ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NUMBER FOUR (4) TO THE POWER PUCHASE AGREEMENT BETWEEN THE CITY AND CORE SCIENTIFIC INC., A DELAWARE CORPORATION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Denton ("City") owns and operates an electric utility which provides electric energy and related services to all customers within Denton Municipal Electric's ("DME)" Public Utilities Commission of Texas (PUCT) certificated jurisdiction; and

WHEREAS, the City and Core Scientific, Inc entered into a Power Purchase Agreement ("PPA") dated September 3, 2021 for the City's provision of electric energy and related services to a to-be-constructed data center on property to be leased from the City; and

WHEREAS, the City and Core Scientific, Inc. entered into the third amendment to the (PPA) ("Amendment No. 2") on August 20, 2024 to permit the conversion from cryptocurrency mining to High Performance Computing (HPC) for Phase III of the project, which is incorporated herein; and

WHEREAS, Core Scientific intends to convert the remainer of the project to HPC and to add additional electrical demand capacity to the project; and

WHEREAS, the City and Core Scientific have agreed to terms and conditions for Amendment Number 4 to the PPA ("Amendment No. 4") as Exhibit "A" and incorporated herein for all purposes; and

WHEREAS, the City Council further finds that Amendment No. 3 to the Lease is in the best interest of the customers of Denton Municipal Electric, and

WHEREAS, the City and Core Scientific, Inc. have agreed to terms and conditions to the first amendment to the PPA (Amendment No. 1) as Exhibit "A" and incorporated herein for all purposes; and

WHEREAS, the City Council finds that Amendment No. 4 to the PPA should be sealed and exempted from public disclosure, as permitted by the provisions of §552.133 of the Texas Government Code, as a document that is reasonably related to a competitive electric matter, the disclosure of which would provide an advantage to the competitors or prospective competitors of the City's municipal electric operation ("Competitive Information"); and

WHEREAS, the City Council finds that it is in the public interest that it exercises its right under the Texas Government Code to lawfully safeguard and keep Amendment No. 4 to the PPA sealed, as it contains competitive electric commercial and financial information; and

WHEREAS, the City Council finds that it is in the public interest that a copy of Amendment No. 4 to the PPA, redacted of Competitive Information, be made available to the public; and

WHEREAS, the City Council further finds that Amendment No. 4 to the PPA is in the best interest of the customers. NOW, THEREFOR,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The recitations contained in the preamble of this ordinance are incorporated herein by reference as findings of the City Council.

SECTION 2. The City Council approves and authorizes the City Manager, or their designee, and City Secretary, or their designee, to execute, attest and deliver, respectively, Amendment No.4 to the PPA, attached as Exhibit "A", with Core Scientific, Inc.

SECTION 3. The City Council approves and authorizes the City Manager, or their designee, to take such additional actions as the City Manager, or the designee, determines to be necessary and advisable to continue to effectuate the purpose, terms, and conditions of Amendment No. 4 to the PPA.

SECTION 4. Immediately following the execution, attestation, and delivery of Amendment No. 4 to the PPA, the City Secretary is directed to seal and maintain the PPA in their custody and control, as documents excepted from public disclosure under the provisions of Texas Government Code, Section 552.133 unless otherwise lawfully ordered to disclose said documents.

SECTION 5. A copy of Amendment No. 4 to the PPA, redacted of Competitive Information, attached Exhibit "B", shall be available to the public for inspection and copying. Absent lawful order, the Amendment No. 4 to the PPA and the original PPA shall not be available for public inspection or copying and will be sealed as provided for in the preceding section.

SECTION 6. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____, the ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Paul Meltzer, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6,	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2024.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THOEDEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Marcella Lunn _____

Amendment No. 4 to Power Purchase Agreement between the City of Denton, dba Denton Municipal Electric and Core Scientific, Inc.

This Amendment No. 4 to Power Purchase Agreement (this "**Amendment**"), is made as of _____, 2024, by and between the City of Denton, Texas, dba Denton Municipal Electric, a Texas municipal corporation and home-rule city, acting by and through its City Council with its principal place of business at 215 E. McKinney Street, Denton, Texas 76201 ("**Seller**"), and Core Scientific Inc., a Delaware corporation with its principal place of business at 2407 S. Congress Ave Ste. E-101, Austin, TX 78704-5505 ("**Buyer**" and, together with Seller, collectively, the "**Parties**" and, each, individually, a "**Party**").

W I T N E S S E T H:

WHEREAS, Seller and Buyer entered into that certain Power Purchase Agreement, dated September 3, 2021 as amended by those certain amendments dated July 13, 2023 and August 21, 2023 and August 22, 2024 (the "**Agreement**"; capitalized terms used but not defined herein shall have the meaning set forth in the Agreement), pursuant to which Buyer is completing the Project on property leased from Seller pursuant to the Lease Agreement (as defined herein);

WHEREAS, Seller and Buyer are parties to that certain Lease Agreement dated September 3, 2021 (as amended, and as may be further amended from time-to-time, the "**Lease Agreement**"), pursuant to which Seller is leasing certain property to Buyer;

WHEREAS, Buyer intends to convert Phase I, and II of the Project to High Performance Computing ("HPC") configuration to support non-cryptocurrency applications;

WHEREAS, Buyer intends to add Phase IV to the Project which will consume up to an additional 94 MWs;

WHEREAS, Buyer and Seller have completed the interconnection infrastructure for Phases I, II and III the Project,

WHEREAS, the HPC operation requires significant battery energy storage capacity to ensure power quality is maintained at all times and such battery storage will be used exclusively by Buyer for HPC reliability.

WHEREAS, Seller desires to provide electric service to all phases of HPC operations under the commercial terms agreed to by Seller and Buyer in Amendment No. 3.

NOW, THEREFORE, the Parties hereto, for good and sufficient consideration, the receipt of which is hereby acknowledged, intending to be legally bound, do hereby agree to amend the Agreement as follows:

I. **AMENDMENTS.** The Agreement is hereby amended as follows:

1. The following new definitions are added to Section 1.1 of Article 1 of the Agreement:

> ***"Phase IV"*** means a 138kv high voltage electrical interconnection providing incremental Capacity to transmit volumes of Energy to the HPC operation of the Project such that Buyer is able to receive up to an additional [redacted], unless the Parties mutually agree otherwise.
>
> ***"High Performance Computing" or "HPC"*** means the non-cryptocurrency data center operations of the Project.
>
> ***"HPC Scheduled Outage"*** means a planned outage of any HPC equipment for routine maintenance or for scheduled maintenance.

2. Article 3, Section 3.1, Retail Products is replaced in its entirety with the following:

> The "**Retail Products**" to be delivered and sold by Seller and received and purchased by Buyer under this Agreement are Energy and Ancillary Services, in accordance with the terms hereof, in an amount equal to the full electric service demand of the Project, not to exceed the maximum capacity as certified by Seller for each of Phase I, Phase II or Phase III or Phase IV following the completion of each such Phase or the conversion of each Phase from cryptocurrency operation to HPC operation.

3. Article 3, Section 3.4, Contract Price is replaced in its entirety with the following:

> Buyer shall pay Seller the ERCOT Settlement Amounts and the Non-ERCOT Amounts, in each case, as set forth in Exhibit A for any Retail Product used for cryptocurrency mining operations or the Price of Retail Products for HPC as set forth in Exhibit O, Section 4 for any Retail Product used for HPC operations.

4. A new Section 3.9(d) is added as follows:

(d) For all HPC operations, Buyer shall notify Seller of incidences impacting the ability of the HPC operations to consume Retail Products.

(i) as soon as practical with respect to any forced outages or greater than 10 MW that are estimated to last for more than two (2) hours. Such notice shall be provided to Sellers QSE desk via telephone consistent with procedures developed between Buyer and Seller and documents in the Operating Procedures (Exhibit J).

(ii) For HPC Scheduled Outages, Buyer shall notify Seller in writing as soon as practicable but no later than two weeks prior to the beginning of the HPC Scheduled Outage. The notice of such HPC Scheduled Outages shall include the date and time of the beginning and end of the HPC Scheduled Outage, the reduction in the consumption of the Retail Products for each hour of the HPC Scheduled Outage expressed in MWs per hour, the Phase impacted by the HPC Scheduled Outage and the breaker circuit(s) impacted. Changes to the HPC Scheduled Outage after initial notification to Seller shall be made as soon as possible and via telephone to Seller's QSE desk.

5. Article 3, Section 3.11 is amended by adding the phrase "for all cryptocurrency operations" to the end of the first sentence.

6. Article 3, Section 3.15 (a) (iv) is replaced in its entirety with the following:

(iv) Secure all Governmental Approvals and other approvals necessary for the construction and initial operation and maintenance of the Project and Phases II, III, and IV of the Seller's Interconnection Facilities.

7. Article 3, Section 3.16 (a) is replaced in its entirety with the following:

(a) In designing and constructing Phases II, III, and IV of the Seller's Interconnection Facilities, Buyer shall comply with (i) the Technical Specifications for Substation Construction Services set forth in Exhibit H and (ii) any other design specifications provided by Seller.

8. A new Section 3.20 is added as follows:

3.20 Phase IV Transmission Interconnection and Commercial Operation.

a) Buyer is responsible for all design, costs and construction associated with the interconnection of Phase IV to the Sellers transmission system. Buyer understands that the addition of Phase IV without improvements to the ERCOT transmission system (including the Seller's transmission system) will cause overloads of certain transmission elements and will thus require transmission system upgrades to abate such overloads. The provision of Retail Products to Buyer for Phase IV are conditioned upon the following.

i. Approval by the Regional Planning Group (the "RPG") of options to abate modeled overloads.

ii. Approval by ERCOT of the recommended ERCOT transmission system improvements by the RPG.

iii. Construction of the ERCOT approved ERCOT transmission system improvements by the responsible transmission owners.

b) Seller makes no representation of the ability of transmission system owners to complete required ERCOT system transmission upgrades necessary to enable delivery of the Retail Products to Phase IV.

c) Seller will take Commercially Reasonable actions to cooperate with transmission system owners that are required to undertake transmission system improvements necessary for Seller to deliver the Retail Products for Phase IV.

d) Seller's obligation to make ERCOT system transmission system improvements is conditioned upon ERCOT approval and consent by the impacted transmission system owners to make the required transmission system improvements on their transmission systems necessary to enable reliable delivery of the Retail Products to Phase IV.

e) Seller is under no obligation to provide the Retail Products until all ERCOT transmission system improvements have been to enable reliable delivery of the Retail Products to Phase IV.

9. Article 3, Section 3.19 (c) is replaced in its entirety with the following:

(c) take Commercially Reasonable step to ensure such upgrade are approve through the ERCOT RPG process with a targeted commercial operation date prior to [redacted].

10. Article 4, Section 4.1 (b) shall be replaced in its entirety with the following:

(b) Seller will design, procure, install and test all metering equipment required for Phase I. For Phases II, III, and IV, Seller will provide metering and wiring (other than the full-sized CT which will be procured by Buyer as set forth below) and will install such equipment in the Seller's control building(s) in the Jim Christal Substation. Metering PT/CT for Phases II, III, and IV will be supplied by Seller. For Phase IV, full sized CT/PC will be procured and installed by Buyer, or Buyer's contractor in the Seller's switchyard of the Jim Christal Substation or in Buyer's substations as determined cooperatively between Buyer and Seller. All equipment not supplied by Seller shall be in accordance with Seller specifications. Buyer shall reimburse Seller for any and all costs and expenses incurred in procuring and installing the metering equipment pursuant to this Article 4.

11. A new subsection to Article 7, Section 7.1 shall be added as follows:

(d) For all HPC operations, the billing payment provision of Exhibit O shall apply.

12. Exhibit K is hereby deleted and replaced in its entirety by Exhibit K attached hereto.

13. Exhibit O is hereby deleted and replaced in its entirety by Exhibit O attached hereto.

II. **EFFECTIVENESS OF THIS FOURTH AMENDMENT.** The Parties hereby acknowledge that, as of the date of execution of this amendment, it shall become effective.

III. **CONFLICTS.** In the event of a conflict or ambiguity between the Initial Lease and this Amendment, the terms of this Amendment shall control.

IV. **NO FURTHER AMENDMENTS**. Except as amended hereby, the Initial Lease remains unchanged and all provisions shall remain fully effective between the Parties.

V. **BINDING EFFECT; NO PARTNERSHIP**. The provisions of this Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. Nothing herein contained shall be deemed to create a partnership or joint venture between any of the Parties.

VI. **GOVERNING LAW**. This Amendment shall be governed by the laws of the State of Texas, without giving effect to its conflicts of law rules which would result in the application of laws of another jurisdiction.

VII. **HEADINGS**. The headings contained in this Amendment are intended solely for convenience and shall not affect the rights of the Parties to this Amendment.

VIII. **COUNTERPARTS**. This Amendment may be (i) executed in any number of separate counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one instrument; and (ii) delivered by executed counterpart of a signature page in original, portable document format (PDF), facsimile, email, or other electronic means and any Party delivering in such a manner shall be legally bound.

IX. **SEVERABILITY**. The provisions of this Amendment are severable, and if any one clause or provision hereof shall be held invalid or unenforceable in whole or in part, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, and not any other clause or provision of this Amendment.

X. **NO THIRD PARTY BENEFICIARY**. Nothing contained herein is intended to be for, or to inure to, the benefit of any person other than the undersigned and their respective successors and permitted assigns, except as otherwise expressly provided in this Amendment.

[Signatures follow]

IN WITNESS WHEREOF the Parties have executed this Agreement in the manner appropriate to each on the date set forth above.

"SELLER'
The City of Denton d/b/a Denton Municipal Electric

By:_____

Name: Sara Hensley
Title: City Manager

ATTEST: LAUREN THODEN
CITY SECRETARY

By:_____

APPROVED AS TO LEGAL FORM:
MACK REINWAND
CITY ATTORNEY

By:_____

"**BUYER**"

Core Scientific Inc.

By:_____

Name: _____
Title: _____

APPROVED AS TO LEGAL FORM:

By: Marcella Lunn

Name: _____Marcella Lunn_____
MACK REINWAND, CITY
ATTORNEY

THIS AMENDMENT HAS BEEN BOTH REVIEWED AND APPROVED
As all terms, including all financial and operational obligations and business terms.

Signature

Antonio Puente
General Manager
Denton Municipal Electric

Date Signed: _____

Exhibit K

INTERCONNECTION AGREEMENT

BETWEEN

DENTON MUNICIPAL ELECTRIC

AND

CORE SCIENTIFIC, INC.

INTERCONNECTION AGREEMENT
BETWEEN
DENTON MUNICIPAL ELECTRIC
AND
Core Scientific, Inc.

This Agreement is made and entered into this _____, by and between Denton Municipal Electric ("Utility" or "DME") and Core Scientific, Inc. ("Company") each sometimes hereinafter referred to individually as "Party" or both referred to collectively as "Parties".

WITNESSETH

WHEREAS, the Parties desire to interconnect their respective electric systems in the respects and under the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and conditions herein set forth, the Parties agree as follows:

ARTICLE I – EFFECTIVE DATE AND TERM

This Agreement shall become effective on the date Commercial Operations Date as defined in the Power Purchase Agreement (PPA) of Denton City Council approval and shall continue in effect thereafter until all Facility Schedules in this Agreement have been terminated, or this Agreement in its entirety has been terminated, each in accordance with the terms of this Agreement. This Agreement shall also terminate when the PPA terminates.

ARTICLE II – OBJECTIVE AND SCOPE

2.1 It is the intent of the Parties, by this Agreement, to state the terms and conditions under which the Parties' electric systems will be interconnected and to identify the facilities and equipment provided by each Party at the Points of Interconnection.

2.2 This Agreement shall apply to the ownership, design, construction, control, operation, and maintenance of those facilities that are specifically identified and described in the Facility Schedules.

ARTICLE III – DEFINITIONS

For purposes of this Agreement, the following definitions shall apply:

3.1 Agreement shall mean this Agreement with all schedules and attachments hereto, and any schedules and attachments hereafter added by amendment to this Agreement.

3.2 ANSI Standards shall mean the American National Standards Institute Standards in effect at the time a new Point of Interconnection is constructed.

3.3 ERCOT shall mean the Electric Reliability Council of Texas, Inc., or its successor in function.

3.4 ERCOT Requirements shall mean the ERCOT Operating Guides, ERCOT Protocols, as well as any other binding documents adopted by ERCOT relating to the interconnection and operation of electric systems in ERCOT, including any amendments of those Guides, Protocols, and binding documents that are adopted by ERCOT from time to time, and any successors thereto.

3.5 Facility Schedule(s) shall mean the addendum(s) attached to and made a part of this Agreement that describe the responsibilities of the Parties at, or in association with, the Point(s) of Interconnection, including, but not limited to, with respect to ownership, design, construction, control, operation, and maintenance.

3.6 Good Utility Practice shall have the meaning ascribed thereto in PUCT Rule 25.5(56) or its successor.

3.7 IEEE Standards shall mean the Institute of Electrical and Electronic Engineers Standards in effect at the time a new Point of Interconnection is constructed.

3.8 NERC shall mean the North American Electric Reliability Corporation or its successor in function.

3.9 NERC Reliability Standards shall mean the electric reliability standards enforced by NERC and applicable to the Parties to this Agreement.

3.10 NESC shall mean the National Electrical Safety Code in effect at the time a new Point of Interconnection is constructed.

3.11 Person shall mean any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity.

3.12 Point(s) of Interconnection shall mean the points of interconnection specified in Annex A and described in the Facility Schedule(s) where the electrical systems of the Parties are connected or may, by the closure of normally open switches, be connected, such that electric power may flow in either direction.

3.13 PPA shall mean the Power Purchase Agreement between The City of Denton d/b/a Denton Municipal Electric and Core Scientific, Inc. dated September 3, 2021 and all amendments thereto.

3.14 PUCT shall mean the Public Utility Commission of Texas or its successor in function.

ARTICLE IV – ESTABLISHMENT, MODIFICATION, AND TERMINATION OF POINTS OF INTERCONNECTION

4.1 The Parties agree to interconnect their facilities at each Point of Interconnection in accordance with the terms and conditions of this Agreement.

4.2 The Parties agree to cause their facilities being newly constructed after the effective date of this Agreement, in conjunction with the establishment of a new Point of Interconnection, to be designed and constructed in accordance with (a) Good Utility Practice, (b) applicable laws and regulations, (c) the applicable provisions of the NERC Reliability Standards and ERCOT Requirements, and (d) the applicable provisions of the following standards in effect at the time of construction of this Point of Interconnection: NESC, ANSI Standards, and IEEE Standards.

4.3 With respect to Points of Interconnection newly constructed after the Effective Date of this Agreement, each Party will design its system protection facilities to isolate any fault occurring on its system that would negatively affect the other Party's system at such Point of Interconnection in accordance with applicable ERCOT Requirements and NERC Reliability Standards. The protection schemes used by the Parties at that Point of Interconnection will be determined by both Parties in a cooperative effort to achieve system coordination. Prior to commissioning that Point of Interconnection, both Parties will perform a complete calibration test and functional trip test of their respective system protection equipment including communication circuits between facilities.

4.5 A Point of Interconnection may be added to or deleted from this Agreement or have its normal status changed (closed or open) as mutually agreed by the Parties, in accordance with applicable laws and regulations, or as ordered by a regulatory authority having jurisdiction thereof. Prior to such addition, deletion, or status change of a Point of Interconnection, the Parties shall engage in coordinated joint planning studies to evaluate the impact of such addition, deletion, or status change and identify any mitigation measures (including but not limited to new or upgraded facilities) that might be needed in conjunction therewith. Such Point of Interconnection will not be connected, disconnected, or the normal status changed until the evaluation process described in the preceding sentence has been completed, all required mitigating measures have been implemented, any required regulatory approval has been obtained, and the appropriate Facility Schedule has been added, terminated, or amended, as the case may be. In the event a Point of Interconnection is deleted from this Agreement in accordance with this paragraph, each Party shall disconnect its facilities at such Point of Interconnection. Further, each Party will discontinue use of the facilities of the other Party associated with such Point of Interconnection, except to the extent mutually agreed by the Parties.

ARTICLE V - SYSTEM OPERATION AND MAINTENANCE

5.1 The Parties agree to cause their facilities at each Point of Interconnection, and their other facilities having, or which may reasonably be expected to have, an impact upon the facilities of the other Party to be operated and maintained in accordance with Good Utility Practice, applicable laws and regulations, and the applicable provisions of the ERCOT Requirements and NERC Reliability Standards.

5.2 If either Party proposes to make equipment changes or additions to (a) its equipment at a Point of Interconnection (including its system protection equipment) or (b) its system protection equipment at any other location that may affect the operation or performance of the other Party's facilities at a Point of Interconnection ("Changes"), such Party agrees to notify the other Party, in writing, in advance of making such proposed Changes, and the Parties will coordinate and cooperate on the assessment of the impact of such Changes on the electric systems of the Parties and the identification of any required mitigation measures (including but not limited to new or upgraded facilities). Those Changes will not be made until the required aforementioned mitigation

measures have been implemented. The Parties will communicate with each other with respect to other equipment changes or additions in accordance with the ERCOT Requirements and NERC Reliability Standards.

5.3 A Party may interrupt service at a Point of Interconnection in accordance with applicable laws, regulations, and ERCOT Requirements.

5.5 Neither Party will take any action that would cause the other Party that is not a "public utility" under the Federal Power Act to become a "public utility" under the Federal Power Act or become subject to the plenary jurisdiction of the Federal Energy Regulatory Commission.

ARTICLE VI – INDEMNIFICATION

6.1 Subject to the laws of the State of Texas and without waiving any applicable immunity, each Party (the "Indemnifying Party") shall assume all liability for, and shall indemnify the other Party (the "Indemnified Party") for, any losses resulting from negligence or other fault in the design, construction, or operation of their respective facilities. Losses shall include costs and expenses of defending an action or claim made by a third Person, payments for damages related to the death or injury of any individual, damage to the property of the Indemnified Party, and payments by the Indemnified Party for damages to the property of a third Person, and damages payable by the Indemnified Party for the disruption of the business of a third Person. This Section 6.1 does not create a liability on the part of either Party to a retail customer or other third Person, but requires indemnification where such liability exists. The indemnification required under this Section 6.1 does not include responsibility for either Party's costs and expenses of prosecuting or defending an action or claim against the other Party or damages for the disruption of such Party's business. The limitations on liability set forth in this Section 6.1 do not apply in cases of gross negligence or intentional wrongdoing.

ARTICLE VII –NOTICES

7.1 Any notices, claims, requests, demands or other communications between the Parties hereunder, including but not limited to a notice of termination, notice of default, request for amendment, change to a Point of Interconnection, or request for a new Point of Interconnection, shall be (a) forwarded to the designees listed below for each Party, (b) deemed properly given if delivered in writing, and (c) deemed duly delivered when (i) delivered if delivered personally or by nationally recognized overnight courier service (costs prepaid), (ii) sent by facsimile or electronic mail with confirmation of transmission by the transmitting equipment (or, the first business day following such transmission if the date of transmission is not a business day), or (iii) received or rejected by the addressee, if sent by U.S. certified or registered mail, return receipt requested; in each case to the following addresses, facsimile numbers or electronic mail addresses and marked to the attention of the individual (by name or title) designated below:

If to Denton Municipal Electric:

Denton Municipal Electric
ATTN: General Manager
1659 Spencer Rd.
Denton, Texas 76205
Telephone: 940-349-7565

If to Buyer :

CORE SCIENTIFIC, INC.
Attention: General Counsel
2407 S. Congress Ave
Ste. E-101,
Austin, TX **78704-5505**

7.2 The above listed names, titles, and contact information of either Party may be changed upon written notification to the other Party.

ARTICLE VIII - SUCCESSORS AND ASSIGNS

8.1 Subject to the provisions of Section 8.2 below, this Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of the respective Parties.

8.2 Neither Party shall assign, directly or indirectly by operation of law or otherwise, any of its rights or obligations under this Agreement in whole or in part without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, conditioned, or delayed, provided that neither Party will be required to consent to any assignment that would (a) subject it to additional federal or state regulation; (b) result in the imposition of additional costs of administration that the Party requesting consent to assignment does not agree to reimburse; or (c) in any way diminish the reliability of its system, enlarge its obligations, or otherwise create or maintain an unacceptable condition. Notwithstanding the foregoing, a Party may assign, without the consent of the other Party, its interest in this Agreement, in whole or in part, (a) to a successor to all or a substantial portion of the Party's transmission business; (b) to any transmission service provider (including an affiliate of the assigning Party) with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; or (c) for collateral security purposes in connection with any financing or financial arrangements. The respective obligations of the Parties under this Agreement may not be changed, modified, amended, or enlarged, in whole or in part, by reason of any direct or indirect assignment, including pursuant to the sale, merger, or other business combination of either Party with any other Person. Any attempted assignment that violates this Section 8.2 shall be void and ineffective *ab initio*. Any assignment of this Agreement shall not relieve a Party of its obligations hereunder without the written consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed.

8.3 This Agreement is not intended to and shall not create rights of any character whatsoever in favor of any Persons other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties.

ARTICLE IX – GOVERNING LAW AND REGULATION

9.1 This Agreement was executed in the State of Texas and must in all respects be governed by, interpreted, construed, and enforced in accordance with the laws thereof except as to matters exclusively controlled by the Constitution and statutes of the United States of America. This Agreement is subject to all valid applicable federal, state, and local laws, ordinances, rules, regulations, orders, and tariffs of, or approved by, duly constituted regulatory or other governmental authorities having jurisdiction.

9.2 This Agreement and all obligations hereunder, are expressly conditioned upon obtaining all required approvals, authorizations, or acceptances for filing by any regulatory authority whose approval, authorization or acceptance for filing is required by law. Both Parties hereby agree to support the approval

of this Agreement before such regulatory authority and to provide such documents, information, and opinions as may be reasonably required or requested by either Party in the course of approval proceedings.

ARTICLE X – DEFAULT AND FORCE MAJEURE

10.1 The term "Force Majeure" as used herein shall mean any cause beyond the reasonable control of the Party claiming Force Majeure, and without the fault or negligence of such Party, which materially prevents or impairs the performance of such Party's obligations hereunder, including but not limited to, storm, flood, lightning, earthquake, fire, explosion, failure or imminent threat of failure of facilities, civil disturbance, strike or other labor disturbance, sabotage, war, national emergency, or restraint by any federal, state, local or municipal body having jurisdiction over a Party.

10.2 Neither Party shall be considered to be in Default (as hereinafter defined) with respect to any obligation hereunder, other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Section shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

ARTICLE XI - TERMINATION ON DEFAULT

11.1 The term "Default" shall mean the failure of either Party to perform any obligation in the time or manner provided in this Agreement. No Default shall exist where such failure to discharge an obligation is excused pursuant to Section 10.2 or is the result of an act or omission of the other Party or any of its agents. Upon discovery of a Default, the non-defaulting Party may give notice of such Default to the defaulting Party. Except as provided in Section 11.2, the defaulting Party shall have thirty (30) days from receipt of the Default notice within which to cure such Default; provided, however, if such Default is not capable of cure within thirty (30) days, the defaulting Party shall commence such cure within twenty (20) days after receipt of the Default notice and continuously and diligently exercise its efforts to complete such cure within ninety (90) days from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

11.2 If a Default is not cured as provided in Section 11.1, or if a Default is not capable of being cured within the period provided for therein, the non-defaulting Party shall have the right, subject to receipt of any regulatory approvals required by applicable law, (a) to terminate, in its sole discretion, by written notice at any time until cure occurs either (i) this Agreement or (ii) any Facility Schedules as to which the Default relates and disconnect the associated Points of Interconnection, (b) to be relieved of any further obligation (i) hereunder (other than obligations associated with its own Defaults, if any, occurring prior to termination) if that Party shall have elected to terminate this Agreement or (ii) with respect to the terminated Facility Schedules and disconnected Points of Interconnection if it shall have elected to terminate any Facility Schedules as to which the Default relates and (c), whether or not that Party terminates this Agreement or any Facility Schedule, to recover from the defaulting Party all amounts due and receive all

other remedies to which it is entitled hereunder. The provisions of this Section 11.2 will survive termination of this Agreement.

11.3 The failure of a Party to insist, on any occasion, upon strict performance of this Agreement will not be considered to waive the obligations, rights, or duties imposed upon the Parties by this Agreement.

11.4 Any event of default under the PPA (or any of the other agreements referenced therein or executed in connection therewith) by either Utility or Company shall be Default hereunder.

ARTICLE XII- MISCELLANEOUS PROVISIONS

12.1 Any undertaking by a Party to the other Party under this Agreement shall not constitute the dedication of the electrical system or any portion thereof of that Party to the public or to the other Party, and it is understood and agreed that any such undertaking shall cease upon the termination of this Agreement.

12.2 **NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IN NO EVENT SHALL EITHER PARTY BE LIABLE UNDER ANY PROVISION OF THIS AGREEMENT FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFIT OR REVENUE, LOSS OF THE USE OF EQUIPMENT, COST OF CAPITAL, COST OF TEMPORARY EQUIPMENT OR SERVICES, WHETHER BASED IN WHOLE OR IN PART IN CONTRACT OR IN TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY OF LIABILITY; PROVIDED, HOWEVER, THAT DAMAGES FOR WHICH A PARTY MAY BE LIABLE TO THE OTHER PARTY UNDER ANOTHER AGREEMENT (OR TO ANY THIRD PARTY) WILL NOT BE CONSIDERED TO BE SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES HEREUNDER.**

12.3 This Agreement is applicable only to the interconnection of the facilities of the Parties at the Points of Interconnection and does not obligate either Party to provide, or entitle either Party to receive, any service not expressly provided for herein. Each Party is responsible for making the arrangements necessary to receive any other service that either Party may desire from the other Party or any third party.

12.4 This Agreement, including all Facility Schedules, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the facilities of the Parties at the Points of Interconnection expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof if not set forth or provided for herein. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein; such agreements are unaffected by this Agreement.

12.5 This Agreement shall not affect the obligations or rights of either Party with respect to other agreements (other than those specifically superseded by Section 12.4). Each Party represents to the other that there is no agreement or other obligation binding upon it, which, as such Party is presently aware, would limit the effectiveness or frustrate the purpose of this Agreement.

12.6 This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced in writing and executed by the Parties.

12.7 If any provision in this Agreement is finally determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement.

12.8 The descriptive headings of the various sections of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.

12.9 This Agreement will be executed in two or more counterparts, each of which is deemed an original, but all constitute one and the same instrument.

12.10 Each party to the interconnection agreement shall perform routine inspection and testing of its facilities and equipment in accordance with good utility practice and regulatory requirements to ensure the continued interconnection of the facilities with DME's transmission system. Each party shall, at its own expense, have the right to observe the testing of any of the other party's facilities and equipment whose performance may reasonably be expected to affect the reliability of the observing parties' facilities and equipment. Each party shall notify the other party in advance of facility and equipment testing, and the other party may have a representative attend and be present during such testing. If a party observes any deficiencies or defects on (or becomes aware of a lack of scheduled maintenance and testing with respect to) the other party's facilities and equipment that might reasonably be expected to adversely affect the observing party's facilities and equipment, the observing party shall provide notice to the other party that is prompt under the circumstance, and the other party shall make any corrections required in accordance with good utility practices and as required by regulatory agencies.

12.11 Party shall notify DME, verbally within 24 hours upon discovery of any Release of any Regulated Substance caused by the Party's operations or equipment that impacts the property or facilities of the other Party, or which may migrate to, or adversely impact the property, facilities or operations of the other Party and shall promptly furnish to the other Party copies of any reports filed with any governmental agencies addressing such events. Such verbal notification shall be followed by written notification within five (5) days. The Party responsible for the Release of any Regulated Substance on the property or facilities of the other Party, or which may migrate to, or adversely impact the property, facilities or operations of the other Party shall be responsible for: (1) the cost and completion of reasonable remediation or abatement activity for that Release, and; (2) required notifications to governmental agencies and submitting of all reports or filings required by environmental laws for that Release. Advance written notification (except in Emergency situations, in which verbal, followed by written notification, shall be provided as soon as practicable) shall be provided to the other Party by the Party responsible for any remediation or abatement activity on the property or facilities of the other Party, or which may adversely impact the property, facilities, or operations of the other Party. Except in Emergency situations such remediation or abatement activity shall be performed only with the consent of the Party owning the affected property or facilities.

12.12 The Parties agree to coordinate, to the extent necessary, the preparation of site plans, reports, environmental permits, clearances and notifications required by federal and state law or regulation, including but not limited to Spill Prevention, Control and Countermeasures (SPCC), Storm Water Pollution Prevention Plans (SWPP), Act 451 Part 31 Part 5 Rules, CERCLA, EPCRA, TSCA, soil erosion and sedimentation control plans (SESC) or activities, wetland or other

water-related permits, threatened or endangered species reviews or management and archeological clearances or notifications required by any regulatory agency or competent jurisdiction. Notification of permits applied for and/or received will occur in a timeframe manner suitable to the interests of both Parties.

ARTICLE XIII- SYSTEM DESIGN REQUIREMENTS

13.1 The specification and requirements in Exhibit H to the Power Purchase Agreement will apply to the Project at all times.

ARTICLE XIV- SYSTEM PERFORMANCE REQUIREMENTS

Harmonic Levels

End-user facilities shall not have harmonic current distortion levels exceeding the levels recommended in the most recent revision of IEEE-519 , *Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems*. End-user facilities must meet the stated current limits specified in the Current Distortion Limits tables for the applicable voltage levels. Due to copyright requirements, this table cannot be provided in this document.

Voltage Requirements

Transmission facilities and end-user facilities are required to limit voltage fluctuations to the limits specified in the most recent revision of IEEE-1423.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by the undersigned authorized representatives.

DENTON MUNICIPAL ELECTRIC	**CORE SCIENTIFIC, INC**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Annex A

LIST OF FACILITY SCHEDULES AND POINTS OF INTERCONNECTION

FACILITY SCHEDULE NO.	NAME OF POINT OF INTERCONNECTION	INTERCONNECTION VOLTAGE (KV)
1	[redacted]	**138**

FACILITY SCHEDULE NO. 1

1. Name: [redacted]

2. Point of Interconnection location: (1) At the 138kV transformer located outside inside Company's South Substation, and at a point where DME's jumpers contact the high side (138kV) of the transformer as shown in the Facility Schedule No. 1 one-line diagram attached hereto. This is also referred as Phase II in the PPA.

   (2) At the 138kV transformer located inside the Company's North Substation, and at a point where DME's jumpers contact the high side (138kV) of the transformer as shown in the Facility Schedule No. 1 one-line diagram attached hereto. This is also referred to as Phase III in the PPA.

   (3) At the 13.2kV metering cabinet located outside the south wall of the substation, where the customer's cables connect to the metering cabinet as shown in the Facility Schedule No. 1 one-line diagram attached hereto. This is also referred to as Phase I in the PPA.

   (4) At the 138kV transformer located inside Company's New South Substation, and at a point where DME's jumpers contact the high side (138kV) of the transformer as shown in Facility Schedule No. 1 one-line diagram. This is also referred as "Phase IV in the PPA."

3. Delivery voltage: 13.2kV and 138 kV

4. Metering (voltage, location, losses adjustment due to metering location, and other): Metering shall be at the 13.2kV and 138kV levels. Instrument transformers, cabling, and meters for the 138kV interconnections shall be located inside of DME's Jim Christal Substation. Losses from the metering location to the point of interconnection will be calculated and agree upon by both parties. Instrument transformers, cabling, and meters for the 13.2kV interconnection shall be located on the metering cabinet.

5. Normally closed (check one): ___X___ Yes /_____ No

6. One line diagram attached (check one): ___X___ Yes /_____ No

7. Equipment Ownership:
   DME shall own all equipment inside [redacted], attached hereto, and the transmission line up to the 138kV transformer for Points of Interconnection 1, 2 and 3 described above. DME shall own all equipment inside [redacted] and the distribution facilities up to the 13.2kV metering cabinet for Point of Interconnection 3 described above 1.

9. Cost Responsibility:
   Each Party shall be responsible for all costs it incurs associated with facilities it owns at, connected to, or associated with, the Points of Interconnection, including, but not limited to, costs associated with the ownership, engineering, procurement, construction, operation, maintenance, replacement, repair and testing of such facilities; provided, however, that this Paragraph 9 is subject to Article VI, Section 6.1 of this Agreement (Indemnification). This Paragraph 9 shall not relieve either Party of its respective obligation under that section.

10. Switching and Clearance:

Each Party has adopted formal switching procedures that govern safety related issues concerning the operation of its switches connected to this Point of Interconnection and will provide a copy of those procedures to the other Party upon request. Each Party agrees to comply with the aforementioned switching procedures of the other Party with respect to holds requested on switching devices owned by such Party.

11. Standards:
The Parties agree to cause their facilities being newly constructed, as described in this Facility Schedule, to be designed and constructed in accordance with (a) Good Utility Practice, (b) applicable laws and regulations, (c) the applicable provisions of the NERC Reliability Standards and ERCOT Requirements, and (d) the applicable provisions of the following standards in effect at the time of construction of this Point of Interconnection: NESC, ANSI Standards, and IEEE Standards.

12. Supplemental terms and conditions attached (check one): _____ Yes /___X____ No

ONE LINE DIAGRAM
PHASE I, II, III, and IV - FACILITY SCHEDULE No. 1
[redacted]

CONFIDNTIAL

Schedule No. 2 – Site Layout (New DME Substation Location)

CONFIDENTIAL

EXHIBIT O
Phase High Performance Computing (HPC) Retail Products Supply

1. Definitions; Interpretation.

Capitalized terms used in this Agreement are defined herein or in the Power Purchase Agreement ("PPA") to which this Agreement is appended, and the rules of interpretation relating to such terms and this Agreement set forth herein. Other terms used but not defined in this Agreement shall have meanings as commonly used in the English language. In the event of a contradiction between this Exhibit O and the PPA, this Exhibit O shall control.

2. ERCOT Registration

Buyer shall amend the Project's ERCOT registration to remove Phases I, II and III from the current Controllable Load Resources to load only prior to Seller providing HPC service to Phases I, II and III under this Exhibit O. Seller is not obligated to provide the Retail Products to Buyer for Phases I, II and III until ERCOT confirms Buyer's amended resource registration.

3. Interruption and Curtailment.

3.1. Buyer shall at all times during the Term comply with the directives of the Seller given pursuant to the Switching Agreement (Exhibit E).

3.2. If Buyer fails to comply with the curtailment directives and instructions set forth in any Seller Curtailment or System Curtailment Order, Seller will have the right to suspend performance during the duration of the Seller Curtailment or System Curtailment Order.

3.2.1. Seller will have the right to set under frequency protective relays on Buyer's electrical equipment as required by Seller in its role as Transmission Distribution Service Provider for Buyer's load.

3.3. Seller will provide notice to Buyer as soon as practical of any Seller Curtailment and System Curtailment Orders.

4. Price of Retail Products for HPC

4.1. Prior to the passage of any Seller tariff applicable to the firm load data centers by the Denton City Council, Buyer shall pay to Seller the following amounts:

4.1.1. Facility Charge equal to [redacted] for each Phase of the HPC operation.

4.1.2. Demand Charge equal to [redacted] ("Demand Charge")(Buyer to maintain a power factor of 90% or greater). The Demand Charge for the billing period shall be the greater of: (1) the kVA actual demand supplied during the fifteen (15) minute period of maximum use each month as recorded by Seller's demand meters; or (2) one hundred (100) percent of the actual maximum peak demand similarly

determined during the billing months of June through September in the twelve (12) months immediately preceding the current month (the "Demand Rachet"). The Demand Charge will be applied to each billing period.

4.1.3. The then current Seller Energy Cost Adjustment (ECA) = [redacted]. (subject to quarterly adjustment as approved by the Denton City Council) which includes the cost of Renewable Energy Credits and the Return on Investment and Franchise Fees.

4.1.4. The then current Transmission Cost Recovery Factor = [redacted] including the Return on Investment and Franchise Fees, which shall be subject to the Demand Rachet.

4.2. After adoption and approval of a rate tariff applicable to the HPC operation of the Project by the Denton City Council and each subsequent tariff change or modification, those adopted rates will become applicable to Buyer's HPC operations.

4.3. The Parties agree to explore potential options to reduce the ECA charges with the recognition that any changes to ECA rate must fully capture Seller's actual costs of Retail Products supply to meet the HPC demand for the Retail Products, as determined by Seller in its sole discretion. Seller's commitment to undertake such analysis shall be limited to a period of not longer than six (6) months from the date of execution of this Amendment No. 4.

5. Invoicing and Payment

Invoicing and payment provisions for Retail Service to HPC will be based upon meter readings provided consistent with the provision set forth in the PPA. No netting of payments with Phases I and II of the Project will be permitted. Seller will invoice Buyer for Retail products provided during the prior two-week period.

5.1. On or about the 7th day following the prior two-week delivery period beginning with the two-week period following the Commercial Operation Date of each HPC Phase and every two week period thereafter, and continuing through and including the two week period following the end of the Delivery Term, Seller shall provide to Buyer an invoice setting forth the applicable total charges for the Retail Products, as specified in Exhibit O.

5.2. Buyer shall pay the full amount of the bi-weekly invoices amounts on or before five (5) Business Days after date of the invoice.

5.3. For any services provided pursuant to Exhibit M of the PPA in the preceding month, Buyer shall be invoiced by Seller and payments will be due to Seller in accordance with the applicable provisions of the PPA associated with Non ERCOT Amounts.

5.4. With respect to all invoices or statements, if either the invoice date or payment date is not a Business Day, then such invoice or payment shall be provided on the next following Business Day. Each Party will make payments by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the other Party. Any amounts

not paid by the due date will be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full. Invoices may be sent by facsimile or e-mail.

5.5. Article 7.2 of the PPA shall dictate the treatment of any disputes or adjustments of invoices for Phase III HPC.

6. Buyer's Performance Assurance

The Delivery Term Security provisions of the PPA relative to the the Project will apply to all Phases regardless of whether in HPC or cryptocurrency operation. The 4CP Performance Security requirements of Section 8.1(b) of the PPA will not apply to any HPC operations. All other provisions of Section 8 of the PPA shall apply.

7. ERCOT Transmission Upgrades.

With respect to Phase IV, Seller is not obligated to provide the Retail Products to Buyer and Buyer may not power any equipment, structures or any other electrical equipment until all transmission system improvements required by ERCOT are completed by the responsible transmission owner.

8. Notice to Return to Cryptocurrency Operations

In the event Buyer determines that all, or a Phase of the Project will be converted from HPC back to cryptocurrency mining, Buyer shall provide one year notice of its intent to do so and shall identify with Project Phase(s) will be converted. Unless Buyer meets Seller's metering requirements, Buyer is only permitted to convert individual Phases of the project and not partial Phases.