

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS, A HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR VALUE LOSS CONSIDERATION WITH CORE SCIENTIFIC, INC., A DELAWARE CORPORATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Denton, Texas, a home-rule municipal corporation, and Core Scientific, Inc., a Delaware Corporation, desire to memorialize a change in deal structure and subsequent lost transaction value to the City; and

WHEREAS, Core Scientific, Inc., agrees to pay the City of Denton a sum of \$5,056,480 to reflect the value differential that would have been realized if said land swap would have been consummated and transferred to the City, and such payment is unrestricted and may be used for any general government purpose; and

WHEREAS, Core Scientific, Inc., also agrees to pay the City of Denton an additional sum of \$60,000 to reimburse the City for costs it incurred for engineering services related to the Solid Waste Transfer Station, and said payment is unrestricted and may be used for any solid waste purpose; and

WHEREAS, the City Council of Denton, after due consideration, agrees to accept a sum total of \$5,116,480 in consideration of said value loss and reimbursement of engineering costs; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

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

SECTION 2. Core Scientific, Inc., will remit said amounts within ten (10) days of execution of this letter agreement upon confirming payment instruction with the City.

SECTION 3. Payments related to this agreement are unrestricted.

SECTION 4. This ordinance shall become effective immediately upon its passage and approval.

SECTION 5. The City Manager, or their designee, is hereby authorized to enter into an agreement with Core Scientific, Inc., a copy of which is attached hereto and incorporated by reference herein.

SECTION 6. The City Council of the City of Denton hereby expressly delegates the authority to take any actions that may be required or permitted to be performed by the City of Denton under this ordinance to the City Manager of the City of Denton, or their designee.

The motion to adopt 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 ADOPTED this the _____ day of _____, 2024.

GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: *Marcella Lunn*



Carol Haines
SVP – Power and Sustainability
Core Scientific, Inc.
2407 S. Congress Ave Ste. E-101
Austin, TX 78704-5505

RE: Letter Agreement for Value Loss Consideration

Carol,

This letter agreement memorializes the consideration Core Scientific, Inc. (“Core”) will provide to the City of Denton (“City”) as a result of a change in deal structure and subsequent lost transaction value to the City.

As part of the amendment negotiation process, Core promised to deliver additional land for the City’s solid waste department in exchange for the existing solid waste transfer station property (the “Contemplated Land Swap”). The City relied on this representation as part of the value of the transaction and the Contemplated Land Swap was significant inducement for the City to negotiate the lease of additional property.

Core has informed the City that negotiations with the third party landowner were unsuccessful and as a result, Core will not be able to perform the Contemplated Land Swap.

In recognition of the lower value to the City of the transaction without the Contemplated Land Swap, Core stipulates that the City is entitled to \$5,056,480 to reflect the value differential to the City. Core also agrees that it will pay the City an additional \$60,000 to reimburse the City for costs it incurred for engineering services related to the transfer station property.

Core will make this payment within ten (10) days of execution of this letter agreement upon confirming payment instruction with the City. Funds related to this letter agreement are unrestricted.

Agreed to by:

City of Denton

Core Scientific, Inc.

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

OUR CORE VALUES

Integrity • Fiscal Responsibility • Transparency • Outstanding Customer Service