

**WCI COMPLIANCE INSTRUMENTS PURCHASE AND SALE AGREEMENT**  
**(the "Agreement")**

<b>Seller:</b>	<b>CP Energy Marketing (US) Inc.</b>	Address: Suite 2500, 215- 2nd Street SW Calgary, Alberta, Canada T2P 1M4
<b>Seller Contact:</b>	Contact Name: James Renouf Director, Environmental Portfolio ON & US	Phone: (403) 717-8934 Email: <a href="mailto:jrenouf@capitalpower.com">jrenouf@capitalpower.com</a>  With a copy of legal notices to: <a href="mailto:notices@capitalpower.com">notices@capitalpower.com</a>
<b>Buyer:</b>	<b>City of Needles</b>	Address: 817 Third Avenue Needles, CA 92363
<b>Buyer Contact:</b>	Contact Name: Rainie Torrance	Phone: (760) 326-2115 x 140 Email: <a href="mailto:rtorrance@cityofneedles.com">rtorrance@cityofneedles.com</a>
<b>Product:</b>		
<b>Tranche 1:</b>	Vintage 2023 or earlier Allowances eligible for use as compliance instruments for the California Cap and Trade Program, 17 CCR Division 3, Subchapter 10, Article 5.	
<b>Tranche 2:</b>	Golden CCOs eligible for use as compliance instruments for the California Cap and Trade Program, 17 CCR Division 3, Subchapter 10, Article 5. (Non-DEBS)	
<b>Quantity:</b>		
<b>Tranche 1:</b>	30,724 CCAs	
<b>Tranche 2:</b>	903 Golden CCOs Non-DEBS Compliant	
<b>Purchase Price:</b>		
<b>Tranche 1:</b>	US\$36.20/CCA	
<b>Tranche 2:</b>	US\$16.25/Golden CCO Non-DEBS Compliant	
<b>Delivery Date:</b>	Within three (3) Business days after Payment	
<b>Payment Date:</b>	On or before June 28, 2024	
<b>Applicable Registry:</b>	CITSS (Compliance Instrument Tracking System Service)	
<b>Purchase and Sale Obligation:</b>	Seller shall sell and initiate delivery to Buyer, and Buyer shall purchase, accept delivery from Seller and pay Seller for, the Quantity of Product multiplied by the purchase price for each Tranche.	
<b>Transfer of Product:</b>	Seller shall initiate transfer of the Product to Buyer via the Applicable Registry by the Delivery Date. Buyer shall accept transfer in accordance with registry rules. Delivery and title transfer shall be deemed complete upon transfer of Product to Buyer's CITSS account.	
	<u>Buyer's CITSS Account Information:</u> Name: <b>City of Needles</b> CITSS Account No.: <b>CA1456</b> Entity Reference Code: <b>69639180</b>	<u>Seller's CITSS Account Information:</u> Name: CP Energy Marketing (US) Inc. Account No.: CA2050-2386 (General) Entity Reference Code: 58976845
<b>Payment:</b>	Buyer shall pay Seller the Purchase Price times the Quantity for each Tranche by the Payment Date. All funds to be paid to Seller shall be rendered in the form of immediately available funds (U.S. Dollars) by wire transfer or in such other form as agreed to by the parties. If either party fails to remit any amount payable by it when due, interest on such unpaid portion shall accrue at a rate equal to the prime interest rate in effect at the time as published in <i>The Wall Street Journal</i> plus two percent (2%) from the date	

	payment is due to the date of payment.
<b>Invalidation Communications and Product Replacement:</b>	<p><u>If the Product is a Golden CCO, the following terms apply:</u></p> <p>(a) <u>Invalidation Communication.</u> In the event Buyer receives any communication from the ARB indicating a potential that some or all of the CCOs Delivered to Buyer have been or may be Invalidated, Buyer will notify Seller within five (5) Business Days of receipt of such communication, and reasonably cooperate with Seller to the extent Seller desires to submit additional information to ARB or take other action in order to preserve the validity of the CCOs.</p> <p>(b) <u>Effect of Invalidation.</u> If the ARB Invalidates all or a portion of the CCOs or any replacement CCOs delivered to Buyer pursuant to this Agreement (and assuming Buyer is not in Default), then:</p> <p>(i) Buyer shall Notify Seller of such Invalidation within five (5) Business Days after receiving notice of the Invalidation; and</p> <p>(ii) Seller shall Deliver to Buyer within sixty (60) Business Days' notice from the Buyer pursuant to Section 1.4(b)(i) above Replacement CCOs equal to the volume of the CCOs so Invalidated; provided, however, if the product Invalidated is Replacement CCOs, Seller shall deliver within sixty (60) Business Days' notice from the Buyer pursuant to Section 1.4(b)(i) above Replacement CCAs equal to the volume of the Replacement CCOs so Invalidated. If the product invalidated is a DEBS compliant CCO, any Replacement CCOS shall be DEBS compliant.</p> <p>(c) <u>Right to Invalidated Contract Instruments.</u> To the extent Seller delivers replacement CCOs and/or CCAs to Buyer pursuant to Section 1.4(b)(ii) above, any and all rights to CCOs so replaced shall automatically revert to Seller to the maximum extent allowed by law.</p> <p>(d) For the purposes of this Agreement, the term "Invalidate" or "Invalidation" means, with respect to CCOs, a final determination by the Executive Officer pursuant to Section 95985(f) of the California Cap and Trade regulations that a CCO is invalid and the removal of such CCO from any holding or compliance account.</p>
<b>General Terms and Conditions:</b>	<p><u>Definitions and Interpretations.</u> Terms used in this Agreement not otherwise defined shall have the meanings set forth in the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms regulation (being Subchapter 10 Climate Change, Article 5, Sections 95800 to 96023, Subchapter 10, Chapter 1, Division 3, Title 17, California Code of Regulations) promulgated and adopted by ARB effective January 1, 2012, as amended from time to time (the "<b>Cap and Trade Regulations</b>") or if not defined therein, shall be interpreted as commonly used for agreements for the sale of CCOs for use in compliance pursuant to the Cap and Trade Regulations.</p> <p><u>Representations and Warranties.</u> Each Party represents and warrants to the other Party as of the date of this Agreement, as of each transfer of Product, and as of each payment hereunder as follows: (i) 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; (ii) it has all necessary power and authority to execute, deliver, and perform its obligations hereunder; (iii) the execution, delivery, and performance of this Agreement by such Party have been duly authorized by all necessary action and do not violate any of the terms or conditions of its governing documents, any contract to which it is a party, or any law applicable to it; and (iv) is a registered account for/in CITSS with full right to transfer the Products among accounts.</p> <p><u>Additional Representation and Warranties of Seller.</u> Seller represents and warrants to Buyer that as of and at the time of each transfer hereunder: (i) each Product meets the specifications set forth in this Agreement and the legal requirements applying to such Product; (ii) Seller has good and marketable title</p>

to the Product; and (iii) all right, title and interest in and to the Product delivered is free and clear of any liens, taxes, claims, security interests, or other encumbrances. Except for the express representation and warranties set out in this Agreement, the SELLER EXPRESSLY NEGATES AND DISCLAIMS ANY OTHER REPRESENTATION OR WARRANTY, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE.

**Event of Default.** For purposes of this Agreement, a party shall be in default (each of the following, an “**Event of Default**”): (i) if that party fails to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within five (5) business days of written notice from the other party; (ii) if that party materially breaches any or all of its obligations under this Agreement and such breach is not cured within ten (10) business days of written notice of such breach from the other party; (iii) if any representation or warranty made by a party pursuant to this Agreement proves to have been misleading or false in any material respect when made and such party does not cure the underlying facts so as to make such representation and warranty correct and not misleading within ten (10) business days of written notice from the other party; or (iv) if a party, (a) makes an assignment or any general arrangement for the benefit of its creditors; (b) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors; (c) has a petition filed against it, and such petition is not dismissed within sixty (60) days; or (d) otherwise becomes bankrupt or insolvent (however evidenced).

**Remedies upon Default.** If either Party is in default, the non-defaulting party may select any or all of the following remedies: (i) upon two (2) business days’ written notice to the defaulting party, terminate this Agreement, (ii) withhold any payments and deliveries due in respect of this Agreement, and (iii) exercise such other remedies available at law or in equity.

If Buyer is in default and Seller elects to terminate this Agreement, then Buyer shall pay Seller, within ten (10) business days of invoice receipt, an amount equal to the sum of (i) the Contract Price multiplied by the quantity for any Products delivered to Buyer for which Seller has not been paid, and (ii) the positive difference, if any, obtained by subtracting the market price, as reasonably determined by Seller, for the Product from the Contract Price multiplied by the remaining balance of the Quantity of Product not received, plus reasonable third party fees (including broker fees) and legal costs incurred by Seller in enforcement and protection of its rights under this Agreement.

If Seller is in default and Buyer elects to terminate this Agreement, then Seller shall pay Buyer, within ten (10) business days of invoice receipt, an amount equal to the positive difference, if any, obtained by subtracting the Contract Price from the market price, as reasonably determined by Buyer, for the Product multiplied by the remaining balance of the Quantity of Product not delivered, plus reasonable third party fees (including broker fees) and legal costs incurred by Buyer in enforcement and protection of its rights under this Agreement. In no event does the foregoing relieve Buyer of its obligation to pay Seller the Contract Price multiplied by the quantity for any Product delivered to Buyer for which Seller has not been paid, but only to the extent such Product is of like kind and vintage as described above and are consistent with Seller’s warranties set forth herein.

**Limitations of Liability.** IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR SPECIAL, PUNITIVE, INCIDENTAL, INDIRECT, EXEMPLARY, OR CONSEQUENTIAL DAMAGES OF ANY NATURE WHATSOEVER, INCLUDING LOSS OF PROFITS (EXCEPT TO THE EXTENT THAT ANY DIRECT DAMAGES INCLUDE AN ELEMENT OF PROFIT).

**Confidentiality.** “**Confidential Information**” means all oral and written information provided by either party as “Provider” to the other party as “Recipient” with respect to the subject matter of this Agreement, including, without limitation, the terms of this Agreement. The following information does not constitute Confidential Information for purposes of this Agreement: (i) Provider’s information that is or becomes generally available to the public other than as a result of a disclosure by Recipient in violation of this Agreement; (ii) Provider’s information that was already known by Recipient on a non-confidential basis prior to this Agreement; or (iii) Provider’s information that becomes available to Recipient on a non-confidential basis from a source other than the Provider if such source was not known by the Recipient to be subject to any prohibition against disclosing the information to such party. Except as provided in

this Section, neither party shall publish, disclose, or otherwise divulge the other party's 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 shall permit knowledge of and access to the other party's Confidential Information only to those of its affiliates, officers, members, directors, contractors, consultants, attorneys, accountants, representatives, agents, investors, financing parties and employees who have a need to know related to the implementation of this Agreement (collectively, the "**Representatives**"). Recipient shall be responsible for any breach of this Agreement by its Representatives. If required by any law, statute, ordinance, decision, order or regulation passed, adopted, issued or promulgated 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 by the applicable law, statute, ordinance, decision, order or regulation, provided that such party has notified the other party of the required disclosure (if permitted by applicable law) so that the other party may take such action as the other party deems advisable to cause such court, governmental agency, authority or accountant to treat such information in a confidential manner and to prevent such information from being disclosed or otherwise becoming part of the public domain. This Section shall survive for a period of one (1) year following the expiration of this Agreement.

Notices. All notices, demands, and other communications hereunder shall be effective only if given in writing and shall be deemed given: (i) when delivered in person; (ii) when delivered by private courier (with confirmation of delivery); (iii) when transmitted by facsimile or email facsimile (with confirmation of transmission); or (iv) five (5) business days after being deposited in the United States mail (or Canada Post, as applicable), first-class, registered or certified, return receipt requested, with postage paid. For purposes hereof, all notices, demands and other communications shall be sent to the contacts and addresses above (or to such other address furnished in writing by one party to the other party).

Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Neither party may transfer or assign this Agreement, in whole or in part, without the other party's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed; provided, however, that the other party's prior written consent shall not be required for a party's assignment to an affiliate.

Amendment. This Agreement may be amended at any time, but only by a written agreement signed by both parties.

No Waiver. No delay or omission by a party in the exercise of any right under this Agreement shall be taken, construed, or considered as a waiver or relinquishment thereof. If any of the terms and conditions herein are breached and thereafter waived in writing by a party, such waiver is limited to the particular breach so waived and is not deemed to waive any other breach hereunder.

Severability. If any provision or portion of this Agreement is found to be unenforceable, the remainder shall be enforced as fully as possible, and the unenforceable provision shall be deemed modified to the limited extent required to permit its enforcement in a manner most closely representing the intention of the Parties as expressed herein.

Complete Agreement. This Agreement represents the parties' final and mutual understanding concerning its subject matter. It replaces and supersedes any prior agreements or understandings, whether written or oral.

Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of New York, excluding any choice of law or conflicts of law rules or principles that would result in application of the laws of a different jurisdiction.

Dispute Resolution. The Parties irrevocably and unconditionally agree that any and all actions, suits, or other legal proceedings shall be brought only in a state or federal court located in the Southern District of New York and consent to the exclusive jurisdiction of such courts in such legal proceedings. EACH PARTY HEREIN WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY TRANSACTIONS.



Counterparts and Electronic Signatures. This Agreement may be signed electronically, including through DocuSign™ and similar applications. This Agreement may be signed in any number of counterparts (including counterparts by scanned or Electronic Signature) and each counterpart will be deemed an original; taken together, all counterparts will be deemed to constitute one and the same instrument. Delivery of a printed counterpart (whether or not the counterpart was signed electronically) and electronic delivery (including by email transmission or transmission over an electronic signature platform) of an executed counterpart of this Agreement are each as valid, enforceable and binding as if the signatures were upon the same instrument and delivered in person.

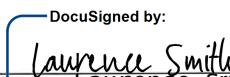
Forward Contract. This Agreement constitutes a “forward contract”, and each party represents and warrants that it is a “forward contract merchant” within the meaning of the United States Bankruptcy Code.

By signing below, the parties agree to be bound by the terms and conditions contained in this Agreement.

**Buyer: City of Needles**

By:   
 Name: Patrick Martinez  
 Title: City Manager  
 Date: 6/13/2024

**Seller: CP Energy Marketing (US) Inc.**

DocuSigned by:  
 By:   
 Name: Laurence Smith  
 Title: Director, Commodities, ON/US  
 Date: 6/13/2024

APPROVALS	
Originator	
Legal	
Risk	
Credit	
Contracts	