF THE SOUTHWEST QUARTER (SW $\frac{1}{4}$) OF SECTION 18, TOWNSHIP 22 SOUTH, RANGE 63 EAST, M.D.M., CITY OF HENDERSON, CLARK COUNTY, NEVADA, AND BEING A PORTION OF PARCEL 1 AS SHOWN ON THE MAP THEREOF IN FILE 74 OF PARCEL MAPS, PAGE 97, OFFICIAL RECORDS, CLARK COUNTY, NEVADA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID PARCEL 1;
THENCE ALONG THE SOUTHERLY LINE OF SAID PARCEL 1, SOUTH $64^{\circ}59'21''$ EAST, 1324.83 FEET TO THE POINT OF BEGINNING, SAID POINT BEING ON THE EASTERLY RIGHT-OF-WAY LINE OF PATRICIA WAY;
THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE, NORTH $15^{\circ}01'02''$ EAST, 20.90 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 3.76 FEET; THENCE ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF $57^{\circ}16'37''$, AN ARC LENGTH OF 3.76 FEET TO THE SOUTHERLY

RIGHT-OF-WAY LINE OF VAN WAGENEN STREET;
 THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, SOUTH 64°59'21" EAST,
 416.31 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE
 SOUTHWESTERLY HAVING A RADIUS OF 6.69 FEET, A RADIAL LINE TO SAID
 BEGINNING BEARS NORTH 56°42'54" EAST;
 THENCE ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF
 48°17'46", AN ARC LENGTH OF 5.64 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF
 ALICIA CIRCLE;
 THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE, SOUTH 15°00'39" WEST, 19.77
 FEET TO SAID SOUTHERLY LINE;
 THENCE ALONG SAID SOUTHERLY LINE, NORTH 64°59'21" WEST, 420.34 FEET TO
 THE POINT OF BEGINNING.

NOTE: THE ABOVE METES AND BOUNDS LEGAL DESCRIPTION APPEARED PREVIOUSLY
 IN THE DEED RECORDED FEBRUARY 14, 2017 IN BOOK 20170214 AS INSTRUMENT
 NO. 02068, OF OFFICIAL RECORDS CLARK COUNTY, NEVADA.

PARCEL III:

A PORTION OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 18, TOWNSHIP 22
 SOUTH, RANGE 63 EAST, M.D.M., CITY OF HENDERSON, CLARK COUNTY, NEVADA,
 AND BEING A PORTION OF PARCEL 1 AS SHOWN ON THE MAP THEREOF IN FILE 74
 OF PARCEL MAPS, PAGE 97, OFFICIAL RECORDS, CLARK COUNTY, NEVADA MORE
 PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID PARCEL 1;
 THENCE ALONG THE SOUTHERLY LINE OF SAID PARCEL 1, SOUTH 64°59'21" EAST,
 1795.97 FEET TO THE POINT OF BEGINNING, SAID POINT BEING ON THE EASTERLY
 RIGHT-OF-WAY LINE OF ALICIA CIRCLE;
 THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE, NORTH 15°00'39" EAST, 17.70
 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A
 RADIUS OF 6.46 FEET; THENCE ALONG SAID CURVE TO THE RIGHT THROUGH A
 CENTRAL ANGLE OF 67°25'39", AN ARC LENGTH OF 7.60 FEET TO THE SOUTHERLY
 RIGHT-OF-WAY LINE OF VAN WAGENEN STREET; THENCE ALONG SAID SOUTHERLY
 RIGHT-OF-WAY LINE, SOUTH 64°59'21" EAST, 206.63 FEET TO THE BEGINNING OF A
 TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 25.00 FEET;
 THENCE ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF
 72°35'23", AN ARC LENGTH OF 31.67 FEET TO THE BEGINNING OF A REVERSE CURVE
 CONCAVE NORTHEASTERLY HAVING A RADIUS OF 2932.88 FEET, A RADIAL LINE TO
 SAID BEGINNING BEARS NORTH 82°23'58" WEST; THENCE ALONG SAID CURVE TO
 THE LEFT THROUGH A CENTRAL ANGLE OF 0°07'58", AN ARC LENGTH OF 6.79 FEET
 TO SAID SOUTHERLY LINE OF PARCEL 1;
 THENCE ALONG SAID SOUTHERLY LINE, NORTH 64°59'21" WEST, 232.34 FEET TO
 THE POINT OF BEGINNING.

NOTE: THE ABOVE METES AND BOUNDS LEGAL DESCRIPTION APPEARED PREVIOUSLY IN THE DEED RECORDED FEBRUARY 14, 2017 IN BOOK 20170214 AS INSTRUMENT NO. 02068, OF OFFICIAL RECORDS CLARK COUNTY, NEVADA.

Right of Way Parcels.

THOSE CERTAIN RIGHTS-OF-WAY FOR A 40-INCH DIAMETER WATER PIPE LINE, TELEPHONE CONTROL LINES, AND A 69-KV TRANSMISSION LINE, AND APPURTENANCES, A RESERVOIR AT HENDERSON, AND AT THE BOOSTER PUMP STATION NEAR LAKE MEAD, WATER PLANT SITES AND SERVICE ROADS TO SERVE THE BASIC MAGNESIUM PLANT AT HENDERSON, NEVADA, THE LOCATION OF WHICH FACILITIES ARE SHOWN ON THE MAP DESIGNATED AS Z-310 ON FILE WITH THE BUREAU OF LAND MANAGEMENT, GRANTED BY THE UNITED STATES OF AMERICA PURSUANT TO THAT CERTAIN DECISION, DATED AS OF OCTOBER 5, 1954, APPROVING "RIGHT OF WAY NEVADA 011112" OF BASIC MANAGEMENT INCORPORATED.

Bypass Easement Parcel

THAT CERTAIN EASEMENT GRANTED TO BASIC WATER COMPANY BY THE GRANT OF EASEMENT RECORDED JANUARY 19, 2007, AS DOCUMENT NUMBER 20070119-0002077.

Lake Mead Crossing Parcel

LOT ONE (1) OF "LAKE MEAD CROSSING, A COMMERCIAL SUBDIVISION" AS SHOWN BY MAP THEREOF ON FILE IN BOOK 138 OF PLATS, PAGE 17 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA, LYING WITHIN THE NORTHWEST QUARTER (NW 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 18, TOWNSHIP 22 SOUTH, RANGE 63 EAST, M.D.M., CITY OF HENDERSON, CLARK COUNTY, NEVADA.

BMI Parcels

SECTIONS 7, 12, 13 AND 18 OF TOWNSHIP 22 SOUTH, RANGE 62 EAST AND RANGE 63 EAST, M.D.M., CLARK COUNTY, NEVADA [NTD: THIS WILL BE UPDATED PRIOR TO CLOSING]

EXHIBIT 2

EXHIBIT 2

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (collectively with all exhibits and attachments, the “**Agreement**”) dated as of May 25, 2023, by and between PRECISION CASTPARTS CORP., an Oregon corporation and/or its assignee (“**Buyer**”), on the one hand; and BASIC WATER CORPORATION, a Nevada corporation (“**BWC**”), and BASIC WATER COMPANY SPE 1, LLC, a Nevada limited liability company (“**SPE**” and collectively with BWC, “**Seller**”), on the other hand. Each party may be referred to herein as a “**Party**,” or collectively as the “**Parties**.”

RECITALS

A. On September 10, 2022, BWC and SPE each filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101, et seq. (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the District of Nevada (the “**Bankruptcy Court**”) under the captions: *In re Basic Water Company*, Case No. 22-13252-mkn and *In re Basic Water Company SPE 1, LLC*, Case No. 22-13253-mkn (collectively, the “**Bankruptcy Cases**”).

B. Seller intends to sell the Assets (hereinafter defined) in conjunction with the Bankruptcy Cases.

C. Pursuant to, *inter alia*, Sections 363 and 365 of the Bankruptcy Code and the applicable Federal Rules of Bankruptcy Procedure, Seller desires to sell and assign to Buyer, and Buyer desires to purchase from Seller, all of Seller’s right, title, and interest in the Assets, pursuant to the terms and conditions set forth herein, and subject to Bankruptcy Court approval.

D. Concurrently with the execution and delivery of this Agreement, the Parties have executed and delivered that certain Purchase and Sale Agreement of even date herewith by and between the Parties with respect to the purchase and sale of certain real property as set forth therein (the “**Real Estate Purchase Agreement**”).

E. The Buyer intends to deliver water to those certain industries (including Buyer) located at the Black Mountain Industrial Complex (collectively, the “**Industries**”), in exchange for which the Industries and the Buyer are willing to waive all claims and causes of action they have against BWC, SPE, and each of their affiliates, insiders and related parties (collectively, the “**Bankruptcy Releases**”).

NOW, THEREFORE, in consideration of the promises and agreements set forth below and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties incorporate the above recitals by this reference and agree as follows:

AGREEMENT

1. Bankruptcy Matters.

(a) **Bankruptcy Court Approval.** The Parties acknowledge and agree that this Agreement is subject to entry of an order by the Bankruptcy Court authorizing the sale of the Assets (as defined herein) to Buyer free and clear of all liens, claims, encumbrances and interests (the “**Bankruptcy Court Order**”). Prior to the entry of the Bankruptcy Court Order, Seller will provide a proposed form of Bankruptcy Court Order to Buyer for its review and approval, which will provide, among other things:

(i) that the notice of the contemplated sale of the Assets is in all respects adequate, proper, and sufficient;

(ii) a description of the proposed transaction, the parties involved, the value of the consideration to be paid by Buyer for the Assets;

(iii) that Buyer is a good faith purchaser and is entitled to all of the protections of Section 363(m) of the Bankruptcy Code;

(iv) that the Purchase Price (defined below) and all other aspects of the transaction were proposed in good faith and were negotiated at arm’s length; and

(v) that upon the Bankruptcy Court’s approval of such transactions, all of the terms and conditions of this Agreement are valid and enforceable obligations.

(b) **Bankruptcy Court Motions.** Seller will file and prosecute such motions and other filings with the Bankruptcy Court as may be necessary to obtain entry of the Bankruptcy Court Order.

2. **Effective Date.** The effective date of this Agreement (the “**Effective Date**”) shall be the date when the Bankruptcy Court Order substantially approving this Agreement becomes a final order. The Bankruptcy Court Order shall be final if it is not reversed, stayed, modified or amended, and for which the time to appeal, or seek or move for a new trial, re-argument or rehearing has expired and no appeal or other proceedings is pending. All Parties agree not to appeal, or file a motion to stay, the Bankruptcy Court Order substantially approving this Agreement.

3. **Assets.** Subject to the terms and conditions set forth in this Agreement and the Bankruptcy Court Order, upon the Effective Date, Seller hereby agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, all of Seller’s right, title and interest in, to and under all of the following described assets (collectively, the “**Assets**”), free and clear of any and all liens, claims, encumbrances or interests:

(a) **Water System.** A system for conveying water from Lake Mead approximately 16.6 miles to certain companies in the Black Mountain Industrial Center (the “**Water System**”).

(b) **Improvements.** All improvements related to the Water System, comprised of, among other things, an intake structure, pumping station, electrical house, booster pumping station, reservoirs, a pipeline of 40 inches in diameter, additional pipelines from the terminal

reservoir to points of use in the Black Mountain Industrial Center, including water distribution facilities within the Black Mountain Industrial Center, a 69kv transmission line, transformer stations, a telecommunications line, and appurtenant facilities and equipment, including easements and rights of way covering approximately 408 acres for the water pipeline, power transmission line, and a communications line (collectively, the “**Improvements**”).

(c) **Tangible Personal Property.** All goods, chattels, goods to become fixtures, mobile goods, appliances, replacement parts, fixtures, furniture, machinery, tools, equipment, supplies, and other tangible personal property used or usable in the construction, renovation, ownership, management, marketing and operation of the Water System and Improvements.

(d) **Intangible Personal Property.** All leases, permits, licenses, easements and other contracts and documents relating to the ownership of the Water System and Improvements, or required for the ownership, operation and use of the Water System and Improvements.

(e) **Executory Contracts.** All and only those executory contracts and other related agreements of Seller which Buyer has determined and agreed to expressly assume in connection with its purchase of the Assets (collectively, the “**Assumed Contracts**”) listed on **Exhibit A**, attached hereto (the “**List of Assumed Contracts**”), as the List of Assumed Contracts may be amended from time to time, including the contracts with the Industries to deliver water (collectively, the “**Industry Contracts**”). The Parties agree that Buyer may revise the List of Assumed Contracts up to ten (10) days prior to the Bankruptcy Court hearing to approve this Agreement. As part of the Bankruptcy Court approval of this Agreement, Seller shall seek an adjudication of the cure amount, if any, as to any Assumed Contract assumed and assigned to Buyer, and Seller shall be responsible for any cure amount, if any, pursuant to §365(b) of the Bankruptcy Code, as a condition to the assumption and assignment of such Assumed Contract, such that the Assumed Contracts assigned and transferred to Buyer shall be free and clear of any offsets, or other claims, including but not limited to, cure amounts. For clarity, those executory contracts and other related agreements of Seller which Buyer will not assume include, without limitation, those listed on **Exhibit B** (the “**Excluded Contracts**” and such list the “**List of Excluded Contracts**”). The Parties agree that Buyer may revise the List of Excluded Contracts up to ten (10) days prior to the Bankruptcy Court hearing to approve this Agreement. EXCEPT AS SPECIFICALLY SET FORTH HEREIN OR AS SET FORTH ON THE LIST OF ASSUMED CONTRACTS, BUYER IS NOT ASSUMING AND SHALL NOT BE LIABLE FOR ANY DEBT, OBLIGATION, RESPONSIBILITY OR LIABILITY OF THE SELLER (INCLUDING, BUT NOT LIMITED TO, ANY CREDITS, PREPAYMENTS, OR OBLIGATIONS OWED TO ACCOUNT DEBTORS), WHETHER KNOWN OR UNKNOWN, CONTINGENT OR ABSOLUTE OR OTHERWISE.

(f) **Accounts Receivable due from Buyer.** Any and all accounts receivable of Seller due and owing to Seller from Buyer or Buyer’s affiliates, up to a cap of \$250,000.

4. **Purchase Price.** The purchase price to be paid by Buyer to Seller for the purchase of the Assets shall be \$8,000,000.00, less the amount to be agreed in the Real Estate Purchase Agreement (the “**Purchase Price**”), payable as follows:

(a) **Deposit.** Concurrently with the execution of this Agreement, Buyer shall deposit the sum of \$800,000.00, representing ten percent (10.0%) of the Purchase Price under both agreements, in immediately available federal funds (the “**Deposit**”) into an escrow account established by Seller. The Deposit shall be refunded (and shall only become refundable) to Buyer in the event that: (i) Seller sells the Assets to another party; (ii) the Bankruptcy Court does not enter the Bankruptcy Court Order approving the sale of the Assets to Buyer; or (iii) pursuant to Section 16 of this Agreement.

(b) **Cash at Closing.** On or before Closing (as defined below), Buyer shall deposit in immediately available federal funds with the Seller the remainder of the Purchase Price and any other sums required herein; such funds to be deposited or wired to Seller on or before 10:00 am PST on the day of Closing.

(c) **Return of Deposit.** If under the terms of this Agreement, either Buyer or Seller is entitled to receive the Deposit, the other party agrees to take such actions and execute and deliver such instruments, instructions or documents, which may be reasonably necessary to pay or refund the Deposit to the appropriate party.

5. **Closing.** Closing for the purchase of the Assets (the “**Closing**”) shall occur on or before 5:00 p.m. prevailing Pacific Time on that date which is ten (10) days after the Effective Date (the “**Closing Date**”).

6. **Representations and Warranties of Seller.** Seller represents and warrants to Buyer as follows, which representations and warranties shall be reaffirmed at Closing by Seller:

(a) **Authority.** Subject to Bankruptcy Court approval, Seller has full right, title, authority and capacity to execute, deliver and perform this Agreement and all agreements and documents contemplated by this Agreement to which Seller is a party and to consummate all of the transactions contemplated by this Agreement and all such other agreements and documents. The individual who executes and delivers on behalf of Seller this Agreement and all documents to be delivered to Buyer under this Agreement is and shall be duly authorized to do so.

(b) **Good Standing.** Each Seller is duly organized, validly existing and in good standing as a corporation or limited liability company, as applicable, under the laws of the State of Nevada.

7. **Representations and Warranties of Buyer.** Buyer represents and warrants to Seller as follows, which representations and warranties shall be reaffirmed at Closing by Buyer:

(a) **Authority.** Buyer has full right, title, authority and capacity to execute, deliver and perform this Agreement and all agreements and documents contemplated by this Agreement to which Buyer is a party and to consummate all of the transactions contemplated by this Agreement and all such other agreements and documents. The individual who executes and

delivers on behalf of Buyer this Agreement and all documents to be delivered to Seller under this Agreement is and shall be duly authorized to do so.

(b) Good Standing. Buyer is duly organized and validly existing as a corporation under the laws of the State of Oregon.

8. “As-Is” Condition.

(a) NO SIDE AGREEMENTS OR REPRESENTATIONS; AS-IS PURCHASE. BUYER REPRESENTS, WARRANTS AND COVENANTS TO SELLER THAT BUYER HAS INDEPENDENTLY AND PERSONALLY INSPECTED THE ASSETS AND THAT BUYER HAS ENTERED INTO THIS AGREEMENT BASED UPON SUCH PERSONAL EXAMINATION AND INSPECTION. BUYER AGREES THAT, EXCEPT AS EXPRESSLY PROVIDED HEREIN, BUYER WILL ACCEPT THE ASSETS, IN THEIR THEN CONDITION AS-IS AND WITH ALL FAULTS. NO PERSON ACTING ON BEHALF OF SELLER IS AUTHORIZED TO MAKE, AND BY EXECUTION HEREOF, BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO: (i) THE SUITABILITY OF THE ASSETS FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON; (ii) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE ASSETS; (iii) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE ASSETS; (iv) THE NATURE, QUALITY OR CONDITION OF THE ASSETS; (v) THE COMPLIANCE OF OR BY THE ASSETS OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (vi) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATION, ORDERS OR REQUIREMENTS, INCLUDING, BUT NOT LIMITED TO, THE ENDANGERED SPECIES ACT, TITLE III OF THE AMERICANS WITH DISABILITIES ACT OF 1990 OR ANY OTHER LAW, RULE OR REGULATION GOVERNING ACCESS BY DISABLED PERSONS, THE FEDERAL WATER POLLUTION CONTROL ACT, THE FEDERAL RESOURCE CONSERVATION AND RECOVERY ACT, THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, THE RESOURCES CONSERVATION AND RECOVERY ACT OF 1976, THE CLEAN WATER ACT, THE SAFE DRINKING WATER ACT, THE HAZARDOUS MATERIALS TRANSPORTATION ACT, THE TOXIC SUBSTANCE CONTROL ACT, AND REGULATIONS PROMULGATED UNDER ANY OF THE FOREGOING; (vii) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER, OR ADJACENT TO THE ASSETS; AND (viii) THE CONTENT, COMPLETENESS OR ACCURACY OF THE MATERIALS PROVIDED BY OR ON BEHALF OF SELLER,

INCLUDING ANY INFORMATIONAL PACKAGE, COST TO COMPLETE ESTIMATE OR OTHER MATERIALS PREPARED BY SELLER.

BUYER FURTHER ACKNOWLEDGES AND AGREES HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE ASSETS AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE ASSETS. BUYER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION MADE AVAILABLE TO BUYER OR PROVIDED OR TO BE PROVIDED BY OR ON BEHALF OF SELLER WITH RESPECT TO THE ASSETS WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION EXCEPT AS MAY OTHERWISE BE PROVIDED HEREIN. EXCEPT AS OTHERWISE PROVIDED HEREIN, SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE ASSETS, OR THE OPERATION THEREOF, FURNISHED BY ANY OF THE FOREGOING ENTITIES AND INDIVIDUALS OR ANY OTHER INDIVIDUAL OR ENTITY. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, AND EXCEPT AS PROVIDED HEREIN, THE SALE OF THE ASSETS AS PROVIDED FOR HEREIN IS MADE ON AN "AS-IS" CONDITION AND BASIS WITH ALL FAULTS, AND THAT SELLER HAS NO OBLIGATIONS TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS.

(b) **RELEASE.** EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, BUYER AND ANYONE CLAIMING BY, THROUGH OR UNDER BUYER, HEREBY FULLY AND IRREVOCABLY RELEASES SELLER, SELLER'S AFFILIATES, PARENT COMPANIES AND SUBSIDIARIES, AND EACH OF THEIR RESPECTIVE EMPLOYEES, OFFICERS, DIRECTORS, MEMBERS, REPRESENTATIVES, AGENTS, SERVANTS, ATTORNEYS, SUCCESSORS AND ASSIGNS, AND ALL PERSONS, FIRMS, CORPORATIONS AND ORGANIZATIONS ACTING ON THE BEHALF OF SELLER (COLLECTIVELY, THE "**SELLER PARTIES**") FROM ANY AND ALL CLAIMS THAT IT MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST ANY SELLER PARTY FOR ANY COSTS, LOSS, LIABILITY, DAMAGE, EXPENSES, DEMANDS, ACTIONS OR CAUSES OF ACTION ARISING FROM OR RELATED TO ANY CONTRACT OR AGREEMENT BETWEEN BUYER AND SELLER (OTHER THAN THIS AGREEMENT, THE REAL ESTATE PURCHASE AGREEMENT AND ANY CONTRACT, AGREEMENT, INSTRUMENT, ORDER OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT OR THE REAL ESTATE PURCHASE AGREEMENT) OR ANY CONSTRUCTION DEFECTS, ERRORS, OMISSIONS OR OTHER CONDITIONS, LATENT OR OTHERWISE, GEOTECHNICAL AND SEISMIC, AFFECTING THE ASSETS OR ANY PORTION THEREOF INCLUDING, WITHOUT LIMITATION, THE ITEMS DESCRIBED IN SECTION 8(a) ABOVE.

9. Conditions to Closing.

(a) **Performance by Seller.** As a condition to Buyer's obligation to complete Closing, all representations and warranties by Seller set forth in this Agreement shall be true and correct at and as of Closing in all material respects as though such representations and warranties

were made at and as of Closing, and Seller shall have performed, observed and complied with all covenants, agreements and conditions required by this Agreement to be performed, observed and complied with prior to or as of Closing.

(b) **Bankruptcy Court Approval.** The Bankruptcy Court shall have entered the Bankruptcy Court Order approving this Agreement and authorizing the sale of the Assets to Buyer and such Bankruptcy Court Order shall not have been reversed, stayed or modified in any material respect prior to the Closing Date.

(c) **Real Estate Purchase Agreement.** The closing for the purchase of the Property (as defined in the Real Estate Purchase Agreement) shall have occurred immediately prior to the Closing.

(d) **Bankruptcy Releases.** The Industry Contracts shall (i) have been rejected by Buyer and replaced with new Industry Contracts to be executed and delivered by the parties thereto at or before the Closing or (ii) have been amended and restated in connection with their assumption by the Buyer, which Industry Contracts, in the case of clause (i) and clause (ii), shall include the Bankruptcy Releases, as approved by the Seller in its reasonable discretion.

10. Closing Procedure. On or before the date of Closing, the Parties shall either exchange or deposit with any party mutually designated as the Closing officer, the following funds and documents:

(a) **Seller's Deposits:**

(i) **Bill of Sale.** A Bill of Sale, Assignment, Acceptance and Assumption Agreement in the form attached as **Exhibit C**, attached hereto (the "**Bill of Sale**"), duly executed by Seller, which Bill of Sale will transfer all of Seller's right, title and interest in the Assets, including, but not limited to, the Water System, Improvements and Assumed Contracts.

(ii) **Bankruptcy Court Order.** The Bankruptcy Court Order entered by the Bankruptcy Court approving the sale of the Assets to Buyer.

(iii) **Additional Documents.** Such other documents and funds as may reasonably be required to close the sale in accordance with this Agreement.

(b) **Buyer's Deposits:**

(i) **Money.** Funds for the balance of the Purchase Price together with any additional cash necessary to pay Buyer's share of closing costs and prorations as set forth herein, or such lesser amount as may be required due to credits given to Buyer for the items prorated and/or adjusted per the terms of this Agreement.

(ii) **Bill of Sale.** A counterpart the Bill of Sale, duly executed by Buyer.

(iii) **Additional Documents.** Such other documents and funds as may reasonably be required to close the sale in accordance with this Agreement.

11. Transfer Taxes. All sales, use, registration, and such other taxes and fees incurred in connection with this Agreement and any other transaction document, if any, shall be equally split and paid 50/50 by Buyer and Seller when due. Buyer and Seller, each at their own expense, shall timely file any appropriate tax return or other document with respect to such taxes or fees (and the other party shall cooperate with respect thereto as necessary).

12. Inspection. Buyer shall have access during normal business hours to inspect the Assets, make engineering and environmental studies, surveys, inspections and other reasonable evaluations of the Assets. Buyer shall provide Seller with at least one (1) business day notice prior to accessing the Assets and Seller shall have the right to have a representative present at each inspection and test. Buyer, however, agrees that:

(a) Buyer shall conduct such inspections in a manner which will avoid or minimize any disruption of Seller's business;

(b) Prior to any such entry or testing, at Seller's reasonable request, Buyer will obtain, maintain and provide Seller, or shall cause any consultant, contractor or other person accessing the Assets to obtain, maintain and provide Seller, with proof of comprehensive limited liability insurance in an amount of at least One Million Dollars (\$1,000,000) combined, single limit coverage, naming Seller as an additional insured;

(c) Buyer will indemnify, defend and hold Seller harmless for, from and against any and all claims, demands, liabilities, costs, expenses, damages and losses, cause or causes of action and suit or suits of any nature whatsoever (including mechanics' liens) (collectively, the "**Losses**") arising out of any access or inspection of the Assets by Buyer or its agents, designees or representatives; and

(d) To the extent the Assets are damaged during any inspection, Buyer will restore the Assets at Buyer's sole cost and expense if this transaction does not close. Until any such restoration is complete, Buyer will take all steps necessary to ensure that any conditions on the Assets created by Buyer's access will not interfere with the normal operation of the Assets or create any dangerous, unhealthy, unsightly or noisy conditions on the Assets.

13. Risk of Loss or Condemnation. In the event of loss or damage to the Assets by fire, condemnation or otherwise, until transfer of title at Closing, Seller shall have the right, but not the obligation, to cure any damage or loss by fully repairing or fully restoring the Assets to at least its condition at the date of this Agreement prior to Closing and obligate Buyer to close the sale in accordance with this Agreement. If Seller decides not to cure, or does not, by Closing, fully repair or restore the Assets, Buyer shall have the right to either: (i) close the sale in accordance with this Agreement and accept an assignment of all insurance and/or condemnation proceeds, together with a credit from Seller for the amount of any deductible, or (ii) to terminate this Agreement in full and complete settlement of any and all claims.

14. Possession. Upon Closing, Seller shall deliver to Buyer title and access to the Assets.

15. Default. If the Closing does not occur due to a default by Buyer, Seller shall retain the Deposit paid by Buyer as liquidated damages in full settlement of any and all claims, and not as a penalty, the parties hereto acknowledging and agreeing that the injury caused by such default is difficult or impossible accurately to estimate and that the Deposit is a reasonable pre-estimate of the probable loss associated with such injury.

16. Termination. This Agreement may be terminated before Closing (a) by written order of the Bankruptcy Court; (b) by Buyer with written notice to Sellers if any closing condition for the benefit of Buyer will not be met; or (c) by Seller with written notice to Buyer if any closing condition for the benefit of Seller will not be met. If this Agreement is terminated for any reason set forth in this Section 16, except in the case of Buyer's default, the Deposit shall be promptly returned to Buyer.

17. Brokers/Commissions. Buyer warrants and represents to Seller that it has not hired any brokers or real estate agents with respect to this transaction and that it does not owe any broker or real estate agent a commission for this transaction. Buyer further acknowledges that all broker commissions paid in connection with the transactions contemplated by this Agreement must be approved by the Bankruptcy Court.

18. Notices. All notices, claims, demands, and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by email if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this paragraph:

If to Seller: Basic Water Company
Basic Water Company SPE 1, LLC
c/o Samuel A. Schwartz, Esq.
601 East Bridger Ave., Suite 200
Las Vegas, Nevada 89101
Email: saschwartz@nvfirm.com

If to Buyer: Precision Castparts Corp.
5885 Meadows Road, Suite 620
Lake Oswego, OR 97035
Attn: Ruth Beyer and Kirk Pulley
Email: rbeyer@precastcorp.com and kpulley@precastcorp.com

19. Cooperation/Further Assurances. After the Closing, Seller will assist the Buyer in an orderly transfer of the Assets so that the change of ownership can be accomplished with minimum interference to the efficient operation of the Assets. The Seller will, on the request of Buyer, provide such information with respect to the Assets or sign such other documents as may be reasonably requested by Buyer in order to carry out the purpose and intent of this Agreement.

20. Time. Time is of the essence in this Agreement. In any case where a date for performance by either Party shall fall on a Saturday, Sunday or holiday, the time for performance shall automatically extend to the next regular business day.

21. General. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada. This Agreement constitutes the entire agreement between the Parties with respect to this transaction. This Agreement may not be changed or modified except by instrument in writing signed by the Parties hereto. The terms, covenants and conditions herein shall bind and inure to the benefit of the successors and assigns of the Parties hereto. Neither Party may assign its rights in and to this Agreement without the prior written consent of the other Party; provided that the Buyer may assign its rights in and to this Agreement to any affiliated entity of the Buyer so long as Buyer remains liable hereunder. The title and headings of the sections hereof are solely for means of reference and are not intended to modify, explain or place any construction on any of the provisions of this Agreement. The covenants, representations and warranties of the Seller and the Buyer contained herein will be effective as of the date hereof and will survive the Closing for one (1) year.

22. Authority of Parties. Each Party represents and warrants that the person executing this Agreement on such Party's behalf has the authority to execute this Agreement on behalf of such Party.

23. Enforcement. If either Buyer or Seller must sue to enforce this Agreement or any document executed and delivered in connection herewith, the prevailing Party shall be entitled to its court costs and reasonable attorneys' fees incurred in doing so.

24. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument, binding on the Seller and Buyer, and the signature of any Party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

25. WAIVER OF RIGHT TO JURY. TO THE EXTENT PERMITTED BY APPLICABLE LAW, BUYER AND SELLER EACH HEREBY EXPRESSLY, IRREVOCABLY, FULLY AND FOREVER RELEASES, WAIVES AND RELINQUISHES ANY AND ALL RIGHT TO TRIAL BY JURY AND ALL RIGHT TO RECEIVE PUNITIVE, EXEMPLARY AND CONSEQUENTIAL DAMAGES FROM THE OTHER (OR ANY PAST, PRESENT OR FUTURE BOARD MEMBER, TRUSTEE, DIRECTOR, OFFICER, EMPLOYEE, AGENT, REPRESENTATIVE, OR ADVISOR OF THE OTHER) IN ANY CLAIM, DEMAND, ACTION, SUIT, PROCEEDING OR CAUSE OF ACTION IN WHICH BUYER AND SELLER ARE PARTIES, WHICH IN ANY WAY (DIRECTLY OR INDIRECTLY) ARISES OUT OF, RESULTS FROM OR RELATES TO ANY OF THE

FOLLOWING, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER BASED ON CONTRACT OR TORT OR ANY OTHER LEGAL BASIS: THIS AGREEMENT; THE ASSETS; ANY PAST, PRESENT OR FUTURE ACT, OMISSION, CONDUCT OR ACTIVITY WITH RESPECT TO THIS AGREEMENT OR THE ASSETS; ANY TRANSACTION, EVENT OR OCCURRENCE CONTEMPLATED BY THIS AGREEMENT; THE PERFORMANCE OF ANY OBLIGATION OR THE EXERCISE OF ANY RIGHT UNDER THIS AGREEMENT; OR THE ENFORCEMENT OF THIS AGREEMENT.

26. Waiver. The failure of any Party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

27. Partial Invalidity. If any term, provision, covenant or condition of this Agreement, or any application thereof, should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all terms, provisions, covenants and conditions of this Agreement, and all applications thereof, not held invalid, void or unenforceable, shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby, provided that the invalidity, voidness or unenforceability of such term, provision, covenant or condition (after giving effect to the next sentence in this Section) does not materially impair the ability of the Parties to consummate the transactions contemplated hereby. In lieu of such invalid, void or unenforceable term, provision, covenant or condition, the Parties shall negotiate in good faith to add to this Agreement a term, provision, covenant or condition that is valid, not void and enforceable and is as similar to such invalid, void or unenforceable term, provision, covenant or condition as may be possible.


28. No Other Liabilities. Other than liabilities and obligations relating to the Assets arising after Closing, including, but not limited to, obligations under Assumed Contracts arising after Closing and liabilities assumed pursuant to the Real Estate Purchase Agreement, Buyer is not and shall not assume nor be responsible to pay, perform or discharge any liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured, or otherwise of Seller or any of Seller's affiliates, including, without limitation, liabilities, obligations, or commitments for or under the Excluded Contracts.

[No Further Text. Signatures on Following Page.]

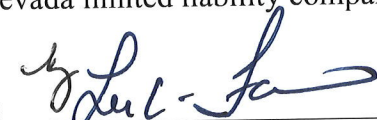
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

SELLER:

BASIC WATER COMPANY,
a Nevada Corporation

By: 
Name: Lecc Farris
Title: President

BASIC WATER COMPANY SPE 1, LLC
a Nevada limited liability company

By: 
Name: Lecc Farris
Title: President

BUYER:

PRECISION CASTPARTS CORP.,
an Oregon corporation

By: _____
Name: _____
Title: _____

[Signature Page to Purchase and Sale Agreement]

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

SELLER:

BASIC WATER COMPANY,
a Nevada Corporation

By: _____
Name: _____
Title: _____

BASIC WATER COMPANY SPE 1, LLC
a Nevada limited liability company

By: _____
Name: _____
Title: _____

BUYER:

PRECISION CASTPARTS CORP.,
an Oregon corporation

By:  _____
Name: Shawn R. Hagel
Title: Executive Vice President & Chief Financial Officer

EXHIBIT A

List of Assumed Contracts

[insert list of Assumed Contracts]

EXHIBIT B

List of Excluded Contracts

[Insert list of Excluded Contracts]

EXHIBIT C

FORM OF BILL OF SALE, ASSIGNMENT, ACCEPTANCE AND ASSUMPTION AGREEMENT

THIS BILL OF SALE, ASSIGNMENT, ACCEPTANCE AND ASSUMPTION AGREEMENT ("**Bill of Sale**") is made, executed, and entered into as of [_____, 2023], by and between PRECISION CASTPARTS CORP., an Oregon corporation and/or its assignee ("**Buyer**"), on the one hand; and BASIC WATER CORPORATION, a Nevada corporation ("**BWC**") and BASIC WATER COMPANY SPE 1, LLC, a Nevada limited liability company ("**SPE**" and collectively with BWC, "**Seller**"), on the other hand. Each party may be referred to herein as a "**Party**," or collectively as the "**Parties**."

RECITALS

A. Seller and Buyer are Parties to that certain Purchase and Sale Agreement dated as of the date hereof ("**Agreement**"), pursuant to which, among other things, Seller will convey, sell, and assign certain Assets (as defined in the Agreement) to Buyer.

A. Seller and Buyer now desire to carry out the intent and purpose of the Agreement by the execution and delivery of this Bill of Sale evidencing Seller's conveyance, assignment, transfer, sale, and delivery to Buyer of the Assets and the acceptance by Buyer of the same.

AGREEMENT

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein and in the Agreement, and for other good and valuable consideration, the receipt, adequacy, and legal sufficiency of which are acknowledged, the Parties do agree as follows:

1. Capitalized Terms. Capitalized terms used but not defined shall have the meanings for such terms that are set forth in the Agreement.

2. Assignment. Seller does hereby convey, assign, transfer, sell, and deliver to Buyer and its successors and assigns, all of Seller's right, title, and interest in, to and under the Assets, free and clear of all liens, claims, encumbrances and interests, to have and to hold the Assets unto Buyer, its successors and assigns, forever, for the benefit of Buyer.

3. Acceptance and Assumption. Buyer accepts the foregoing conveyance, assignment, transfer, and delivery of the Assets, and all of Seller's right, title, and interest therein, thereto and thereunder, as contemplated by and as set forth in this Bill of Sale and in the Agreement, and agrees to assume all liabilities and obligations relating to the Assets arising after Closing, including, but not limited to, all obligations of Seller under the Assumed Contracts arising after Closing, to the extent specifically set forth in the Agreement.

4. Terms of the Agreement. This instrument is intended to make effective the sale and assignment of the Assets pursuant to the Agreement. The terms of the Agreement are incorporated herein by this reference and this Bill of Sale is and shall remain subject to the terms and provisions thereof. Nothing herein is intended to supersede or modify any provisions of the Agreement. To the extent of any conflict or inconsistency between this Bill of Sale and the Agreement, the terms of the Agreement shall prevail and govern the rights and obligations of the Parties.

5. **Further Actions.** Each of the Parties covenants and agrees, at its own expense, to execute and deliver, at the reasonable request of another Party, such further instruments of transfer and assignment and to take such other action as such other Party may reasonably request to more effectively consummate the assignments contemplated by this Bill of Sale.

6. **Successors and Assigns.** This Bill of Sale shall be binding upon and shall inure to the benefit of the respective successors and assigns of each of the Parties hereto.

7. **Governing Law.** This Agreement will be governed by and construed under the laws of the State of Nevada without regard to conflicts-of-laws principles.

8. **Execution of Bill of Sale.** This Bill of Sale may be executed in counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument, binding on each signatory thereto. This Bill of Sale may be executed by signatures delivered by facsimile or email, and a copy hereof that is executed and delivered by a Party by facsimile or email will be binding upon that Party to the same extent as a copy hereof containing that Party's original signature.

[No Further Text. Signatures on Following Page.]

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

SELLER:

BASIC WATER COMPANY,
a Nevada Corporation

By: _____
Name: _____
Title: _____

BASIC WATER COMPANY SPE 1, LLC
a Nevada limited liability company

By: _____
Name: _____
Title: _____

BUYER:

PRECISION CASTPARTS CORP.,
an Oregon corporation

By: _____
Name: _____
Title: _____

Samuel A. Schwartz, Esq.
Nevada Bar No. 10985
saschwartz@nvfirm.com
Gabrielle A. Hamm, Esq.
Nevada Bar No. 11588
ghamm@nvfirm.com
SCHWARTZ LAW, PLLC
601 East Bridger Avenue
Las Vegas, NV 89101
Telephone: 702.385.5544
Facsimile: 702.442.9887

Attorneys for Debtors

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA**

In re:

BASIC WATER COMPANY,

Debtor.

Case No.: 22-13252-MKN

Chapter 11

Jointly administered with:

Affects All Debtors ☒

Affects Basic Water Company ☐

Affects Basic Water Company
SPE 1, LLC ☐

In re Basic Water Company SPE 1,
LLC, Case No. 22-13253-MKN

Hearing Date: July 17, 2023

Hearing Time: 9:30 a.m.

**SUPPLEMENT TO DEBTORS' MOTION TO APPROVE SALE OF ASSETS FREE
AND CLEAR OF LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES AND
ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS**

Debtors and debtors-in-possession Basic Water Company (“BWC”) and Basic Water SPE 1, LLC (“SPE,” and, together with BWC, the “Debtors”), by and through their counsel, Schwartz Law, PLLC, in accordance with the *Debtors’ Motion to Approve Sale of Assets Free and Clear of Liens, Claims, Interests and Encumbrances and Assumption and Assignment of Executory Contracts* [ECF No. 375] (the “Sale Motion”)¹ hereby submit this supplement (the “Supplement”) to the Sale Motion.

¹ Capitalized terms not otherwise defined herein shall have those meanings ascribed to them in the Sale Motion.

1 1. Assumed Contracts List. Attached hereto as **Exhibit 1** is the list of executory
2 contracts that the Buyer has designated for assumption and assignment pursuant to § 3 of the Water
3 System Purchase Agreement (the “**Assumed Contracts List**”). The Assumed Contracts List sets
4 forth the amount that the Debtors believe is required to cure any default by the Debtors of such
5 executory contract and, if applicable, compensate the counterparty to such contract or lease for any
6 actual pecuniary loss resulting from such default (the “**Cure Amount**”).

7 2. As provided by § 9(d) of the Water System Purchase Agreement, the Water Delivery
8 Contracts of EMD Acquisition LLC dba Borman Specialty Materials (“**Borman**”), Lhoist North
9 America of Arizona, Inc. (“**Lhoist**”), and Pioneer Americas LLC dba Olin Chlor Alkali Products
10 (“**Olin**”) shall be amended and restated and include waivers of all claims and causes of action such
11 Industries have against the Debtors and each of their affiliates, insiders and related parties, as
12 approved by the Seller in its reasonable discretion (collectively, the “**Bankruptcy Releases**”) as a
13 condition to the Closing of the Sale. Assumption and assignment of the Borman, Lhoist, and Olin
14 Water Delivery Contracts shall be conditional upon amendment and restatement of such contracts
15 and delivery of the Bankruptcy Releases.

16 3. Proposed Sale Order. Pursuant to LR 6004(b)(3), attached hereto as **Exhibit 2** is a
17 proposed form of *Order Approving the Sale of Substantially All Assets of the Debtors Free and*
18 *Clear of Liens, Claims, Interests and Encumbrances and Assumption and Assignment of Designated*
19 *Executory Contracts* (the “**Sale Order**”). The Sale Order is subject to the Buyer’s approval and may
20 be modified prior to the Sale Hearing.

21 4. Transition Services Agreement. Attached hereto as **Exhibit 3** is the proposed form
22 of transition services agreement between the Debtors and the Buyer pursuant to which the Debtors
23 and their affiliates will provide services and support to the Buyer in connection with the purchased
24 Assets and operation of the Water System. The Buyer has not entered into any agreements with
25 management or key employees of the Debtors or their affiliates regarding compensation or future
26 employment at this time.

27 ///

28 ///

1 Dated: June 30, 2023.

2 Respectfully Submitted,

3 SCHWARTZ LAW, PLLC

4 By: /s/ Samuel A. Schwartz

5 Samuel A. Schwartz, Esq.

6 Gabrielle A. Hamm, Esq.

7 601 East Bridger Avenue

Las Vegas, NV 89101

8 *Attorneys for the Debtors*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was sent electronically via the Court's CM/ECF system on June 30, 2023, to the following:

BRETT A. AXELROD for Creditors LAS VEGAS VALLEY WATER DISTRICT and SOUTHERN NEVADA WATER AUTHORITY
baxelrod@foxrothschild.com; pchlum@foxrothschild.com; mwilson@foxrothschild.com

MICHELLE D BRIGGS on behalf of Creditor Colorado River Commission of Nevada
mdbriggs@crc.nv.gov

OGONNA M. BROWN on behalf of Creditor TITANIUM METALS aka TIMET
OBrown@lrrc.com; ogonna-brown-4984@ecf.pacerpro.com; dberhanu@lewisroca.com;
ombcalendar@lewisroca.com; jhess@lewisroca.com; klopez@lewisroca.com;
gmercado1@lewisroca.com; gmercado@lewisroca.com

LOUIS M BUBALA, III for Interested Parties BANK OF NEVADA, A DIVISION OF WESTERN ALLIANCE BANK, AS INDENTURE TRUSTEE and WESTERN ALLIANCE BUSINESS TRUST
lbubala@kcnvlaw.com; cdroessler@kcnvlaw.com; bsheehan@kcnvlaw.com

CANDACE C CARLYON on behalf of Interested Party CITY OF HENDERSON
ccarlyon@carlyoncica.com; CRobertson@carlyoncica.com; nrodriguez@carlyoncica.com;
9232006420@filings.docketbird.com; Dcica@carlyoncica.com

KAROL K DENNISTON for Interested Parties BANK OF NEVADA, A DIVISION OF WESTERN ALLIANCE BANK, AS INDENTURE TRUSTEE and WESTERN ALLIANCE BUSINESS TRUST
karol.denniston@squirepb.com

THOMAS H. FELL on behalf of Trustee Le Petomane XVII, Inc., as Trustee of the Nevada Environmental Response Trust (NERT)
tfell@fennemorelaw.com; clandis@fennemorelaw.com; CourtFilings@fennemorelaw.com

TIMOTHY A LUKAS on behalf of Creditor EMD Acquisitions LLC
ecflukast@hollandhart.com

MAURA P. MCINTYRE for Interested Parties BANK OF NEVADA, A DIVISION OF WESTERN ALLIANCE BANK, AS INDENTURE TRUSTEE and WESTERN ALLIANCE BUSINESS TRUST
maura.mcintyre@squirepb.com

DAVID NEWTON on behalf of Creditor Colorado River Commission of Nevada
dwnewton@crc.nv.gov; mmillam@ag.nv.gov; dwright2@ag.nv.gov

1 TRACY M. O'STEEN on behalf of Interested Party CITY OF HENDERSON
2 tosteen@carlyoncica.com; crobertson@carlyoncica.com; nrodriguez@carlyoncica.com;
3 ccarlyon@carlyoncica.com

4 JEFFREY N. ROTHLEDER for Interested Parties BANK OF NEVADA, A DIVISION OF
5 WESTERN ALLIANCE BANK, AS INDENTURE TRUSTEE and WESTERN ALLIANCE
6 BUSINESS TRUST
7 jeffrey.rothleder@squirepb.com, jackson.toof@arentfox.com

8 STRETTO
9 ecf@cases-cr.stretto-services.com; aw01@ecfcbis.com; pacerpleadings@stretto.com

10 U.S. TRUSTEE - LV - 11
11 USTPRegion17.lv.ecf@usdoj.gov

12 JUSTIN CHARLES VALENCIA on behalf of U.S. Trustee U.S. TRUSTEE - LV - 11
13 justin.c.valencia@usdoj.gov

14 MICHAEL C. VAN on behalf of Creditor Lhoist North America of Arizona, Inc.
15 michael@vc2law.com; garrett@shumwayvan.com; christinag@shumwayvan.com;
16 myrandam@shumwayvan.com

17 MARK M. WEISENMILLER on behalf of Creditor Colorado River Commission of Nevada
18 mark@aandblaw.com; ecf-df8b00a4597e@ecf.pacerpro.com

19 RYAN J. WORKS on behalf of Creditor SAGUARO POWER COMPANY, A LIMITED
20 PARTNERSHIP
21 rworks@mcdonalddcarano.com; kkirn@mcdonalddcarano.com; bgrubb@mcdonalddcarano.com

22 STEVEN L. YARMY on behalf of Interested Parties DARCIE YAKUBIK and JOSEPH
23 YAKUBIK
24 sly@stevenyarmylaw.com; admin@yarmylaw.com; luz@yarmylaw.com

25 MATTHEW C. ZIRZOW on behalf of Interested Party PIONEER AMERICAS LLC
26 mzirzow@lzlawnv.com; carey@lzlawnv.com; trish@lzlawnv.com; jennifer@lzlawnv.com;
27 zirzow.matthewc.r99681@notify.bestcase.com

28 /s/ Brian J. Braud
Brian J. Braud, an employee of
SCHWARTZ LAW, PLLC

EXHIBIT 1

EXHIBIT 1

ASSUMED CONTRACTS

| Counterparty(ies) | Debtor Party | Contract | Cure Amount | Buyer's Designation |
|-------------------------------------|---------------------|--|--------------------|----------------------------|
| Colorado River Commission of Nevada | BWC | Contract for the Sale of Electric Service from the Boulder Canyon Project, effective October 1, 2017 Contract No. P01-BCPESC-A | \$0.00 | Assume and assign |
| Colorado River Commission of Nevada | BWC | Agreement to Advance Funds for Parker-Davis Project Generation Facilities among the Colorado River Commission of Nevada and Certain Electric Service Contracts, effective October 1, 1998, as amended by Amendment No. 1 dated February 8, 2005, and Amendment No. 2 dated January 30, 2018 Contract No. P20-77, P20-77A1, P20-77A2 | \$0.00 | Assume and assign |
| Colorado River Commission of Nevada | BWC | Renewal Contract Between the Colorado River Commission of Nevada and Basic Water Company for the Sale of Electric Power from the Parker-Davis Project, effective May 1, 2006 Contract No. P01-70R | \$0.00 | Assume and assign |
| Colorado River Commission of Nevada | BWC | Joint Management Agreement Among the Colorado River Commission of Nevada and Certain Electric Service Contracts, effective December 16, 2021 Contract No. P18-JMA | \$0.00 | Assume and assign |
| Colorado River Commission of Nevada | BWC | Contract Between the Colorado River Commission of Nevada and Basic Water Company for Management and Power Supply Services, effective December 16, 2021 Contract No. P01-MAPSS | \$0.00 | Assume and assign |
| Colorado River Commission of Nevada | BWC | First Amended Agreement to Share the Costs of Implementation of the Lower Colorado River Multi-Species Conservation Program Among the Colorado River Commission of Nevada and Electric Service Contractors, effective October 1, 2017 | \$0.00 | Assume and assign |

| Counterparty(ies) | Debtor Party | Contract | Cure Amount | Buyer's Designation |
|--|--------------|---|-------------|---|
| Colorado River Commission of Nevada | BWC | Contract Between the Colorado River Commission and Basic Water Company Agreeing to Repay its Proportionate Share of the Cost of Securities Issued by the Commission to Prepay Hoover Power Base Charges dated January 14, 2014 Contract No. P01-70 | \$0.00 | Assume and assign |
| City of Henderson | BWC and SPE | Agreement for Temporary Potable Water Service dated June 13, 2022, as amended by the First Amendment to Agreement for Temporary Potable Water Service effective as of December 15, 2022 | \$0.00 | Assume and assign (1) |
| City of Henderson | BWC | Water Treatment Contract dated June 16, 1993, as amended | \$0.00 | Assume and assign (2) |
| US Department of the Interior, Bureau of Reclamation | BWC | Contract for Delivery of Water to Basic Management, Inc. dated September 18, 1969, as amended May 22, 1990 | \$0.00 | Assume and assign |
| EMD Acquisition LLC | BWC | Producing Companies Water Delivery Contract dated June 4, 2002 | \$0.00 | Assume contract as amended and assign (3) |
| Lhoist North America of Arizona, Inc. | BWC | Producing Companies Water Delivery Contract dated June 19, 2007 | \$0.00 | Assume contract as amended and assign (3) |
| Olin Chlor Alkali Logistics, Inc. | BWC | Producing Companies Water Delivery Contract dated January 2, 2007 | \$0.00 | Assume contract as amended and assign (3) |
| Titanium Metals Corporation/TIMET | BWC | Producing Companies Water Delivery Contract dated June 3, 2008 | \$0.00 | Assume contract as amended and assign (4) |
| CenturyLink | BWC | Contract for fiber optic/Internet services | \$0.00 | Assume and assign |
| Nevada Power Company d/b/a NVEnergy | BWC | Agreement for Lease of Line and Wheeling Power dated November 1, 1980 | \$0.00 | Assume and assign |

Notes:

1. To be amended such that (a) the Reimbursement related to the Event (as defined in the Agreement) and (b) ongoing bankruptcy costs of the City of Henderson are borne by the Debtors estate, with the Debtors and the City of Henderson reserving their rights related to the costs.
2. Possible minor amendments to be discussed between the City of Henderson and Purchaser.
3. Prior to, and as a condition of assumption by the Debtors and assignment to the Purchaser, the existing Producing Companies Water Delivery Contracts shall be amended and replaced in their entirety with revised contracts. Such amended contracts shall include a release of claims by the Producing Company in favor of the Debtors, the Debtors estates and certain related parties. If any Producing Company does not enter into such an amended contract (including the aforementioned release of claims) in advance of Closing, then that entity's existing Producing Company Water Delivery Contract shall be REJECTED by the Debtors.
4. To be amended with a new contract (to include a release of claims in favor of the Debtors and the Debtors estates et al) similar to those with the other Producing Companies.

EXHIBIT 2

EXHIBIT 2

Samuel A. Schwartz, Esq.
Nevada Bar No. 10985
saschwartz@nvfirm.com
Gabrielle A. Hamm, Esq.
Nevada Bar No. 11588
ghamm@nvfirm.com
SCHWARTZ LAW, PLLC
601 East Bridger Avenue
Las Vegas, NV 89101
Telephone: 702.385.5544
Facsimile: 702.442.9887

Attorneys for the Debtors

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA**

In re:

BASIC WATER COMPANY,

Debtor.

Case No.: 22-13252-MKN

Chapter 11

Jointly administered with:

In re Basic Water Company SPE 1,
LLC, Case No. 22-13253-MKN

Affects All Debtors

☒

Affects Basic Water Company

☐

Affects Basic Water Company
SPE 1, LLC

☐

Hearing Date: July 17, 2023

Hearing Time: 9:30 a.m.

[PROPOSED]

**ORDER APPROVING THE SALE OF SUBSTANTIALLY ALL
ASSETS OF THE DEBTORS FREE AND CLEAR OF LIENS,
CLAIMS, INTERESTS AND ENCUMBRANCES AND ASSUMPTION AND
ASSIGNMENT OF DESIGNATED EXECUTORY CONTRACTS**

Upon the *Debtors' Motion to Approve Sale of Assets Free and Clear of Liens, Claims, Interests and Encumbrances and Assumption and Assignment of Executory Contracts* [ECF No. 375] (the “**Sale Motion**”) filed by Basic Water Company (“**BWC**”) and Basic Water SPE 1, LLC (“**SPE**,” and, together with BWC, the “**Debtors**” or “**Sellers**”), and the Court having conducted and concluded a hearing on July 17, 2023 (the “**Sale Hearing**”) to consider approval of (i) the sale of the Sellers’ assets (the “**Purchased Assets**”) identified in the *Purchase and Sale Agreement & Escrow Instructions* for the sale of real property assets (the “**Real Estate Purchase Agreement**”) and the *Purchase and Sale Agreement & Escrow Instructions* for the sale of non-real property assets (the “**Water System Purchase Agreement**” and, together with the Real Estate Purchase and Sale Agreement, the “**Purchase Agreements**”) to Precision Castparts Corp. or its assignee (the “**Buyer**”), free and clear of all Liens (as defined below), Claims (as defined in Section¹ 101(5) of the Bankruptcy Code), and other interests and encumbrances (the “**Sale**”) pursuant to the terms and conditions set forth in the Purchase Agreements; and (ii) the assumption and assignment of certain executory contracts to the Purchase (defined below); and all parties in interest having been heard, or having had the opportunity to be heard, regarding the relief requested, and upon the record of (a) the Sale Hearing, (b) the *Declaration of Lee C. Farris in Support of Debtors’ Motion to Approve Sale of Assets Free and Clear of Liens, Claims, Interests and Encumbrances and Assumption and Assignment of Executory Contracts* [ECF No. 376], (c) the record of this Chapter 11 Case (as defined below) and proceedings, and after due deliberation thereon, and good cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED THAT:²

A. **Bankruptcy Petition.** On September 10, 2022 (the “**Petition Date**”), the Debtors each filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code commencing

¹ Unless otherwise stated, all references to “**Chapter**” and “**Section**” herein shall be to Title 11 of the U.S. Code (the “**Bankruptcy Code**”); all references to a “**Bankruptcy Rule**” shall refer to the Federal Rules of Bankruptcy Procedure; and all references to “**Local Rule**” or “**LR**” shall refer to the Local Rules of Bankruptcy Practice of the United States Court for the District of Nevada.

² Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. *See* Fed. R. Bankr. P. 7052.

1 these cases (these “**Chapter 11 Cases**,” and each a “**Chapter 11 Case**”). The Debtors continue to
 2 operate their business and manage their property as debtors and debtors-in-possession pursuant to
 3 Sections 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment
 4 of a trustee or examiner, and no official committees have been appointed in the Chapter 11 Cases.

5 B. **Jurisdiction and Venue**. The Court has jurisdiction to hear and determine the Sale
 6 Motion pursuant to 28 U.S.C. §§ 157 and 1334, and Local Rule 1001(b)(l). This is a core proceeding
 7 pursuant to 28 U.S.C. § 157(b)(2)(A), (N) and (O). Venue is proper in this District and in this Court
 8 pursuant to 28 U.S.C. §§ 1408 and 1409.

9 C. **Final Order**. This order (“**Sale Order**”) constitutes a final and appealable order
 10 within the meaning of 28 U.S.C. § 158(a). Time is of the essence in closing the Sale referenced
 11 herein, the Sellers and the Buyer intend to close the Sale as soon as practicable, and there is no just
 12 reason for delay in the implementation of this Sale Order. Specifically, the Sale must be approved
 13 and consummated promptly in order to avoid the occurrence of a “Termination Event” (as defined
 14 in the *Final Order: (I) Authorizing Basic Water Company SPE 1, LLC to Use Cash Collateral*
 15 *Pursuant to Section 363(c) of the Bankruptcy Code; (ii) Granting Adequate Protection to the*
 16 *Prepetition Secured Party; and (iii) Granting Related Relief* [ECF No. 112]) and to maximize the
 17 value to the Sellers, their estate, their creditors, and all other parties in interest. Accordingly, there
 18 is cause to lift the stays contemplated by Bankruptcy Rules 6004(h) and 6006(d).

19 D. **Statutory Predicates**. The statutory predicates for the relief sought in the Sale
 20 Motion are Sections 105, 363, 365, 503(b), and 507(a)(2) of the Bankruptcy Code, Bankruptcy Rules
 21 2002, 6004, 6006 and 9014, and Local Rules 2002, 6004 and 9014.

22 E. **Notice**. As evidenced by the certifications of service previously filed with the Court,
 23 and based on the representations of counsel at the Sale Hearing, proper, timely, adequate and
 24 sufficient notice of the Sale Motion, the Purchase Agreements, the assumption and assignment of
 25 the Assumed Contracts (as defined below) and proposed Cure Amounts (defined below), and the
 26 Sale Hearing has been provided in accordance with Sections 102(1), 363 and 365 of the Bankruptcy
 27 Code, Bankruptcy Rules 2002, 6004, 6006 and 9014, and LR 6004. Such notice was good and
 28 sufficient and appropriate under the particular circumstances and all creditors of the Sellers and

1 other parties in interest in the Chapter 11 Case were offered a reasonable opportunity to object and
 2 be heard. No other or further notice of the Sale Motion, the Purchase Agreements, the assumption
 3 and assignment of the Assumed Contracts and proposed Cure Amounts related thereto, if any, the
 4 Sale Hearing, or of the entry of this Sale Order was or is necessary or shall be required.

5 F. On July 16, 2023, the Sellers provided notice to counterparties to executory contracts
 6 (the “**Contract Counterparties**”) of the possible assumption and assignment of executory contracts
 7 by the Sellers including the proposed amount required to cure any default by the Seller(s) of such
 8 executory contract and, if applicable, compensate the Contract Counterparty for any actual
 9 pecuniary loss resulting from such default (the “**Cure Amounts**”). On June [30], 2023, the Sellers
 10 filed and served notice of the executory contracts to be assumed and assigned to the Buyer under
 11 the Purchase Agreements (the “**Assumed Contracts**”).

12 G. Such notice was sufficient under the circumstances and no further notice need be
 13 given in respect of assumption and assignment of the Assumed Contracts or the proposed Cure
 14 Amounts related thereto, if any. The Contract Counterparties to the Assumed Contracts have had a
 15 reasonable opportunity to object to the assignment and assumption of the Assumed Contracts and
 16 the associated Cure Amounts and to be heard at the Sale Hearing.

17 H. The disclosures made by the Sellers concerning the Sale Motion, the Purchase
 18 Agreements, the Sale, the Stalking Horse Bidder, and the Sale Hearing were good, complete and
 19 adequate.

20 I. **Opportunity to Object.** A reasonable opportunity to object and/or be heard
 21 regarding the requested relief has been afforded to all creditors of the Sellers and other parties in
 22 interest in the Chapter 11 Cases, including, without limitation, the following: (i) the United States
 23 Trustee for Region 17; (ii) the contract counterparties whose contracts are identified as being
 24 assigned; (iii) all of the Debtors’ creditors; (iv) various federal, state, county and city tax and
 25 regulatory authorities; (v) local, state and federal authorities and agencies that have issued licenses,
 26 permits, rights of way, or other rights or interests to the Sellers with respect to the operation and use
 27 of the Purchased Assets; and (vi) all parties requesting notice pursuant to Bankruptcy Rule 2002.
 28

1 J. **Title in the Purchased Assets.** The Purchased Assets constitute property of the
 2 Sellers' estates and title thereto is vested in the Sellers' estates within the meaning of Section 541(a)
 3 of the Bankruptcy Code. The Sellers are the sole and lawful owners of the Purchased Assets.

4 K. **Business Justification.** The Sellers have demonstrated a sufficient basis and
 5 compelling circumstances for a sale of the Purchased Assets and assuming and assigning the
 6 Assumed Contracts to the Buyer pursuant to the terms and conditions of the Purchase Agreements.
 7 Such action is an appropriate exercise of the Sellers' business judgment and in the best interest of
 8 the Debtors, their estates, and their creditors. Such business reasons include, but are not limited to,
 9 the following facts: (i) the Debtors are no longer able to draw water from Lake Mead for water
 10 delivery to the Industries or the City and, as a result, their business has limited viability, if any;
 11 (ii) in the Debtors' business judgment, the Purchase Price offered by the Buyer is fair and reasonable
 12 and is the highest and best price attainable for the Purchased Assets; (iii) the Sale of the Purchased
 13 Assets on the terms set forth in the Purchase Agreements maximizes recovery for the Debtors'
 14 estates and creditors and will allow the Industries to continue receiving water in accordance with
 15 their water rights. Entry of this Sale Order (and all provisions hereof) is a condition precedent to the
 16 Buyer consummating the Sale.

17 L. **Opportunity to Bid.** The Debtors and their professionals marketed the Purchased
 18 Assets appropriately and conducted the marketing and sale process in good faith without collusion.
 19 The marketing process conducted pursuant to the *Order Approving Bidding Procedures for the Sale*
 20 *of Assets Pursuant to 11 U.S.C. §§ 105, 363, and 365 of the Bankruptcy Code and Bankruptcy Rules*
 21 *2002 and 6004* [ECF No. 203] (the "**Bidding Procedures Order**") was fair in substance and
 22 procedure and afforded a full and fair opportunity for any person or entity to make a higher or
 23 otherwise better offer to purchase the Purchased Assets. Based upon the record of these proceedings,
 24 all creditors of the Sellers, other parties in interest in the Chapter 11 Case, and all prospective bidders
 25 have been afforded a reasonable and fair opportunity to bid and compete against the Buyer for the
 26 Purchased Assets.

27 M. **Highest or Otherwise Best Offer.** The total consideration provided by the Buyer
 28 for the Purchased Assets is the highest and otherwise best offer for the Purchased Assets received

1 by the Sellers, taking into consideration the Purchase Price, releases of claims against the Debtors'
2 estates, the assumption of executory contracts, the likelihood of closing, and the Buyer's ability to
3 obtain governmental approvals or avoid the need for governmental approvals.

4 N. **Good Faith Buyer.** The Purchase Agreements and the Sale have been negotiated by
5 the Sellers and the Buyer (and their respective affiliates and representatives) in good faith, at arms'
6 length, and without collusion or fraud. The terms and conditions of the Purchase Agreements,
7 including the total consideration to be paid by the Buyer to the Sellers pursuant to the Purchase
8 Agreements, are fair and reasonable, and the Sale is in the best interest of the Debtors, their creditors,
9 and the estates.

10 O. The Buyer is a "good faith Buyer" entitled to the full benefits and protections of
11 Section 363(m) of the Bankruptcy Code and any other applicable bankruptcy or non-bankruptcy law
12 with respect to the sale of the Purchased Assets and the assumption and assignment of the Assumed
13 Contracts that it is acquiring pursuant to the Purchase Agreements.

14 P. The Purchase Agreements were not controlled by an agreement between or among
15 potential or actual bidders within the meaning of Section 363(n) of the Bankruptcy Code. The Sellers
16 and the Buyer have not engaged in any conduct that would cause or permit either of the Purchase
17 Agreements to be avoided, or costs or damages to be imposed, under Section 363(n) of the
18 Bankruptcy Code. The Buyer is entitled to all the protections and immunities of Section 363(n) of
19 the Bankruptcy Code. The Buyer is not and will not be immediately prior to or after the Closing
20 Date, an "affiliate" or "insider" of the Sellers as defined in Section 101 of the Bankruptcy Code, and
21 no common identity of incorporation, director, or stockholder exists between the Buyer, on the one
22 hand, and the Sellers, on the other hand, immediately prior to or after the Closing Date.

23 Q. The Buyer has acted in good faith in its negotiations with the Sellers and in
24 submitting and pursuing its bid and will be acting in good faith consummating the Sale after entry
25 of this Sale Order.

26 R. **Corporate Power and Authority.** Subject only to the entry of this Sale Order, the
27 Sellers have full corporate power and authority to execute and deliver the Purchase Agreements and
28 to perform all of its respective obligations thereunder, and the sale of the Purchased Assets and the

1 assumption and assignment of the Assumed Contracts have been duly and validly authorized by all
 2 corporate authority necessary to consummate the Sale. No consents or approvals, other than as
 3 expressly provided for in the Purchase Agreements and the entry of this Sale Order, are required by
 4 the Sellers to consummate the Sale.

5 S. **Transfer and Sale of Assumed Liabilities; Assumption and Assignment in Best**
 6 **Interest.** The transfer and sale of the Assumed Liabilities pursuant to the terms of the Purchase
 7 Agreements and this Sale Order and the assumption of the Assumed Contracts by the Sellers and
 8 the assignment thereof to the Buyer pursuant to the terms of the Purchase Agreements and this Sale
 9 Order are integral to the Purchase Agreements and are in the best interest of the Sellers, their estates
 10 and creditors, and all other parties in interest, and represents the reasonable exercise of sound and
 11 prudent business judgment by the Sellers. Accordingly, such transfer and sale, and assumption and
 12 assignment, are reasonable, enhance the value of the Sellers' estates, and do not constitute unfair
 13 discrimination. No provision of any Assumed Contract that purports to prohibit, restrict, or
 14 condition the assignment of any such Assumed Contract in connection with the Sale shall have any
 15 force or effect and such Assumed Contract is hereby assumed and assigned to the Buyer
 16 notwithstanding any such provisions therein.

17 T. **Cure/Adequate Assurance.** The Sellers have met all of the requirements of Section
 18 365(b) of the Bankruptcy Code for each of the Assumed Contracts. The Sellers have provided
 19 adequate assurance of cure of any default existing prior to the Closing Date under any of the
 20 Assumed Contracts, within the meaning of Section 365(b)(1)(A) of the Bankruptcy Code and
 21 provided adequate assurance of compensation to any party for any actual pecuniary loss to such
 22 party resulting from such default under any of the Assumed Contracts within the meaning of Section
 23 365(b)(1)(B) of the Bankruptcy Code. Pursuant to the Water System Purchase Agreement, the
 24 Sellers shall be responsible for payment of the Cure Amount, if any, of each Assumed Contract as
 25 a condition to the assumption and assignment of such Assumed Contract. The Buyer has provided
 26 adequate assurance of its future performance of and under the Assumed Contracts, within the
 27 meaning of Section 365(b)(1)(C) and 365(b)(3) (to the extent applicable) of the Bankruptcy Code.
 28 The Contract Counterparties were each given adequate notice and the opportunity to object to the

1 assumption and assignment of the Assumed Contracts and, absent an objection having been filed,
 2 are deemed to have consented pursuant to 11 U.S.C. § 363(f)(2), or with respect to any objection
 3 filed by a Contract Counterparty, having been either withdrawn or overruled. Except as expressly
 4 set forth in the Purchase Agreements, the Assumed Contracts will not subject the Buyer to any
 5 liability whatsoever prior to the Closing Date, or by reason of such transfer under the laws of the
 6 United States, any state, territory, or possession thereof, or the District of Columbia, based, in whole
 7 or in part, on any theory of law or equity.

8 U. **Free and Clear**. The Buyer would not have entered into the Purchase Agreements
 9 to acquire the Purchased Assets if the sale of the Purchased Assets were to be transferred to it other
 10 than free and clear of (i) all Liens, Claims, other interests or encumbrances (the “**Encumbrances**”)
 11 other than those expressly assumed pursuant to the Purchase Agreements and (ii) liabilities and
 12 obligations relating to the Purchased Assets arising prior to the Closing and liabilities, obligations
 13 or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or
 14 contingent, accrued or unaccrued, matured or unmatured, or otherwise of the Sellers or any of Sellers’
 15 affiliates (“**Excluded Liabilities**”). A sale of the Purchased Assets other than one free and clear of
 16 all Liens, Claims, Encumbrances, and Excluded Liabilities would adversely impact the Sellers’
 17 estates, and would yield substantially less value for the Sellers’ estates, with less certainty than the
 18 Sale. Therefore, the Sale contemplated by the Purchase Agreements are in the best interests of the
 19 Sellers, their estates and creditors, and all other parties in interest.

20 V. **Satisfaction of 363(f) Standards**. The Sellers may sell and assign the Purchased
 21 Assets free and clear of all Liens, Claims, Encumbrances, and Excluded Liabilities, because, with
 22 respect to each creditor asserting a Lien, Claim, Encumbrance or Excluded Liability, one or more
 23 of the standards set forth in Sections 363(f)(1)-(5) of the Bankruptcy Code have been satisfied.
 24 Those holders of Liens, Claims, Encumbrances, or Excluded Liabilities who did not object or who
 25 withdrew their objections to the Sale are deemed to have consented to the Sale Motion and the sale
 26 and assignment of the Purchased Assets to the Buyer pursuant to Section 363(f)(2) of the Bankruptcy
 27 Code. Those holders of Liens, Claims, Encumbrances, or Excluded Liabilities who did object fall
 28 within one or more of the other subsections of Section 363(f) of the Bankruptcy Code and are

adequately protected by having their Liens, Claims, Encumbrances, or Excluded Liabilities, if any, attach to the proceeds of the Sale ultimately attributable to the Purchased Assets in which such holders allege a Lien, Claim or Excluded Liability in the same order of priority, with the same validity, force and effect that such holder had prior to the Sale, and subject to any claims and defenses the Debtors and their estates may possess with respect thereto.

W. **No Successor Liability.** The transactions contemplated under the Purchase Agreements do not amount to a consolidation, merger, or de facto merger of the Buyer with the Sellers and/or the Sellers' estates, there is not substantial continuity between the Buyer and the Sellers there is no common identity between the Sellers and the Buyer, there is no continuity of enterprise between the Sellers and the Buyer, the Buyer is not a mere continuation of the Sellers or their estates, and the Buyer does not constitute a successor to the Sellers or their estates. The Buyer would not have acquired the Purchased Assets but for the foregoing protections against potential claims based upon "successor liability" or similar theories.

X. **No Fraudulent Transfer.** The Sale is not for the purpose of hindering, delaying or defrauding creditors in violation of the Bankruptcy Code or the other laws of the United States, or the laws of any state, territory, or possession or the District of Columbia. Neither the Sellers nor the Buyer has entered into the Purchase Agreements or is consummating the Sale with any fraudulent intent or otherwise improper purpose.

Y. **Fair Consideration.** The consideration provided for the Sale constitutes reasonably equivalent value and fair consideration (as those terms are defined in each of the Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, Section 548 of the Bankruptcy Code or any similar state or federal law), and fair consideration under the Bankruptcy Code and other laws of the United States, and the laws of any state, territory, or possession or the District of Columbia.

Z. **Compliance with Bankruptcy Code.** The consummation of the Sale is legal, valid, and properly authorized under all applicable provisions of the Bankruptcy Code, including without limitation Sections 105(a), 363(b), 363(f), 363(m), 365(b) and 365(f) of the Bankruptcy Code and all of the applicable requirements of such Sections have been or will be complied with in respect of the Sale as of the Closing Date.

1 AA. **Sale transaction Not a Sub Rosa Plan.** The sale and assignment of the Purchased
2 Assets outside of a plan of reorganization pursuant to the Purchase Agreements and this Sale Order
3 neither impermissibly restructures the rights of the Sellers' creditors nor impermissibly dictates the
4 terms of a liquidating plan of reorganization for the Sellers. The Sale does not constitute a *sub rosa*
5 Chapter 11 plan.

6 BB. The Sale contemplated by the Purchase Agreements is in the best interest of the
7 Sellers, their estates and creditors, and all other parties in interest in the Chapter 11 Case; and it is
8 therefore,

9 **ORDERED, ADJUDGED AND DECREED THAT:**

10 1. **Relief Granted.** The relief requested in the Sale Motion is hereby granted as
11 set forth in this Sale Order.

12 2. **Objections Overruled.** All objections and responses to the Sale Motion, this
13 Sale Order or the relief granted herein (including all reservation of rights included therein) that have
14 not been withdrawn, waived, settled, or otherwise resolved, are hereby overruled and denied on the
15 merits with prejudice.

16 3. **Notice.** Notice of the Sale Motion, and the assumption and assignment of the
17 Assumed Contracts (including proposed Cure Amounts related thereto), the Sale Hearing, and the
18 Sale was fair and equitable under the circumstances and complied in all respects with Sections
19 102(1), 363 and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, 9006, and 9007
20 and LR 6004.

21 4. **Approval.** The Purchase Agreements are hereby approved and authorized in
22 all respects and shall be deemed in full force and effect, and the Sellers and Buyer are hereby
23 authorized, empowered and directed to fully perform under, consummate, and implement the terms
24 of the Purchase Agreements and to execute, deliver and perform under, any and all additional
25 instruments and documents that may be reasonably necessary or desirable to implement and
26 effectuate the terms of the Purchase Agreements and this Sale Order, and to take all further actions
27 as may reasonably be requested by the Sellers or Buyer for the purpose of assigning, transferring,
28 granting, conveying, and conferring to the Buyer or reducing to possession any or all of the

1 Purchased Assets, as may be necessary or appropriate to the performance of the Sellers' obligations
2 as contemplated by the Purchase Agreements, without any further corporate action or orders of the
3 Court.

4 5. **Good Faith Buyer.** The Buyer is a good faith Buyer of the Purchased Assets
5 and is hereby granted and entitled to all of the protections provided to a good faith Buyer under
6 Section 363(m) of the Bankruptcy Code. Pursuant to Section 363(m) of the Bankruptcy Code, if any
7 or all of the provisions of this Sale Order are hereafter reversed, modified, or vacated by a
8 subsequent order of the Court or any other court, such reversal, modification, or vacatur shall not
9 affect the validity and enforceability of any sale, transfer, or assignment under the Purchase
10 Agreements or obligation or right granted pursuant to the terms of this Sale Order (unless stayed
11 pending appeal prior to the Closing Date), and notwithstanding any reversal, modification, or
12 vacatur, any sale, transfer, or assignment shall be governed in all respects by the original provisions
13 of this Sale Order and the Purchase Agreements, as the case may be.

14 6. **Section 363(n) of the Bankruptcy Code.** The Sale approved by this Sale
15 Order is not subject to avoidance or any recovery or damages pursuant to Section 363(n) or any
16 other Section of the Bankruptcy Code.

17 7. The Sellers are authorized and empowered to cause to be filed with the
18 secretary of state of any state or other applicable officials of any applicable governmental units, any
19 and all certificates, agreements, or amendments necessary or appropriate to effectuate the Sale
20 contemplated by the Purchase Agreements, any related agreements, and this Sale Order, and all such
21 other actions, filings, or recordings as may be required under appropriate provisions of the
22 applicable laws of all applicable governmental units or as any of the officers of the Sellers may
23 determine are necessary or appropriate. The execution of any such document or the taking of any
24 such action shall be, and hereby is, deemed conclusive evidence of the authority of such person to
25 so act.

26 8. The Sellers are hereby authorized and directed to cooperate with the Buyer
27 as reasonably requested by the Buyer and take all actions and execute all documents which the
28 Buyer reasonably and in good faith determines are necessary or desirable to ensure that the Sale is

1 consummated in accordance with the Purchase Agreements and the Sellers are authorized to make
2 such modifications or supplements to any bill of sale or other document or instrument executed or
3 to be executed in connection with the Closing to facilitate such consummation as contemplated by
4 the Purchase Agreements.

5 9. Each of the Sellers and the Buyer shall have no obligation to proceed with
6 the Closing until all conditions precedent to its obligations to proceed have been met, satisfied or
7 waived in accordance with the terms of the Purchase Agreements.

8 10. **Valid Transfer.** Effective as of the Closing Date (a) the sale and assignment
9 of the Purchased Assets and the assumption and assignment of the Assumed Contracts by the Sellers
10 to the Buyer (i) shall constitute a legal, valid and effective transfer of the Purchased Assets and the
11 Assumed Contracts notwithstanding any requirement for approval or consent by any person, and (ii)
12 shall vest the Buyer with all right, title, and interest of the Sellers in and to the Purchased Assets
13 and Assumed Contracts, free and clear of all Liens, Claims, Encumbrances and Excluded Liabilities
14 pursuant to Section 363(f) of the Bankruptcy Code, and the Buyer is hereby authorized to freely
15 own and operate the Purchased Assets following such sale and assignment; and (b) the assumption
16 of the Assumed Contracts by the Buyer constitutes a legal, valid, and effective assignment and
17 delegation of any and all obligations, liabilities, and claims in respect thereof arising after the
18 Closing to the Buyer and, other than to the extent expressly provided in this Sale Order and/or
19 constituting Excluded Liabilities under the Purchase Agreements, divests the Sellers and its
20 representatives of all right, title and interest in the Purchased Assets, and all obligations and liability
21 with respect to, the Assumed Contracts. Upon the occurrence of the Closing, this Sale Order shall
22 be considered and constitute for all purposes a full and complete general assignment, conveyance,
23 and transfer of the Purchased Assets, including the Assumed Contracts, to the Buyer pursuant to the
24 Purchase Agreements and/or a bill of sale or assignment transferring indefeasible title and interest
25 in the Purchased Assets, including the Assumed Contracts and all other rights and interests
26 associated with or appurtenant to the Purchased Assets, including, without limitation, warranty
27 rights, and other non-executory contract rights, to the Buyer all to the extent set forth in the Purchase
28 Agreements.

11. **Free and Clear**. Except to the extent specifically provided in the Purchase Agreements or in this Sale Order, upon the occurrence of the Closing, the Sellers shall be, and hereby are, authorized, empowered, and directed, pursuant to Sections 105, 363(b) and 363(f) of the Bankruptcy Code, to sell, assign, convey, and transfer the Purchased Assets to the Buyer and assign the Assumed Contracts to the Buyer. Except to the extent specifically provided in the Purchase Agreements, the sale and assignment of the Purchased Assets and the assignment of the Assumed Contracts to the Buyer pursuant to the Purchase Agreements vests the Buyer with all right, title and interest of the Sellers in and to such Purchased Assets free and clear of any and all Liens, Claims, Encumbrances, Excluded Liabilities, and other liabilities of any kind or nature whatsoever, whether known or unknown as of the Closing Date, now existing or hereafter arising, legal or equitable, matured or unmatured, contingent or non-contingent, liquidated or unliquidated, whether imposed by agreement, understanding, law, equity, or otherwise, with all such Liens, Claims, Encumbrances and Excluded Liabilities to attach only to the proceeds derived from the Sale of the Purchased Assets with the same priority, validity, force, and effect as they now have in or against such Purchased Assets. The Sale Motion shall be deemed to provide sufficient notice as to the sale and assignment of the Purchased Assets free and clear of all Liens, Claims, Encumbrances and Excluded Liabilities in accordance with LR 6004. Following the Closing, no holder of any Lien, Claim or Encumbrance on the Purchased Assets may interfere with the Buyer's enjoyment of the Purchased Assets based on or related to such Lien, Claim, or Encumbrance or any actions that the Sellers may take or fail to take in these Chapter 11 Cases and no interested party may take any action to prevent, interfere with or otherwise enjoin consummation of the Sale.

12. The term "**Lien**" as used in this Sale Order shall include, without limitation, all liens, interests, rights, encumbrances, rights of offset, recoupment rights, restrictions, leases, option rights or claims, obligations, liabilities, indentures, loan agreements, guaranties, demands, contractual commitments or interests in respect of the Debtors or any property of the Debtors, equity interests, licenses, instruments, conditional sale rights or other title retention agreements, rights of first refusal, consent rights, contract rights, rights of recovery, reimbursement rights, contribution claims, indemnity rights, regulatory violations, judgments, decrees of any court or foreign or

domestic governmental or quasi-governmental entity, debts arising in any way in connection with any agreements, acts or failures to act and reclamations rights whether choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, but shall exclude the BLM Patents.

13. **Order Self-Executing.** The provisions of this Sale Order authorizing the sale and assignment of the Purchased Assets free and clear of Liens, Claims, Encumbrances and Excluded Liabilities, shall be self-executing, and the Sellers and the Buyer are authorized but shall not be required to execute or file releases, termination statements, assignments, consents, or other instruments in order to effectuate, consummate, and implement the provisions of this Sale Order.

14. **Authorization to Creditors.** From and after the Closing Date, each of the Debtors' creditors is authorized to execute such documents and take all other actions as may be reasonably necessary to release its Liens, if any, in the Purchased Assets, as such Liens may otherwise exist. If any person or entity that has filed financing statements, mortgages, mechanics liens, *lis pendens* or other documents, instruments, notices or agreements evidencing any Lien against or in the Purchased Assets shall not have delivered to the Sellers before the Closing Date, in proper form for filing and executed by the appropriate parties, termination statements, releases or instruments of satisfaction that the person or entity has with respect to the Purchased Assets, then with regard to the Purchased Assets, (a) each of the Sellers and the Buyer is authorized and directed to execute and file such termination statements, releases, instruments of satisfaction or other documents on behalf of, in the name of, and without the signature of, the person or entity with respect to the Purchased Assets and (b) each of the Sellers or the Buyer, as applicable, is authorized and directed to file, register or otherwise record a certified copy of this Sale Order which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all Liens against the Purchased Assets. This Sale Order is deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state, local, tribal, or foreign government agency, department, or office and each of the foregoing is authorized to accept and record this Sale Order in its records "as is."

1 15. **Authorization to Government Agencies.** Each and every governmental
2 authority, filing agent, filing officer, title agent, recording agency, governmental department,
3 secretary of state, federal, state, and local official, and any other persons and entity who may be
4 required by operation of law, the duties of their office or contract, to accept, file, register, or
5 otherwise record or release any documents or instruments or who may be required to report or insure
6 any title in or to the Purchased Assets, is hereby authorized to accept any and all documents and
7 instruments necessary and appropriate to consummate the Sale contemplated by the Purchase
8 Agreements or this Sale Order. All such entities described above in this paragraph are authorized to
9 strike all recorded Liens against the Purchased Assets from their records, official and otherwise.

10 16. **Direction to Surrender Possession or Control.** All persons or entities,
11 presently or on or after the Closing Date, in possession or control of any of the Purchased Assets
12 are directed to surrender possession or control of the Purchased Assets to the Buyer on the Closing
13 Date or at such time thereafter as the Buyer may demand.

14 17. **Licenses and Permits.** Subject to the provisions of the Purchase Agreements
15 and to the greatest extent available under applicable law, the Buyer is authorized, as of the Closing
16 Date, to operate under any governmental authorization, rights granted in respect of agreement
17 constituting part of the Purchased Assets, any other license, permit, registration, and any other
18 governmental approval of the Sellers with respect to the Purchased Assets and the Assumed
19 Contracts, and all such licenses, permits, registrations, governmental authorizations, and any other
20 approvals are deemed to have been, and hereby are, directed to be transferred to the Buyer as of the
21 Closing Date. To the extent any license or permit necessary for the operation of the business of the
22 Sellers are determined not to be an executory contract assumable and assignable under Section 365
23 of the Bankruptcy Code, the Buyer shall apply for and obtain any necessary license or permit
24 promptly after the Closing Date and the Sellers are hereby authorized and directed to cooperate with
25 the Buyer in connection with any such application, subject to the provisions of the Purchase
26 Agreements and the Transition Services Agreement.

27 18. To the greatest extent provided by Section 525 of the Bankruptcy Code, no
28 governmental authority may revoke or suspend any governmental authorization or other approval,

1 permit or license relating to the operation of the Purchased Assets sold, transferred, or conveyed to
 2 the Buyer on account of the filing or pendency of this Chapter 11 Case or the consummation of the
 3 Sale.

4 19. **No Successor Liability**. The Buyer and its affiliates, predecessors,
 5 successors, assigns, members, partners, directors, officers, principals and shareholders (or
 6 equivalent) are not and shall not be (a) deemed a “successor” in any respect to the Sellers or their
 7 estates as a result of the consummation of the Sale contemplated by the Purchase Agreements or
 8 any other event occurring in the Chapter 11 Case under any theory of law or equity, (b) deemed to
 9 have, *de facto* or otherwise, merged, or consolidated with or into the Sellers or their estates, (c)
 10 deemed to have a common identity with the Sellers, (d) deemed to have a continuity of enterprise
 11 with the Sellers, or (e) deemed to be a continuation or substantial continuation of the Sellers or any
 12 enterprise of the Sellers. The transfer of the Purchased Assets and the Assumed Contracts to the
 13 Buyer under the Purchase Agreements shall not result in the Buyer or its affiliates, predecessors,
 14 successors, assigns, members, partners, directors, officers, principals and shareholders (or
 15 equivalent), or the Purchased Assets, (i) having any liability or responsibility for any claim against
 16 the Sellers or against an insider of the Sellers, including, without limitation, for any Excluded
 17 Liabilities, (ii) having any liability whatsoever with respect to or be required to satisfy in any
 18 manner, whether at law or in equity, whether by payment, setoff or otherwise, directly or indirectly,
 19 any Lien or Excluded Liability, or (iii) having any liability or responsibility to the Sellers except as
 20 is expressly set forth in the Purchase Agreements, this Sale Order, or the Transition Services
 21 Agreement. The Buyer shall not assume, nor be deemed to assume, or in any way be responsible for
 22 any liability or obligation described in the foregoing sentence, and the Sale Motion shall be deemed
 23 to provide sufficient notice as to the sale and assignment of the Purchased Assets free and clear of
 24 all such liabilities and obligations in accordance with LR 6004.

25 20. **Examples of No Successor Liability**. Without limiting the generality, effect
 26 or scope of the foregoing, as a result of and following the Closing of the Sale, each of the Buyer and
 27 its affiliates, predecessors, successors, assigns, members, partners, directors, officers, principals and
 28 shareholders (or equivalent) shall have no successor or vicarious liabilities of any kind or character,

including, without limitation, any theory of antitrust, environmental, transferee liability, continuity of enterprise, mere continuation, labor law, bulk sales law, employment or benefits law, alter ego, veil piercing, escheat, de facto merger or substantial continuity, whether known or unknown as of the Closing Date, now existing or hereafter arising, whether legal or equitable, matured or unmatured, contingent or non-contingent, liquidated or unliquidated, whether imposed by agreement, understanding, law, equity or otherwise with respect to the Sellers or any obligations of the Sellers arising on or prior to the Closing Date, including, without limitation, United States or foreign pension liabilities or liabilities on account of any federal, state or other taxes arising, accruing or payable under, out of, in connection with, or in any way relating to or calculated or determined with respect to or based in whole or in any part upon the operation of the Purchased Assets or the Assumed Contracts on or prior to the Closing Date or any taxes in connection with, or in any way related to, the cancellation of debt of the Sellers or their affiliates. The consideration given by the Buyer shall constitute valid and valuable consideration for the release of any potential claims of successor liability against the Buyer which releases shall be deemed to have been given in favor of the Buyer by all holders of Liens, Claims and Excluded Liabilities against the Sellers or the Purchased Assets.

21. **Injunction**. All persons and entities, including, but not limited to, the Sellers, employees, former employees, all debt security holders, equity holders, administrative agencies, governmental units (as defined in Section 101(27) of the Bankruptcy Code), tax and regulatory authorities, secretaries of state, federal, state, and local officials, lenders, contract parties, bidders, lessors, and other parties in possession of any of the Purchased Assets at any time, trade creditors and all other creditors, holding any Liens, Claims or Excluded Liabilities of any kind or nature whatsoever against or in the Sellers or in the Sellers' interests in the Purchased Assets (whether known or unknown as of the Closing Date, now existing or hereafter arising, legal or equitable, matured or unmatured, contingent or noncontingent, liquidated or unliquidated, whether imposed by agreement, understanding, law, equity, or otherwise), arising under or out of, in connection with, or in any way relating to, the Sellers, the Purchased Assets, the Assumed Contracts, the operation of the Sellers s business on or prior to the Closing Date, the Sale, or the transfer of the Purchased

Assets or the Assumed Contracts to the Buyer shall be and hereby are forever barred, estopped and permanently enjoined from asserting, prosecuting, commencing, continuing, or otherwise pursuing in any manner any action, claim or other proceeding of any kind, directly or indirectly, against the Buyer or any of its affiliates, predecessors, successors, or assigns or any of their respective current and former members, officers, directors, managed funds, investment advisors, attorneys, employees, partners, principals, affiliates, shareholders (or equivalent), financial advisors and representatives (each of the foregoing in its individual capacity), their property or the Purchased Assets. In connection with the foregoing, actions that are barred hereby include, without limitation: (i) the commencement or continuation of any action or other proceeding; (ii) the enforcement, attachment, collection, or recovery of any judgment, award, decree or order; (iii) the creation, perfection, or enforcement of any Lien, Claim, interest, or encumbrance; (iv) the assertion of any right of setoff, subrogation or recoupment of any kind; (v) the commencement or continuation of any action that does not comply with, or is inconsistent with, the provisions of this Sale Order, any actions contemplated or taken in respect hereof, or the Purchase Agreements; and (vi) the revocation, termination or failure or refusal to renew any governmental authorization or other license, permit, registration, or governmental authorization or approval to operate any of the Purchased Assets or conduct the businesses associated with such Purchased Assets. Following the Closing Date, no holder of a Lien on, in or against the Purchased Assets shall interfere with the Buyer's title to or use and enjoyment of the Purchased Assets based on or related to such Lien, or any actions that the Sellers may take, fail to take, or refrain from taking, in the Sellers' case.

22. **No Bulk Sales; No Brokers.** No bulk sales law or any similar law of any state or other jurisdiction shall apply in any way to the Sale or the other transactions contemplated under the Purchase Agreements. No brokers were involved in consummating the Sale or the other such transactions, and no brokers' commissions are due to any person or entity in connection with the Sale or the other such transactions. The Buyer is not and will not become obligated to pay any fee or commission or like payment to any broker, finder, or financial advisor as a result of the consummation of the Sale or the other Transactions based upon any arrangement made by or on behalf of the Sellers.

23. **Assumption and Assignment of Assumed Contracts.** Under Sections 105(a), 363 and 365 of the Bankruptcy Code, and subject to and conditioned upon the Closing, the Sellers' assumption of the Assumed Contracts and assignment thereof to the Buyer free and clear of all Liens, Claims, Encumbrances and Excluded Liabilities pursuant to the terms set forth in the Purchase Agreements are hereby approved, and the requirements of Sections 365(b)(1) and 365(f)(2) (including Section 365(b)(3) to the extent applicable) of the Bankruptcy Code with respect thereto are hereby deemed satisfied. Each of the Contract Counterparties is hereby forever barred, estopped and permanently enjoined from raising or asserting against the Sellers or its property any assignment fee, default, breach, claim, pecuniary loss, liability, or obligation (whether known or unknown as of the Closing Date, now existing or hereafter arising, legal or equitable, matured or unmatured, contingent or noncontingent, liquidated or unliquidated, whether imposed by agreement, understanding, law, equity, or otherwise) arising under or out of, in connection with, or in any way related to the Assumed Contracts existing as of the Closing Date or arising by reason of the assumption, assignment and/or Sale except to the extent constituting an allowed Cure Amount. Pursuant to the terms of the Purchase Agreements, the Buyer shall be liable for all obligations and liabilities arising after the Closing Date (as defined in the Purchase Agreements) under the Assumed Contracts.

24. Each of the Assumed Contracts shall be deemed to be valid and binding and in full force and effect and enforceable in accordance with their terms as of the date of this Sale Order, subject to any amendments or modifications agreed to between a Contract Counterparty and the Buyer. Upon the Closing, in accordance with Sections 363 and 365 of the Bankruptcy Code, the Buyer shall be fully and irrevocably vested with all right, title and interest of the Sellers under the Assumed Contracts. The assignment of each of the Assumed Contracts is deemed to be made in good faith under, and is entitled to the protections of, Section 363(m) of the Bankruptcy Code.

25. **Adequate Assurance.** The Buyer has provided adequate assurance of its future performance under the Assumed Contracts within the meaning of Sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code (including Section 365(b)(3) to the extent applicable). All other requirements and conditions under Sections 363 and 365 of the Bankruptcy Code for the

1 assumption by the Sellers and assignment to the Buyer of the Assumed Contracts have been
2 satisfied.

3 26. **Anti-Assignment Provisions Unenforceable**. No Sections or provisions of
4 the Assumed Contracts that purport to: (a) prohibit, restrict, or condition the Sellers' assignment of
5 the Assumed Contracts, including, but not limited to, the conditioning of such assignment on the
6 consent of the Contract Counterparties; (b) authorize the termination, cancellation, or modification
7 of the Assumed Contracts based on the filing of a bankruptcy case, the financial condition of the
8 Sellers or similar circumstances; (c) declare a breach or default as a result of a change in control in
9 respect of the Sellers; or (d) provide for additional payments, penalties, conditions, renewals,
10 extensions, charges, other financial accommodations in favor of the non-Sellers third party to the
11 Assumed Contracts, or modification of any term or condition upon the assignment of an Assumed
12 Contract or the occurrence of the conditions set forth in subsection (b) above, shall have any force
13 and effect, and such provisions constitute unenforceable anti-assignment provisions under 11 U.S.C.
14 § 365(f) and/or are otherwise unenforceable under 11 U.S.C. § 365(e). The entry of this Sale Order
15 constitutes the consent of the Contract Counterparties to the assumption and assignment of such
16 agreements without the necessity of obtaining such party's consent, written or otherwise, to such
17 assumption or assignment. All Assumed Contracts shall remain in full force and effect, without
18 existing default(s), subject only to payment of the applicable Cure Amounts, and to any amendments
19 or modifications agreed to between a Contract Counterparty and the Buyer.

20 27. **No Fees for Assumption and Assignment**. There shall be no accelerations,
21 assignment fees, increases or any other fees charged to the Buyer, its successors or assigns, or the
22 Sellers as a result of the assumption and assignment of the Assumed Contracts.

23 28. **Cure Amounts**. Assumption and payment of the Cure Amounts by the
24 Sellers set forth in the List of Assumed Contracts (or such other amount or such other terms as may
25 be agreed to by the Sellers and the Contract Counterparties to the applicable Assumed Contract) in
26 accordance with the Purchase Agreements are hereby authorized and directed. All defaults shall be
27 deemed cured and shall no longer exist upon the payment or other satisfaction by the Sellers of the
28 Cure Amounts set forth in the List of Assumed Contracts against which no timely objections have

1 been properly filed and served (or such other amount or such other terms as may be agreed to by the
 2 Sellers and the Contract Counterparties to the applicable Assumed Contract or otherwise ordered by
 3 the Court) and, for the avoidance of doubt, no Contract Counterparty shall be entitled to a claim
 4 against the Sellers or the Sellers' estates for any such default. Except for the Cure Amounts set forth
 5 on the List of Assumed Contracts (or such other amount as may be agreed to by the Sellers and the
 6 Contract Counterparties to the applicable Assumed Contract or otherwise ordered by the Court),
 7 there are no defaults existing under the Assumed Contracts, nor is there any event or condition
 8 existing on the Closing Date which, with the passage of time or giving of notice, or both, would
 9 constitute such a default.

10 29. **Notice of Assumption and Assignment.** The Sellers have served on all of
 11 the Contract Counterparties, identified on the schedule the Sellers have filed with the Court, notice
 12 of the assumption and assignment of the Assumed Contracts that included (i) the title of the
 13 Assumed Contract, (ii) the name of the counterparty to the Assumed Contract, (iii) any applicable
 14 Cure Amounts, (iv) the identity of the Assignee, (v) notice that each Assumed Contract may be
 15 assumed by the Sellers and assigned to the Buyer, and (vi) the deadline by which any such Assumed
 16 Contract counterparty must file an objection to the proposed assumption and assignment. No other
 17 or further notice is required.

18 30. Any Contract Counterparties to an Assumed Contract designated to be
 19 assumed and assigned to the Buyer who has not timely filed and served an objection in accordance
 20 with the Sale Hearing notice shall be barred from objecting, or asserting monetary or non-monetary
 21 defaults, with respect to any such Assumed Contract, and such Assumed Contract shall be deemed
 22 assumed by the Sellers and assigned to the Buyer on the Closing Date pursuant to this Sale Order.

23 31. From the date of the entry of the Sale Order, the Sellers may, in their sole
 24 discretion, settle objections to assumption and assignment of any Assumed Contract, including to
 25 proposed Cure Amounts, without any further notice to or action by any party or order of the Court
 26 (including by paying any agreed Cure Amount). Unless the Court orders otherwise,
 27 contemporaneously with the resolution of any such objection, the executory contract or unexpired
 28

1 lease underlying such objection shall be deemed an Assumed Contract to the Buyer without the
2 necessity of obtaining any further order of the Court.

3 32. **Direction to Contract Counterparties.** All Contract Counterparties shall
4 cooperate and expeditiously execute and deliver, upon the reasonable requests of the Buyer, and
5 shall not charge the Sellers or the Buyer for, any instruments, applications, consents, or other
6 documents which may be required or requested by any public or quasi-public authority or other
7 party or entity to effectuate the applicable transfers in connection with the Sale.

8 33. Nothing in this Sale Order, the Sale Motion, or any notice or any other
9 document is or shall be deemed an admission by the Sellers that any contract is an executory contract
10 or must be assumed and assigned pursuant to the Purchase Agreements or in order to consummate
11 the Sale.

12 34. **Failure to Specify Provisions.** The failure specifically to include any
13 particular provisions of the Purchase Agreements or any related agreements in this Sale Order shall
14 not diminish or impair the effectiveness of such provision, it being the intent of the Court, the Sellers
15 and the Buyer that the Purchase Agreements and any related agreements are authorized and
16 approved in their entirety with such amendments thereto as may be made by the parties in
17 accordance with this Sale Order. Likewise, all of the provisions of this Sale Order are nonseverable
18 and mutually dependent.

19 35. **Failure to Enforce Assumed Contracts.** The failure of the Sellers or the
20 Buyer at any time to enforce one or more terms or conditions of any Assumed Contract shall not
21 constitute a waiver of any such terms or conditions, or of the Sellers' or the Buyer's rights to enforce
22 every term and condition of the Assumed Contracts.

23 36. **Binding Order.** This Sale Order and the Purchase Agreements shall be
24 binding upon and govern the acts of all persons and entities, including, without limitation, the
25 Debtors, the Buyer, and their respective successors and permitted assigns, including, without
26 limitation, any Chapter 11 trustee hereinafter appointed for the Sellers' estates or any trustee
27 appointed in a Chapter 7 case if this case is converted from Chapter 11, all creditors of any Debtor
28

(whether known or unknown), all non-Sellers parties to any Assumed Contracts, all governmental authorities, filing agents, filing officers, title agents, recording agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office or contract, to accept, file, register, or otherwise record or release any documents or instruments or who may be required to report or insure any title in or to the Purchased Assets. The Purchase Agreements and the Sale shall not be subject to rejection or avoidance under any circumstances. This Sale Order and the Purchase Agreements shall inure to the benefit of the Sellers, their estates, their creditors, the Buyer and their respective successors and assigns.

37. **Lift of Automatic Stay.** The automatic stay pursuant to Section 362 of the Bankruptcy Code is hereby lifted with respect to the Sellers to the extent necessary, without further order of the Court, to allow the Buyer to deliver any notice provided for in the Purchase Agreements and allow the Buyer to take any and all actions permitted under the Purchase Agreements.

38. **Retention of Jurisdiction.** The Court shall retain exclusive jurisdiction to (a) interpret, implement and enforce the terms and provisions of this Sale Order and the Purchase Agreements, including all amendments thereto and any waivers and consents thereunder and each of the agreements executed in connection therewith, in all respects, (b) decide any disputes concerning this Sale Order and the Purchase Agreements, or the rights and duties of the parties hereunder or thereunder or any issues relating to the Purchase Agreements and this Sale Order including, but not limited to, the interpretation of the terms, conditions, and provisions hereof and thereof, the status, nature, and extent of the Purchased Assets and any Assumed Contracts and all issues and disputes arising in connection with the relief authorized herein, inclusive of those concerning the transfer of the assets free and clear of all Liens and (c) enforce the injunctions set forth herein.

39. **Subsequent Plan Provisions.** Nothing contained in any Chapter 11 plan confirmed in the Debtors' cases or any order confirming any such plan or any other order in the Debtors' cases (including any order entered after any conversion of this case or any of the Chapter 11 Cases into a case under Chapter 7 of the Bankruptcy Code) shall alter, conflict with, or derogate

1 from, the provisions of the Purchase Agreements or this Sale Order and, to the extent of any such
2 conflict, the terms of this Sale Order and the Purchase Agreements shall control.

3 40. **Further Assurances.** From time to time, as and when requested by the other,
4 the Sellers and the Buyer, as the case may be, shall execute and deliver, or cause to be executed and
5 delivered, all such documents and instruments and shall take, or cause to be taken, all such further
6 or other actions as such other party may reasonably deem necessary or desirable to consummate the
7 Sale, including, such actions as may be necessary to vest, perfect or confirm, or record or otherwise,
8 in the Buyer its right, title and interest in and to the Purchased Assets and the Assumed Contracts,
9 subject to the provisions of the Purchase Agreements.

10 41. **Other Provisions.** Notwithstanding any provision in this Sale Order or the
11 Purchase Agreements, nothing: (1) releases, nullifies, precludes, or enjoins the enforcement of any
12 police or regulatory power; (2) confers exclusive jurisdiction to the Court with respect to claims,
13 interests and causes of action of governmental units, except to the extent set forth in 28 U.S.C.
14 Section 1334 (as limited by any other provisions of the United States Code); or (3) expands the
15 scope of 11 U.S.C. § 525.

16 42. **Governing Terms.** Unless otherwise provided herein, to the extent this Sale
17 Order is inconsistent with the Bidding Procedures Order or any other prior order or pleading in these
18 Chapter 11 Cases, or the terms of the Purchase Agreements (including all ancillary documents
19 executed in connection with such agreements), this Sale Order shall govern.

20 43. **Headings.** The headings in this Sale Order are for purposes of reference only
21 and shall not limit or otherwise affect the meaning of the Sale Order.

22 **IT IS SO ORDERED.**

Prepared and submitted by:

SCHWARTZ LAW, PLLC

By: /s/

Samuel A. Schwartz, Esq.

Gabrielle A. Hamm, Esq.

601 East Bridger Avenue

Las Vegas, NV 89101

Attorneys for the Debtors

LR 9021 CERTIFICATION

In accordance with LR 9021, counsel submitting this document certifies that the order accurately reflects the court's ruling and that:

☐ The court has waived the requirement set forth in LR 9021(b)(1).

☐ No party appeared at the hearing or filed an objection to the motion.

☐ I have delivered a copy of this proposed order to all counsel and any unrepresented parties who appeared at the hearing, except those as to whom review was waived on the record at the hearing, and each has approved or disapproved the order, or failed to respond, as indicated above.

☐ I certify that this is a case under Chapter 7 or 13, that I have served a copy of this order with the motion pursuant to LR 9014(g), and that no party has objected to the form or content of this order.

###

EXHIBIT 3

EXHIBIT 3

TRANSITION SERVICES AGREEMENT

This TRANSITION SERVICES AGREEMENT (“**Agreement**”), effective as of _____, 2023 (the “**Effective Date**”), is entered into by and between PRECISION CASTPARTS CORP., an Oregon corporation and/or its assignee (“**Buyer**”), on the one hand; and BASIC WATER COMPANY, a Nevada corporation (“**BWC**”), and BASIC WATER COMPANY SPE 1, LLC, a Nevada limited liability company (“**SPE**” and collectively with BWC, “**Seller**”), on the other hand. Each party may be referred to herein as a “**Party**,” or collectively as the “**Parties**.”

RECITALS

A. On September 10, 2022, BWC and SPE each filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101, et seq. (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the District of Nevada (the “**Bankruptcy Court**”) under the captions: *In re Basic Water Company*, Case No. 22-13252-mkn and *In re Basic Water Company SPE 1, LLC*, Case No. 22-13253-mkn (collectively, the “**Bankruptcy Cases**”).

B. Subject to Bankruptcy Court approval, the Parties entered into: (i) that certain Purchase and Sale Agreement & Escrow Instructions dated as of May 25, 2023 (the “**Real Property PSA**”), pursuant to which Seller has agreed to sell to Buyer certain real property of Seller, as more fully described in the Real Property PSA; and (ii) that certain Purchase and Sale Agreement dated as of May 25, 2023 (the “**Personal Property PSA**” and collectively with the Real Property PSA, the “**PSAs**”) whereby Seller has agreed to sell to Buyer certain personal property of Buyer, as more fully described in the Personal Property PSA.

C. On _____, 2023, Seller filed a motion to approve the PSAs and the sale of the assets described therein to Buyer pursuant to, *inter alia*, Sections 363 and 365 of the Bankruptcy Code (the “**Sale Motion**”).

D. On _____, 2023, the Bankruptcy Court held a hearing and orally approved the Sale Motion, and on _____, 2023, the Bankruptcy Court entered an order approving the same.

E. In order to ensure an orderly transition of the assets to Buyer, and as a condition to consummating the transactions contemplated by the PSAs, as approved by the Bankruptcy Court, the Parties have agreed to enter into this Agreement, pursuant to which Seller will provide certain services to Buyer on a transitional basis and subject to the terms and conditions set forth in the PSAs.

F. Capitalized terms used in this Agreement and not otherwise defined shall have the meanings ascribed to such terms in the PSAs.

NOW, THEREFORE, in consideration of the mutual agreements and covenants hereinafter set forth, the Parties hereby agree as follows:

AGREEMENT

ARTICLE I SERVICES

Section 1.01 Provision of Services. Seller shall provide the following services (collectively, the “**Services**”) to Buyer and shall assist Buyer with the transition of the assets transferred pursuant to the PSAs and the management thereof.

(a) **Operation and Maintenance of the Water System.** Seller shall assist Buyer with the operation and maintenance of the Water System and shall allow Buyer to use those certain agreements and licenses listed on **Exhibit A**, attached hereto (the “**Water System Transition Items**”), under the Seller name(s) and for the respective periods set forth thereon, in substantially the same manner as Seller operated its business prior to Closing.

(b) **Billing.** In connection with Buyer’s operation of the Water System and the delivery of water to the Industries (the “**Water System Business**”), Seller shall assist Buyer with billing and invoicing the Industries and other third parties, as appropriate, as specifically set forth on **Exhibit B**, attached hereto (the “**Billing Transition Items**”), for the respective periods set forth thereon, in substantially the same manner as Seller operated its business prior to Closing.

(c) **Real Property Management.** In connection with Buyer’s management of the real property described in the Real Property PSA, Seller shall assist Buyer with the management of the real property, as specifically described in **Exhibit C**, attached hereto (the “**Real Property Transition Items**”), for the respective periods set forth thereon, in substantially the same manner as Seller operated its business prior to Closing.

(d) During normal business hours, Seller shall provide Buyer reasonable access to the employees of Seller or its affiliates (the “**Service Employees**”) who will provide Buyer with the Services set forth on Exhibit A, Exhibit B or Exhibit C hereto, as applicable, designated as being provided by the Service Employees for the duration specified on Exhibit A, Exhibit B or Exhibit C, as applicable.

(e) Seller shall cause the Services to be provided in good faith and as promptly as reasonably possible in light of other responsibilities of personnel performing the Services.

(f) Seller shall perform the Services with the same degrees of care, diligence, priority, frequency, volume, amount and detail consistent with (but in no case materially lower or worse than) the levels and degrees of care, diligence, priority, frequency, volume, amount and detail practiced by Seller when providing such Services to the full extent and degree as such Services were provided to Seller in the 12-month period prior to the Closing Date, and in compliance with applicable Law.

Section 1.02 Wrong Pockets. During the term of this Agreement, the Parties shall work cooperatively with one another regarding any deposits of cash or other payments in the wrong Party’s account and shall comply with the PSAs for the resolution of the same, the terms of which are expressly incorporated herein.

Section 1.03 Termination. The Parties acknowledge the transitional nature of the Services, and each Party commits to using reasonable efforts to promptly transition the assets and Services to Buyer. The obligations of Seller to provide to Buyer the Services listed on **Exhibits A through C** shall terminate on the termination date specified on **Exhibits A through C**, respectively (each, a “**Termination Date**”). Buyer shall use reasonable efforts to have engaged personnel, procured software, equipment and other materials, and taken such other steps as are necessary for Buyer to assume full performance of each Service without the assistance of Seller by its applicable Termination Date. Notwithstanding the foregoing, the Parties acknowledge and agree that Buyer may determine from time to time that it does not require all the Services, or that it does not require such Services for the entire period up to the applicable Termination Date. Accordingly, Buyer is entitled to terminate its use of any such Service, in whole and not in part, on thirty (30) days’ written notice. If any component of the Services has not been fully transitioned to or assumed by Buyer by the applicable Termination Date, Buyer may request an extension from Seller as to specific Service(s), which extension request shall not be unreasonably denied by Seller. In the event the Buyer hires the personnel and/or employees of the Seller necessary to the provision of any of the Services, the Seller may immediately terminate the related Services.

ARTICLE II EXPENSES AND OUT-OF-POCKET COSTS¹

Section 2.01 Responsibility for Expenses. Buyer shall be responsible for the payment of any fees, charges and expenses directly from, under or out of the Services from the date of Closing until each applicable Termination Date.

Section 2.02 Terms of Payment and Related Matters. In the event that Seller incurs reasonable and documented out-of-pocket expenses in the provision of any Service, including, without limitation, license fees and payments to third-party service providers (collectively, “**Out-of-Pocket Costs**”), Buyer shall promptly reimburse Seller for all such Out-of-Pocket Costs. Seller shall not incur Out-of-Pocket Costs in excess of \$15,000.00 without Buyer’s prior approval. Seller shall provide Buyer with an invoice for any Out-of-Pocket Costs incurred, and Buyer shall make payment to Seller for the same within fifteen (15) days after the date of receipt of such invoice from Seller.

ARTICLE III INDEMNIFICATION

Section 3.01 Indemnification.

(a) Buyer shall indemnify, defend and hold harmless Seller and its owners, officers, employees and agents (collectively, the “**Seller Indemnified Parties**”) from and against any and all claims, losses, liabilities, damages and costs (including attorneys’ fees and costs) (collectively, the “**Claims**”) arising from, in connection with or otherwise with respect to: (i) Buyer’s use of the Services; or (ii) the failure of Buyer to comply with its obligations under this Agreement.

¹ **Note to Basic:** Payment terms, and related revisions to Article II, are under discussion by the parties.

(b) Seller shall indemnify, defend and hold harmless Buyer and its respective owners, officers, employees and agents (collectively, the “**Buyer Indemnified Parties**”) from and against any and all Claims arising from, in connection with or otherwise with respect to the failure of Seller to comply with its obligations under this Agreement.

ARTICLE IV GENERAL PROVISIONS

Section 4.01 Notices. All notices, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section):

If to Seller: Basic Water Company
Basic Water Company SPE 1, LLC
c/o Samuel A. Schwartz, Esq.
601 East Bridger Ave., Suite 200
Las Vegas, Nevada 89101
Email: saschwartz@nvfirm.com

If to Buyer: Precision Castparts Corp.
5885 Meadows Road, Suite 620
Lake Oswego, OR 97035
Attn: Ruth Beyer and Kirk Pulley
Email: rbeyer@precastcorp.com and kpulley@precastcorp.com

or to such other address as such Party may indicate by a notice delivered to the other Party hereto.

Section 4.02 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 4.03 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 4.04 Entire Agreement. This Agreement constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event and to the extent that there is a conflict between the provisions of this Agreement and the provisions of the Purchase Agreement as it relates to the Services hereunder, the provisions of this Agreement shall control.

Section 4.05 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

Section 4.06 PSAs. Except as expressly provided herein, nothing contained in this Agreement is intended to or shall be construed to amend or modify in any respect, or constitute a waiver of, any of the rights and obligations of the Parties under the PSAs, all of which rights are expressly reserved and retained.

Section 4.07 Limitation of Damages. Notwithstanding anything to the contrary herein, the Parties agree that any damages arising from any breach of this Agreement by either Party shall be limited to such Party's actual damages incurred only. No Party shall be liable to the other Party hereunder for any consequential, incidental, direct, indirect, special, punitive or other damages. The foregoing limitations shall not apply to claims arising as a result of a Party's fraud, gross negligence or willful misconduct arising from, in connection with or related to the Services or this Agreement.

Section 4.08 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Nevada without giving effect to the conflicts of law principles of such state.

Section 4.09 Counterparts. This Agreement may be executed in two or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or electronically shall be as effective as delivery of a manually executed counterpart of any such Agreement.

[No Further Text. Signature Page Follows.]

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

SELLER:

BASIC WATER COMPANY,
a Nevada Corporation

By: _____
Name: _____
Title: _____

BASIC WATER COMPANY SPE 1, LLC
a Nevada limited liability company

By: _____
Name: _____
Title: _____

BUYER:

PRECISION CASTPARTS CORP.,
an Oregon corporation

By: _____
Name: _____
Title: _____

[Signature Page to Transition Services Agreement]

EXHIBIT A**WATER SYSTEM TRANSITION ITEMS**

| Item Description | Seller Party | Third Party | Term of Buyer Use | Comments |
|-------------------------|---------------------|--------------------|------------------------------|-----------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Exhibit A

EXHIBIT B**BILLING TRANSITION ITEMS**

| Item Description | Seller Party | Third Party | Term of Buyer Use | Comments |
|-------------------------|---------------------|--------------------|------------------------------|-----------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Exhibit B

EXHIBIT C**REAL PROPERTY TRANSITION ITEMS**

| Parcel | Description of Real Estate Management Services | Term of Buyer Use | Comments |
|---------------|---|--------------------------|-----------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Exhibit C

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM D
FOR MEETING OF JULY 31, 2023**

| |
|---|
| SUBJECT: Comments from the public. Members of the public are invited to comment on items on the meeting agenda or on items not contained therein. No action may be taken on a matter raised during public comment until the matter itself has been specifically included on an agenda as an item for possible action. |
| RELATED TO AGENDA ITEM: None. |
| RECOMMENDATION OR RECOMMENDED MOTION: None. |
| FISCAL IMPACT: None. |

STAFF COMMENTS AND BACKGROUND:

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM E
FOR MEETING OF JULY 31, 2023**

| |
|--|
| SUBJECT: Comments and questions from the Commission members. |
| RELATED TO AGENDA ITEM: None. |
| RECOMMENDATION OR RECOMMENDED MOTION: None. |
| FISCAL IMPACT: None. |

STAFF COMMENTS AND BACKGROUND:

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM F
FOR MEETING OF JULY 31, 2023**

| |
|---|
| SUBJECT: Selection of the next possible meeting date. |
| RELATED TO AGENDA ITEM: None. |
| RECOMMENDATION OR RECOMMENDED MOTION: None. |
| FISCAL IMPACT: None. |

STAFF COMMENTS AND BACKGROUND:

The next meeting is tentatively scheduled for 1:30 p.m. on Tuesday, August 8, 2023, at the Clark County Government Center, Commission Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada 89155.

**COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM G
FOR MEETING OF JULY 31, 2023**

| |
|---|
| SUBJECT: Adjournment. |
| RELATED TO AGENDA ITEM: None. |
| RECOMMENDATION OR RECOMMENDED MOTION: None. |
| FISCAL IMPACT: None. |

STAFF COMMENTS AND BACKGROUND: