

Amendment No. 1 to Power Purchase Agreement between the City of Denton, dba Denton Municipal Electric and Core Scientific, Inc.

This Amendment No. 1 to Power Purchase Agreement (this “**Amendment**”), is made as of August 1, 2023, 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 Operating Company, a Delaware corporation (f/k/a Core Scientific, Inc.) 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**”).

WITNESSETH:

WHEREAS, Seller and Buyer entered into that certain Power Purchase Agreement, dated September 3, 2021 (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 build out of a high efficiency computing center (the “**Project**”) on property leased from Seller pursuant to the Lease Agreement (as defined herein);

WHEREAS, Seller and Buyer are party 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 and certain of its affiliates are debtors-in-possession under title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the “**Bankruptcy Code**”) and, on December 21, 2022 (the “**Petition Date**”), filed voluntary Petitions for Relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (“**Bankruptcy Court**”);

WHEREAS, Buyer anticipates emerging from Chapter 11 bankruptcy and seeks to facilitate new financing associated with the Project;

WHEREAS, Buyer and Seller have completed the interconnection infrastructure for the Project;

WHEREAS, Seller desires to provide additional certainty of revenues associated with sale of electric services beyond the initial term specified in the Agreement;

WHEREAS, Buyer and Seller hereby acknowledge that, as of the Petition Date, there are unpaid amounts of \$1,536,750.03 due to the Seller under the Agreement (the “**Cure Amounts**”);

WHEREAS, Buyer desires to pay Seller the Cure Amount, in cash, to cure defaults under the Agreement pursuant to section 365(b)(1)(A) of the Bankruptcy Code and as a condition precedent to the effectiveness of this Amendment; and

WHEREAS, the assumption and cure of the Agreement and the payment of the Cure Amounts are subject to approval of the Bankruptcy Court;

NOW, THEREFORE, the Parties hereto, for good and sufficient consideration, the receipt of which is hereby acknowledged, intending to be legally bound, subject to Buyer's satisfaction of the conditions precedent set forth in *Section II* hereof, do hereby agree to amend the Agreement as follows:

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

1. The definition of "***Delivery Term***" in section 1.1 of Article 1 of the Agreement is hereby deleted and replaced with the following:

"Delivery Term" means the period of time commencing upon the Commercial Operation Date of Phase I of the Project and terminating at the end of the seventh (7th) Contract Year or the end of the Extended Term whichever occurs later.

2. Section 2.1 of Article 2 of the Agreement is hereby deleted and replaced with the following:

2.1 *Term.*

The "**Term**" of this Agreement shall commence on the Effective Date and continue until the end of the fourteenth (14th) Contract Year unless sooner terminated in accordance with the terms hereof. The Term may be extended for two additional seven (7) year periods ("**Extension Term**") upon one year's written notice by Buyer to Seller, provided that, for any such renewal or extension to be effective, the Lease Agreement must also be extended or renewed for the same amount of time.

3. Subsections b. and c. of section 3 of Exhibit A to the Agreement are hereby deleted and replaced with the following:

- b. "**Transmission Access Fee**" is equal to [REDACTED] each MWh of Energy delivered by Seller to Buyer during each month of the Term. If the Term is extended consistent with Section 2.1 of the Agreement, the Transmission Access Fee shall be increased, but not decreased beginning on the first day of the Contract Year in any Extension Term, with the first adjustment occurring on the first day of January, 2029 and future adjustments occurring every other January 1st thereafter, by a percentage amount equal to the percentage change in the United States Consumer Price Index for all urban consumers ("**CPI-U**") for the Dallas-Fort Worth Bureau of Labor Statistics which occurred during the previous 2 year period based upon the then current and available month's data compared to the data for the same month two years prior. The maximum increase in the applied CPI-U shall in no event exceed 8%.

- c. "**QSE Fee**" is equal to [REDACTED] for each MWh of Energy delivered by Seller to Buyer during each month of the Term. If the Term is extended consistent with

section 2.1 of the Agreement, the QSE Fee shall be increased, but not decreased, beginning on the first day of the Contract year in any Extension Term, with the first adjustment occurring on the first day of January, 2029 and future adjustments occurring every other January 1st thereafter, by a percentage amount equal to the percentage change in the United States Consumer Price Index for all urban consumers ("CPI-U") for the Dallas-Fort Worth Bureau of Labor Statistics which occurred during the previous 2 year period based upon the then current and available month's data compared to the data for the same month two years prior. The maximum increase in the applied CPI-U shall in no event exceed 8%.

4. Section 2.1 of Article 2 of Exhibit M to the Agreement is hereby deleted and replaced with the following:

2.1. *Compensation for Service.* The compensation for the operation and maintenance of the Equipment performed by DME will be on a time and material basis consistent with Schedule 1 to this Exhibit. The rates in Schedule 1 shall be changed every two (2) years beginning on January 1 of any Extension Term to be reflective of the labor and vehicle rates actually incurred by Seller.

5. The Buyer notice address in Section 7.1 shall be replaced in its entirety with the following:

Core Scientific Operating Company
Attention: General Counsel
2407 S. Congress Ave Ste. E-101
Austin, TX 78704-5505
legal@corescientific.com

II. EFFECTIVENESS OF THIS FIRST AMENDMENT. The Parties hereby acknowledge that, as of the Petition Date, the Cure Amounts referenced herein remain unpaid and due to the City under the Agreement. As conditions precedent to the effectiveness of this Amendment, (i) the Bankruptcy Court shall approve the assumption of the Agreement, the cure of the Agreement by payment of the Cure Amounts and the entry into this Amendment, to the extent such approval is required, and (ii) Buyer shall cure the Agreement by paying the Cure Amounts to Seller in cash.

[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: _____
CITY SECRETARY

By: _____

APPROVED AS TO LEGAL FORM:
Mack Reinwand
CITY ATTORNEY

By: _____

“BUYER”

Core Scientific Operating Company

By: _____

Name: _____
Title: _____

APPROVED AS TO LEGAL FORM:

By: _____

Name: _____
ATTORNEY

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

Signature

Terrance Naulty
Asst. General Manager
Denton Municipal Electric

Date Signed: _____