

AUDIT CLOSING AGREEMENT

This Audit Closing Agreement ("Agreement") is made and entered into by and between Duke Energy Florida, LLC ("Duke Energy") and the City of Eustis, Florida ("City") and shall be effective on the date the last party signs this Agreement ("Effective Date").

RECITALS

WHEREAS, on or about June 19, 1997, the City and Duke Energy's predecessor, Florida Power Corporation, entered into a non-exclusive utility franchise agreement for the provision of such utility service to customers within the City limits ("Franchise Area") which was memorialized in Ordinance No. 97-14; and

WHEREAS, the terms in Ordinance No. 97-14 provide, among other things, for periodic audits of certain fees collected by Duke Energy and payable to the City from customers within the Franchise Area; and

WHEREAS, in November 2023, the City requested a formal audit of the amounts Duke Energy collected for municipal utility tax ("MUT") and franchise fees from September 1, 2021 through August 31, 2024 ("Audit Period") from customers within the Franchise Area; and

WHEREAS, the parties wish to resolve the amount of MUT and franchise fees Duke Energy owes the City for the Audit Period.

NOW THEREFORE, for good and valuable consideration, receipt of which is acknowledged, the parties hereby agree as follows:

1. Duke Energy will pay the City the sum of \$74,589.13 ("Audit Resolution Amount") within thirty (30) days from the Effective Date of this Agreement. No portion of the Audit Resolution Amount consists of a penalty. The City shall accept the Audit Resolution Amount as full and final satisfaction of all unpaid MUT and franchise fees for the Audit Period and any and all claims related thereto.
2. The City shall issue no further assessment or other demand for additional payment of any MUT and franchise fees for the Audit Period and shall not bring any other claims arising out of or related thereto.
3. Duke Energy waives any and all rights to institute any judicial or administrative proceedings to recover the Audit Resolution Amount but reserves the right to contest any assertion of liability not covered by this Agreement or any liability asserted in violation of this Agreement.
4. The City reserves the right to assert that Duke Energy owes unpaid MUT and franchise fees for periods other than the Audit Period. Further, the City reserves the right to assert liability not covered by or in violation of this Agreement.

5. Without limiting or altering the rights and obligations of each party as expressly stated herein, this Agreement shall not affect the terms or conditions of any future non-exclusive utility franchise agreement the parties may enter into following the expiration of the agreement memorialized in Ordinance No. 97-14.

6. This Agreement shall be governed by the laws of the State of Florida and venue shall be in Lake County, Florida.

7. Either party to this Agreement may be entitled to recover reasonable attorney's fees and costs in any action required to enforce the terms of this Agreement should said party be deemed the prevailing party.

8. This Agreement may be executed in counterparts, and any counterparts which together contain the dates and signatures of both parties shall be deemed an original of this Agreement. True copies (including electronic signatures, transmitted by email in pdf format) shall be treated as equivalent to originals.

9. The signatories below each represent to the other that they have authority to execute this Agreement on behalf of their respective parties.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed in their names and their seals to be hereunto affixed, by their proper officers thereunto duly authorized, on the day and year written below.

Duke Energy Florida, LLC

City of Eustis, Florida

Title

Title

Date

Date