



**REVISED:** This confirmation supersedes and replaces any previously executed confirmation for this transaction

This Confirmation (“Confirmation”), dated as of DATE October 29, 2025 made effective as of the “Trade Date” noted below, confirms the terms of the agreement (the “Transaction”) for the purchase and sale of California Carbon Allowance between **Mercuria Energy America, LLC (“MEA”)** and **City of Needles (“City of Needles”)**. Seller and Buyer are sometimes referred to individually as a “Party” and collectively as the “Parties”.

## **ARTICLE 1 TERMS**

The terms of the transaction to which this Confirmation relates are as follows:

### **1.1 Transaction Terms**

<b>Trade Date:</b>	October 29, 2025
<b>Seller:</b>	MEA
<b>Seller Trade ID:</b>	29679099
<b>Buyer:</b>	City of Needles
<b>Buyer’s Account Number:</b>	CA1456-1556
<b>Buyers Entity Ref Code:</b>	S6BW6PSV68WQ
<b>Product:</b>	California Carbon Allowance
<b>Vintage Year:</b>	2024 or earlier
<b>Delivery Date:</b>	Seller will deliver on or before October 30, 2025
<b>Contract Price:</b>	USD \$35.00 per CCA
<b>Contract Carbon Allowance:</b>	1,670 CCOs

## **ARTICLE 2. DEFINITIONS**

As used in this Agreement, the following defined terms have the meanings set forth below:

- 2.1 “**AB32**” means the California Global Warming Solutions Act of 2006.
- 2.2. “**Applicable Standard**” means AB32 and the Cap and Trade Regulations.
- 2.3 “**Business Day**” means a day other than a Saturday, Sunday or other day on which Federal Reserve member banks located in Houston, Texas are authorized or required to close.
- 2.4 “**Cap and Trade Regulations**” means the Mandatory Greenhouse Gas Emissions Reporting regulations set forth in Title 17, Subchapter 10, Article 2 of the California Code of Regulations and the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms regulations set forth in Title 17, Subchapter 10, Article 5 of the California Code of Regulations, in each case promulgated by CARB pursuant to the AB32.
- 2.5 “**CARB**” means the California Air Resources Board or any successor agency thereto performing substantially the same function with respect to the Applicable Standard.
- 2.6 “**Carbon Allowance**” means (a) a limited tradable authorization to emit up to one metric ton of carbon dioxide equivalent issued by CARB in accordance with the Cap and Trade Regulations and (b) to the extent the Tracking System does not permit the Parties to identify whether a specific authorization was issued by a particular Relevant Authority, any other tradable authorization to emit issued by a Relevant Authority that may be used to emit up to one metric ton of carbon dioxide equivalent under the Applicable Standard.
- 2.7 “**Contract Carbon Allowances**” has the meaning specified in Section 3.1.
- 2.8 “**Contract Price**” means the amount per unit of Product specified in Section 1 as the Contract Price in respect of this Transaction.
- 2.9 “**Deliver**” means, with respect to any Carbon Allowance, when the transfer of such Carbon Allowance to the Buyer’s Tracking System Account is properly recorded with the Tracking System. The terms “**Delivery**” and “**Delivered**” have meanings correlative thereto.
- 2.10 “**Emission Rights**” means any present or future right, interest, claim, credit, entitlement, benefit, or allowance to emit present or future gases arising from, resulting from, or in connection with any Carbon Allowance and includes any right or rights that may be created under any present or future applicable law.
- 2.11 “**Event of Default**” means with respect to each Party, unless a specific Party is specified in, in which case means with respect to that Party only:
  - (a) The failure of such Party to make payment when due under this Agreement if such failure is not cured within three Business Days of a demand for payment.
  - (b) The failure of Buyer to satisfy its obligations under Section 4.1(a) in respect of the acceptance of the Contract Allowances.

- (c) Any other failure of performance by a Party of its material obligations under this Agreement not otherwise identified as a separate Event of Default hereunder if such failure is not cured within five Business Days of a demand for cure or other corrective action deemed satisfactory by the Performing Party in its sole discretion.
- (d) Such Party:
  - (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
  - (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
  - (iii) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights; or
  - (iv) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days thereafter.
- (e) The making by such Party of a materially incorrect or misleading representation or warranty under this Agreement, in any material respect when made or deemed made or repeated and such Party does not cure (if curable) such representation or warranty within five (5) Business Days of written notice of such occurrence from the other Party.
- (f) The failure of such Party to satisfy adequate assurance requirements set forth in Section 7.4 hereof.

2.12 “**Interest Rate**” means the per annum rate of interest equal to the lesser of (x) the prime lending as may from time to time be published in the Wall Street Journal under “Money Rates” plus two and (y) the maximum lawful rate permitted by applicable law.

2.13 “**Linked GHG ETS**” means an “External Greenhouse Gas Emissions Trading System” (as defined in the California Cap and Trade Regulations) with respect to which the CARB has established a “Linkage” (as defined in the California Cap and Trade Regulations) pursuant to Sub-Article 12 of the California Cap and Trade Regulations and includes the comparable program of the Government of Québec.

2.14 “**Relevant Authority**” means, as applicable, (a) CARB or the Executive Officer, as applicable, with respect to the California Cap and Trade Regulations and (b) any other governmental agency or authority designated in connection with a Linked GHG ETS as responsible for the implementation and management of such Linked GHG ETS.

2.15 “**Tracking System**” means the Compliance Instrument Tracking System Service or such other tracking system service acceptable to Buyer and CARB for compliance with AB32.

2.16 “**Tracking System Account**” means the account with the Tracking System that an entity receives when it registers with the CARB or other appropriate governmental authority pursuant to the Cap and Trade Regulations.

- 2.17 “**Transfer**” means the submission and, if necessary, the confirmation of a transfer request with the Tracking System, in accordance with the rules of the Tracking System, directing the transfer of Carbon Allowances from one Tracking System Account to another Tracking.
- 2.18 “**Vintage**” means, with respect to any Carbon Allowance, the applicable “Budget Year” (as such term is defined in the Cap and Trade Regulations) to which such Carbon Allowance is assigned pursuant to the Cap and Trade Regulations.

### **ARTICLE 3 PURCHASE AND SALE OF CARBON ALLOWANCES**

- 3.1 **Sale**. Seller shall sell to Buyer the quantity of Carbon Allowances referenced in Article 1 of the designated Vintage (the “**Contract Carbon Allowances**”).
- 3.2 **Purchase**. Buyer shall purchase and accept the Contract Carbon Allowances for the agreed upon Contract Price referenced in Article 1.
- 3.3 **Regulatory Continuing**. Each reference to the Cap and Trade Regulations and each reference to AB32 means, as applicable, the Cap and Trade Regulations or AB32, as may be amended from time to time, and each reference to the Applicable Standard shall reflect any such amendments.

### **ARTICLE 4 TRANSFER AND TITLE; ADDITIONAL COVENANTS**

#### **4.1 Title, Transfer, and Delivery.**

- (a) On the Delivery Date Seller shall initiate a Transfer for the Contract Carbon Allowances to be Delivered to Buyer’s Tracking System Account. Promptly following Buyer’s receipt of Seller’s notice of initiation of such Transfer and in any event within three days following such initiation, Buyer shall take such actions as are necessary in order to complete the Delivery of such Contract Carbon Allowances.
- (b) All of Seller’s (or Seller’s Affiliate) title to and interest in the Contract Carbon Allowances transfer to Buyer upon Delivery of such Contract Carbon Allowances to Buyer’s Tracking System Account. Such transfer of title and interest includes all Emission Rights relating to the Contract Carbon Allowances so Delivered as well as the exclusive right to claim ownership and use of such Contract Carbon Allowances. Concurrently with such Delivery, Buyer gains the exclusive right, to the full applicable extent, to verify, certify, and otherwise take advantage of the rights, claims, ownership, and Emission Rights in such Contract Carbon Allowances.

4.2 **Further Assurances**. Each Party shall cooperate fully and assist the other Party to obtain any and all required approvals and/or forms which may be required to effectuate the transfer of the Contract Carbon Allowances to the Buyer’s Tracking System Account in accordance with this Agreement and to comply with any and all other applicable procedures, requirements, and/or regulatory obligations relating to the recording and transfer of the Contract Carbon Allowances as may be required by the Tracking System or the Cap and Trade Regulations.

4.3 **Cooperation**. Upon notification that any Delivery contemplated by this Agreement will not be completed, the Parties shall promptly confer and shall cooperate in taking all reasonable actions necessary to cure any defects in the proposed transfer, so that the Delivery can be completed.



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- 4.4 **Holding Limit.** Provided that Seller has Transferred the Contract Carbon Allowances on or prior to the date specified in Section 4.1 above (or within any applicable grace period), Buyer will be deemed to have failed to perform its obligations under Section 4.1 to take such actions as are necessary in order to complete Delivery if such Delivery of Contract Carbon Allowances is rejected by the Executive Officer as a result of Buyer exceeding its holding limit as provided in Section 95920 of the Cap and Trade Regulations.
- 4.5 **Responsibility.** Each Party is responsible for all costs, fees, brokerage commissions, taxes, and charges of whatever kind and amount that such Party incurs in connection with the performance of its respective obligations under this Agreement, including any costs associated with the establishment and maintenance of its Tracking System Account.
- 4.6 **Records.** Seller shall maintain all records relating to the Contract Carbon Allowances for a period of two years after the date of Delivery of such Contract Carbon Allowances. Upon request of Buyer, Seller shall provide copies of all such records to Buyer. Seller shall maintain adequate records to assist Buyer, Buyer's customer, CARB, or other Relevant Authority in meeting any present or future reporting, verification, transfer, registration, or retirement requirements associated with the Contract Carbon Allowances.

## ARTICLE 5 BILLING AND PAYMENT

- 5.1 **Invoice.** Following each Transfer by Seller of any Contract Carbon Allowances in accordance with Section 3.1, Seller shall provide an invoice to Buyer reflecting the applicable portion of the Contract Carbon Allowances based on the Contract Price (the "**Invoice**"). Invoices may be furnished to Buyer by facsimile transmission or in any other manner permitted pursuant to Section 8.1.
- 5.2 **Payment.** Within five (5) Business Days of the later of (x) Buyer's receipt of the Invoice or (y) Buyer's receipt of confirmation of the Transfer of the applicable Contract Carbon Allowance to the Buyer's Tracking System Account, Buyer shall pay the applicable portion of the Contract Price to Seller. All payments made under this Agreement shall be made in immediately available United States Dollars by electronic transfer to the following accounts:
- Payments to:      Seller:  
                            Bank:  
                            Bank ABA:  
                            Account Number:
- 5.3 **Netting.** If Seller and Buyer are each required to pay any amounts in respect of purchases/sales hereunder or under any other contracts between the Parties on the same day, then, upon notice from one Party to the other, such amounts with respect to each Party will be aggregated and the Parties shall discharge their obligations to pay through netting, in which case the Party, if any, owing the greater aggregate amount shall pay to the other Party the difference between

the amounts owed.

5.4 **Late Payment.** If either Party fails to remit any amount payable by it when due, interest on such unpaid amount will accrue daily at the Interest Rate.

5.5 **Invoice Dispute.** If Buyer, in good faith, disputes the accuracy of the amount invoiced by Seller, Buyer shall pay the undisputed amount of the invoice and provide written notice to Seller stating the reasons why the invoice amount is incorrect with supporting documentation acceptable in industry practice. In the event the Parties are unable to resolve such dispute, either Party may pursue any remedy available at law or in equity to enforce its rights hereunder. In the event that it is determined or agreed that Buyer must or will pay the disputed amount then Buyer shall pay interest from and including the original payment due date until the date payment is made at the Interest Rate.

## **ARTICLE 6 REPRESENTATIONS AND WARRANTIES**

6.1 **Mutual Representations and Warranties.** Each Party represents and warrants to the other Party, as of the date of this Agreement and as of each Delivery of Contract Carbon Allowances and payment in respect of the Contract Price that:

- (a) It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.
- (b) It has the corporate authority and power to execute, deliver and perform the Agreement and enter into any transaction contemplated hereby.
- (c) Such execution, delivery and performance of this Agreement have been duly authorized and do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.
- (d) This Agreement constitutes a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, subject to bankruptcy, reorganization, and similar laws affecting creditors' rights generally and to general principals of equity (regardless whether considered in a proceeding in equity or at law).
- (e) There is no pending or (to its knowledge) threatened litigation, arbitration or administrative proceeding that materially adversely affects its ability to perform under this Agreement.
- (f) It is a "forward contract merchant" and this Agreement is a "forward contract" within the meaning of the United States Bankruptcy Code.
- (g) It is not relying upon any advice, reports, analyses, or representations of the other Party other than those expressly set forth in this Agreement or any written guarantee of the obligations of such other Party, and the other Party has not given to it any assurance or guarantee as to the expected financial performance or result of this Transaction, and it has entered into this

Transaction as principal and for its own account (and not as advisor, agent, broker or in any other capacity, fiduciary or otherwise), with a full understanding of, and the ability to assume, the material terms and risks of the same, and has made its trading and investment decisions (including regarding the suitability thereof) based upon its own judgment and any advice from such advisors as it has deemed necessary.

(h) It enters into each Transaction hereunder with the intention that it shall be physically settled through Delivery of Product and shall not be financially settled or otherwise constitute a “swap” within the meaning of the Commodity Exchange Act, 7 U.S.C. 1a(47)(A);

6.2 **Warranties of Title; Validity.** Seller warrants contemporaneously with each Delivery of Contract Carbon Allowances made pursuant to this Agreement that (a) immediately prior to Delivery Seller has good and marketable title to such Contract Carbon Allowances, (b) such Contract Carbon Allowances are not subject to specific restrictions on their sale or transfer, (c) such Contract Carbon Allowances are of the Vintage set forth in this Agreement or an earlier Vintage and can be used for compliance with the Applicable Standard and any Linked GHG ETS, (d) Seller has the power to sell such Contract Carbon Allowances, (e) such Contract Carbon Allowances are Delivered free from all liens, claims, security interests, encumbrances and other defects of title arising prior to Delivery and (f) such Contract Carbon Allowances have not otherwise been sold to any other person or retired or claimed for Seller’s own benefit.

6.3 **Limitation of Warranties.** EXCEPT AS SPECIFICALLY SET FORTH IN SECTION 6.2, SELLER MAKES NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED WITH RESPECT TO THE CONTRACT CARBON ALLOWANCES DELIVERED PURSUANT TO THIS AGREEMENT, WHETHER AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER MATTER.

6.4 **Survival.** This Article 6 survives for a period of three years following the termination of this Agreement.

## ARTICLE 7 EVENTS OF DEFAULT; REMEDIES

7.1 **Events of Default.** If an Event of Default occurs with respect to either Party (the “**Defaulting Party**”) at any time during the term of this Agreement, the other Party (the “**Performing Party**”) may (a) designate by written notice delivered to the Defaulting Party a date, no earlier than the day such notice is effective and no later than twenty (20) days after such notice is effective, as the early termination date in respect of this Agreement, (b) suspend performance or withhold any payments or transfers of Carbon Allowances due in respect of this Agreement to the extent of its damages pursuant to this Article, (c) exercise its rights under Section 7.2 of this Agreement, and (d) exercise such other remedies as may be available at law or in equity or as otherwise provided in this Agreement including an action for damages (except as limited by Section 7.3) .

7.2 **Termination Payment.** In the event the Performing Party terminates this Agreement in accordance with Section 7.1 above, the Performing Party shall in good faith calculate its Gains or Losses and Costs resulting from the termination of this Agreement, aggregate such Gains,

Losses and Costs and any other amounts due under this Agreement into a single net amount (the “**Termination Payment**”), and then notify the Defaulting Party of the Termination Payment owed or owing. The Termination Payment is due to or due from the Performing Party as appropriate. The Party owing the Termination Payment shall pay the Termination Payment within three Business Days after the Defaulting Party’s receipt of notice of the amount of the Termination Payment. The Performing Party may from time to time set off any or all amounts which the Defaulting Party owes to it against any or all amounts which the Performing Party owes to the Defaulting Party (in either case, under any agreement and whether or not then due), provided that any amount not then due which is included in such set-off shall be discounted to present value as determined by the Performing Party in a commercially reasonable manner.

For purposes of this Section, the following terms apply:

“**Costs**” means, with respect to the Performing Party, brokerage fees, commissions and other similar third party transaction costs and expenses reasonably incurred by the Performing Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace this Agreement, and all reasonable attorneys’ fees and legal costs incurred by the Performing Party in connection with the termination of this Agreement.

“**Gains**” means, with respect to the Performing Party, an amount equal to the present value of the economic benefit, if any, (exclusive of Costs) to it resulting from the termination of this Agreement, as determined by the Performing Party in a commercially reasonable manner.

“**Losses**” means, with respect to the Performing Party, an amount equal to the present value of the economic loss, if any, (exclusive of Costs) to it resulting from the termination of this Agreement, as determined by the Performing Party in a commercially reasonable manner.

7.3 **Limitations of Liability.** THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. THE REMEDIES AND MEASURES OF DAMAGES SET FORTH IN THIS ARTICLE 7 ARE THE SOLE AND EXCLUSIVE REMEDIES AVAILABLE TO THE PARTIES HEREUNDER. THE PARTIES CONFIRM AND AGREE THAT UNDER THIS AGREEMENT, NO PARTY IS REQUIRED TO PAY OR IS LIABLE FOR SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, LOST PROFIT OR BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT, CONTRACT OR OTHERWISE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

7.4 **Adequate Assurance.** Should either Party have reasonable grounds to believe that the creditworthiness of the other Party has become unsatisfactory or the ability of the other Party to perform its obligations under this Agreement has become impaired, then the dissatisfied Party (the “**Requesting Party**”) may demand that the other Party (the “**Posting Party**”) provide assurance of its ability to perform its obligations hereunder in an amount determined by the Requesting Party in its commercially reasonable discretion. Such assurance may include (i)

posting of a letter of credit in favor of the Requesting Party by an issuing bank and in a form reasonably acceptable to the Requesting Party, (ii) posting of cash collateral with the Requesting Party, or (iii) providing other security reasonably acceptable to the Requesting Party. The Posting Party shall provide such assurance within two Business Days following demand by the Requesting Party.

7.5 **Waiver of Immunity**. Each Party waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction or order for specific performance or recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any suit, action, or proceedings relating to any dispute arising out of or in connection with this Agreement.

7.6 **Survival; Term**. This Article 7 survives termination of this Agreement. This Agreement is effective as of the date first above written and remains effective until the Delivery of the Contract Carbon Allowances and Seller's receipt of the Contract Price, or upon the termination of this Agreement pursuant to Article 7, except that, as set forth herein, certain terms remain effective after termination.

## ARTICLE 8 NOTICES

**Methods**. All notices, invoices, other formal communications which either Party may give to the other under or in connection with this Agreement must be in writing and sent by any of the following methods: hand delivery; reputable overnight courier; certified mail, return receipt requested; or, with respect to communications other than payments, by facsimile transmission. The communications must be sent to the following addresses, and are effective when received:

**If to MEA:**

Mercuria Energy America, LLC.  
20 East Greenway Plaza  
Suite 650  
Houston, TX 77046  
Attn: Adam Raphaely  
Email: araphaely@mercuria.com  
Phone: (203) 542-1426

Confirmations:  
Attn: Physical Confirmations  
Email: PhysConfirmsNA@mercuria.com  
Phone: 832-209-2495

Invoices:  
Attn: Settlements  
Email: PhysSettlementsNA@mercuria.com  
Phone: (832) 209-2494

**If to City of Needles:**

Attn:

Phone:

Invoices:

Attn:

Phone:

Email:

## **ARTICLE 9 GENERAL PROVISIONS**

- 9.1 **Entire Agreement and Amendments.** The terms of this Agreement constitute the entire agreement between the Parties with respect to the matters set forth herein and may be changed only by written agreement executed by the Parties.
- 9.2 **No Waiver.** No waiver by either Party of any one or more defaults by the other Party in the performance of any of the provisions of this Agreement operates or is to be construed as a waiver of any other default or defaults whether of a like kind or different nature. Any delay, short of the maximum statutory period of limitation, in asserting or enforcing any right under this Agreement is not deemed a waiver of such right.
- 9.3 **Waiver of Immunity.** Each Party waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction or order for specific performance or recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any suit, action, or proceedings relating to any dispute arising out of or in connection with this Agreement.
- 9.4 **Confidentiality.**
- (a) Except as provided in this Section 9.4, neither Party is permitted to publish, disclose, or otherwise divulge Confidential Information to any person at any time during or after the term of this Agreement, without the other Party's prior express written consent. Each Party may permit knowledge of and access to Confidential Information only to those of its Affiliates and its and their members, directors, managers, officers, attorneys, accountants, representatives, agents and employees that have a need to know related to this Agreement and agree to keep such information confidential.
  - (b) Notwithstanding the foregoing, if required by any law, statute, ordinance, decision, order or regulation passed, adopted, issued or promulgated, or if requested by a court, governmental agency or authority having jurisdiction over a Party, that Party may release Confidential Information, or a portion thereof, to the court, governmental agency or authority, as required or requested, provided that, if practicable, such Party has notified the other Party of the required disclosure, such that the other Party may attempt (if such Party so chooses) to cause that court, governmental agency, or authority to treat such information in a confidential manner and to prevent such information from being disclosed or otherwise becoming part of the public domain.
  - (c) For purposes of this Agreement, "**Confidential Information**" means all oral and written information exchanged between the Parties relative to the subject matter of this Agreement, including but not limited to the price, and all other material terms hereof. Notwithstanding the foregoing, the following does not constitute Confidential Information: (i) information which was already in a Party's possession on a non-confidential basis prior to its receipt from the other Party; (ii) information which is obtained from a third person who, insofar as is known to the Party, is not prohibited from transmitting the information to the Party by an obligation of confidentiality to the other Party; (iii) information which is or becomes publicly available through no fault of the Party; and (iv) information which is at any time independently developed by employees or consultants of a Party who have not had access to Confidential Information in the possession of that Party.

(d) This Section 9.4 survives for a period of one year following the termination of this Agreement.

- 9.5 **Governing Law and Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the principles of conflict of laws thereof, and jurisdiction for any dispute, proceeding or action instituted, initiated or arising under or out of the terms of this Agreement shall be proper in the Federal district courts located in the Borough of Manhattan, City of New York, State of New York. Each Party waives, to the fullest extent provided by applicable law, the right to a trial by jury in any dispute, proceeding or action instituted, initiated or arising under or out of this Agreement.
- 9.6 **Regulatory Change.** After the effective date and during the term of this Agreement, if any statute, rule, regulation, permit or authorization is enacted, amended, granted or revoked (including a final order of a court having jurisdiction) which has the effect of: (i) materially changing the ability of Seller to Deliver Contract CCIs to Buyer so that implementation of a transaction under this Agreement becomes illegal or impossible; or (ii) repealing the Applicable Law in its entirety so that the implementation of a transaction becomes impossible or impracticable; then, each such effect identified in clauses (i) and (ii) shall be considered a regulatory change (each a "Regulatory Change"). If a Regulatory Change occurs, the Parties shall for a period not to exceed thirty (30) calendar days meet, confer, and seek, in good faith, to amend this Agreement and/or the transaction(s) affected by such Regulatory Change to allow each Party to retain its respective benefits hereunder. If the Parties are unable to reach agreement on such an amendment, either Party may terminate the affected transactions upon written notice to the other Party. Neither Party shall take direct action to precipitate a Regulatory Change; provided, however, that a Party's membership in any trade association that may advocate legislation or regulations, or repeal or amendment thereof, from time to time shall not be deemed a breach of this covenant. If a transaction affected by the Regulatory Change is terminated as set forth in this Section 9.6 there shall be no further payment or performance obligation with respect to such terminated transaction except for such obligations that accrued prior to such termination.
- 9.7 **Recording.** Each Party may electronically record all telephone conversations with respect to this Agreement between their respective employees of the Parties, without any special or further notice to the other Party. Each Party shall obtain any necessary consent of its agents and employees to such recording. The Parties may not contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Agreement. However, nothing herein shall be construed as a waiver of any objection to the admissibility of such evidence.
- 9.8 **Headings.** The Article and Section titles in this Agreement are only for purposes of convenience and do not form a part of this Agreement and will not be taken to qualify, explain or affect any provision thereof.
- 9.9 **Assignment.** Neither Party may assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent may not be unreasonable withheld, conditioned, or delayed; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), (i) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements, (ii) transfer or assign this Agreement to an Affiliate of such Party which Affiliate's creditworthiness is equal to or higher than that of such Party, or (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets whose creditworthiness is equal to or higher than that of such Party; provided, however, that in each case, any such assignee agrees in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request.
- 9.10 **Counterparts.** This Agreement may be executed in one or more counterparts and by different Parties in separate counterparts, each of which will be deemed an original, but all of which will together constitute one instrument. The delivery of an executed counterpart to this Agreement by electronic means, including via email, is effective as the delivery of a manually executed counterpart.
- 9.11 **Compliance with Laws and Regulations.**

Notwithstanding anything to the contrary herein, nothing in this Agreement is intended, and nothing herein should be interpreted or construed, to induce require or facilitate either Party hereto to act in any manner

(including failing to take any actions in connection with a transaction) which is inconsistent with, penalized or prohibited by (i) such international sanction laws issued by the United Nations, Switzerland, the European Union, the United States of America or any other jurisdiction that may be applicable to that Party and/or (ii) any laws relating to human rights, labor (including child labor), money laundering, tax compliance, bribery, anti-slavery, trade controls, export controls, embargoes or international boycotts of any type applicable to that Party (together "the applicable Laws and Regulations").

In addition each Party hereby also represents, warrants, and covenants that, with respect to any activities undertaken in connection with this Agreement or transactions contemplated hereunder, it has not violated or failed, and will not violate or fail, to comply with or give disclosure lawfully ordered under any of the applicable Laws and Regulations and that all activities undertaken in connection with this Agreement can be fully performed (including making and receiving payment) without violating any of the applicable Laws and Regulations.

Each Party represents that neither it nor any of its affiliates is an individual or entity (or is owned or controlled by or acting for or on behalf of an individual or entity) with whom transactions of the kind envisaged by this Agreement are currently prohibited or restricted under the applicable Laws and Regulations, including by reason of being included on any list of restricted entities, persons or organizations published by the United States of America government, the Swiss State Secretariat for Economic Affairs, the United Nations or the European Union or any member state of the European Union (a "Sanctioned Entity").

If a Party breaches any of its obligations under this provision or if it or any of its affiliates becomes a Sanctioned Entity, the other Party shall have the right of unilateral full or partial termination or suspension of this Agreement or any transactions entered into hereunder by written notice to such other Party and no liability will be applied to the terminating Party for such early termination and/or suspension of this Agreement. The Party in breach of its obligations shall be liable for any losses and damages suffered by the terminating Party as a result thereof.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement for the Purchase and Sale of California Carbon Allowance, to be duly executed and delivered by their duly authorized officers or individuals, as of the day and year first above written.

**MERCURIA ENERGY AMERICA, LLC**

**CITY OF NEEDLES**

By: *Kemyia Austin*

By: *Rainie Torrance*

Name: Kemyia Austin

Name: Rainie Torrance

Title: Confirmations, Margining, Trade  
Support Manager

Title: Utility Manager

Date: 10/30/2025

Date: 10/30/2025