

STATE OF FLORIDA

Commissioners:
JOE GARCIA, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770

Public Service Commission

March 10, 1999

Mr. Charles DeMenzes
Tradewinds Utilities, Inc.
P.O. Box 5220
Ocala, FL 34478-5220

Re: Security for approved temporary rates subject to refund of Commission Order No. PSC-99-0382-FOF-SU, new class of service for wastewater-only flat rates in Marion County, in Docket No. 981825-SU

Dear Mr. DeMenzes:

The escrow agreement submitted for security has been approved. The enclosed signature card and escrow agreement signed by me as the Commission's authorized agent should be returned to the Newberry Bank.

Please do not hesitate to call if you have any questions regarding this matter.

Sincerely,

Blanca S. Bayó
Blanca S. Bayó

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC _____
- WAS _____
- OTH _____

BSB:jb
Enclosures (2)
cc: Division of Water and Wastewater (Hill, Rendell, Dewberry)
Division of Legal Services (Ferguson)

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PSC Website: www.scri.net/psc

Internet E-mail: contact@psc.state.fl.us

DOCUMENT NUMBER - DATE

03126 MAR 10 99

FPSC-RECORDS/REPORTING

CORPORATE BANKING RESOLUTION

(for Deposit Accounts)

Depositor: TRADEWINDS UTILITIES, INC, ESCROW ACCOUNT
PO BOX 5220
OCALA, FL 34478

Financial Institution: NEWBERRY BANK
Ocala Office
P. O. Box 4680
1410 NE 8th Avenue
Ocala, FL 34478

Account No:

REDACTED

I, the undersigned Secretary of the Corporation named above, HEREBY CERTIFY that the Corporation is organized and existing under and by virtue of the laws of the state of FLORIDA as a corporation for profit, with its principal office at PO BOX 5220, OCALA, FL 34478.

Account Holder. TRADEWINDS UTILITIES, INC, ESCROW ACCOUNT is the complete and correct name of the Account Holder.

I FURTHER CERTIFY that at a meeting of the Board of Directors of the Corporation, duly and regularly called and held on February 17, 1999, at which a quorum was present and voting, the following resolutions were adopted:

RESOLVED, that the Financial Institution named above at any one or more of its offices or branches, be and it hereby is designated as the Financial Institution of and depository for the funds of this Corporation, which may be withdrawn on checks, drafts, advices of debit, notes or other orders for the payment of monies bearing the following appropriate number of signatures: Any one (1) of the following named officers or employees of this Corporation ("Agents") whose actual signatures are shown below:

- X [Signature]
CHARLES de MENZES, PRESIDENT/SEC
- X [Signature]
DEBORAH DILLON, VICE PRESIDENT
- X [Signature]
JAMES MORAIN, VICE PRESIDENT/COMP

and that the Financial Institution shall be and is authorized to honor and pay the same whether or not they are payable to bearer or to the individual order of any Agent or Agents signing the same.

FURTHER RESOLVED, that the Financial Institution is hereby directed to accept and pay without further inquiry any item drawn against any of the Corporation's accounts with the Financial Institution bearing the signature or signatures of Agents, as authorized above or otherwise, even though drawn or endorsed to the order of any Agent signing or tendered by such Agent for cashing or in payment of the individual obligation of such Agent or for deposit to the Agent's personal account, and the Financial Institution shall not be required or be under any obligation to inquire as to the circumstances of the issue or use of any item signed in accordance with the resolutions contained herein, or the application or disposition of such item or the proceeds of the item.

FURTHER RESOLVED, that any one of such Agents is authorized to endorse all checks, drafts, notes and other items payable to or owned by this Corporation for deposit with the Financial Institution, or for collection or discount by the Financial Institution; and to accept drafts and other items payable at the Financial Institution.

FURTHER RESOLVED, that the above named agents are authorized and empowered to execute such other agreements, including, but not limited to, special depository agreements and arrangements regarding the manner, conditions, or purposes for which funds, checks, or items of the Corporation may be deposited, collected, or withdrawn and to perform such other acts as they deem reasonably necessary to carry out the provisions of these resolutions.

FURTHER RESOLVED, that the authority hereby conferred upon the above named Agents shall be and remain in full force and effect until written notice of any amendment or revocation thereof shall have been delivered to and received by the Financial Institution at each location where an account is maintained. Financial Institution shall be indemnified and held harmless from any loss suffered or any liability incurred by it in continuing to act in accordance with this resolution. Any such notice shall not affect any items in process at the time notice is given.

I FURTHER CERTIFY that the persons named above occupy the positions set forth opposite their respective names and signatures; that the foregoing Resolutions now stand of record on the books of the Corporation; that they are in full force and effect and have not been modified in any manner whatsoever.

IN TESTIMONY WHEREOF, I have hereunto set my hand on February 17, 1999 and attest that the signatures set opposite the names listed above are their genuine signatures.

CERTIFIED TO AND ATTESTED BY:

- X [Signature]
Secretary or Assistant Secretary
- X [Signature]

CORPORATE
SEAL

NOTE: In case the Secretary or other certifying officer is designated by the foregoing resolutions as one of the signing officers, this certificate should also be signed by a second officer or Director of the Corporation.

RATE AND FEE SCHEDULE

Account Holders: TRADEWINDS UTILITIES, INC, ESCROW ACCOUNT
PO BOX 5220
OCALA, FL 34478

Financial Institution: NEWBERRY BANK
Ocala Office
P. O. Box 4680
1410 NE 8th Avenue
Ocala, FL 34478

We appreciate your decision to open a deposit account with us. This schedule sets forth certain conditions, rates, fees, and charges that are specific to your Account. Each Account Holder agrees to the terms set forth on this Deposit Account Rate and Fee Schedule, and acknowledges that it is a part of the Account Agreement. Subject to applicable law and the terms of the Account Agreement, we may amend the rates, fees and charges contained in this schedule from time to time.

BUSINESS MONEY MARKET

Account Holder: TRADEWINDS UTILITIES, INC, ESCROW ACCOUNT
Account Ownership: Corporation
Account Purpose: Non Consumer

Account Opening Date: 02-16-1999

REDACTED

Rate Information: This account is an interest bearing account. The interest rate on the account is 2.47% with an annual percentage yield of 2.50%.

The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account DAILY. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded monthly and will be credited to the account monthly.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. We will use an interest accrual basis of 365 for each day in the year. You must maintain a minimum balance of \$2,500.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit \$100.00 to open this account. You may make six (6) transfers from your account each four (4) week or similar period, if by preauthorized or automatic transfer, or telephone (including data transmission) agreement, order or instruction. Three (3) of these transfers may be made by check, draft, debit card or similar order (including POS transactions), made by the depositor and payable to third parties. Transfers and withdrawals made in person, by messenger, by mail or at an ATM are unlimited.

Account Fees: TO AVOID A SERVICE CHARGE YOU MUST MAINTAIN A MINIMUM DAILY BALANCE OF \$2,500.00 OR MORE. A MINIMUM DAILY BALANCE \$1,000.00 THRU \$2,499.99 NO INTEREST IS PAID AND \$10.00 A SERVICE CHARGE. A MINIMUM DAILY BALANCE --0-- THRU 999.99 NO INTEREST IS PAID AND \$12.00 SERVICE CHARGE. The following fees apply to this account: FOREIGN ITEM: 7.50; NOTARY SERVICE: 2.00 CUSTOMER; CASHIER CHECKS: 4.00 CUSTOMER; INTERNATIONAL WIRE TRANSFER: 30.00; WIRE TRANSFER - OUTGOING: 15.00 CUSTOMER; WIRE TRANSFER - INCOMING: NO CHARGE - CUSTOMER; CUSTOMER INQUIRIES: THREE FREE PER MONTH; 1.00 FOR EACH ADDITIONAL INQUIRY.; OUTGOING COLLECTIONS: 15.00; INCOMING COLLECTIONS: 15.00; COUPON COLLECTIONS: 8.00 PER ENVELOPE; CUT-OFF STATEMENT/WITH ITEMS: 6.00; RETURN ITEM/CHARGE BACKS: 3.50 PER ITEM; AUTOMATIC TRANSFER: 5.00; ATM WITHDRAWAL FEE: 1.00 PER TRANSACTION; ATM INQUIRY FEE: 0.50 PER INQUIRY; POINT OF SALE FEE: 1.00 PER TRANSACTION; TELEPHONE TRANSFER OF FUNDS: 2.00; PHOTOCOPY ITEMS: 1.50 PER COPY; PHOTOCOPY STATEMENT: 1.50 PER COPY; RESEARCH: 15.00 PER HOUR (one hour minimum); ACCOUNT RECONCILIATION: 18.00 PER HOUR (one hour minimum); SNAP SHOT STATEMENT: 1.50; INSUFFICIENT FUNDS/RETURNED CHECKS: 27.00; ACCOUNT CLOSED WITHIN ONE MONTH: 25.00; ACCOUNT CLOSED WITHIN 6 MONTHS: 10.00; and STOP PAYMENT: 27.00.

0312699

BOARDING DATA ACCOUNT SUMMARY

The information contained on this form is for the Financial Institution's use only.

February 16, 1999

Account Holder: TRADEWINDS UTILITIES, INC, ESCROW ACCOUNT
PO BOX 5220
OCALA, FL 34478

Financial Institution: NEWBERRY BANK
Ocala Office
P. O. Box 4680
1410 NE 8th Avenue
Ocala, FL 34478

Reporting TIN: 59-2323148
CIF Number:

Backup Withholding Status: Customer is not subject to Backup Withholding

Account Information

Product Category: Money Market Accounts; Money Market
Account Number:
Opening Date: 02-16-1999
Opening Deposit:
Account Purpose: Non Consumer
Service Charge: Regular

Product Name: BUSINESS MONEY MARKET

REDACTED

Interest Information

Rate Selection: Rate changes at the institution's discretion

Initial Interest Rate: 2.47
Initial APY: 2.50
Accrual Basis: Actual/365
Index Name:

Compounding: Monthly
Crediting: Monthly
Interest Payment:
Current Index Rate: **Margin:**

Signers and Identification

Account Ownership: Corporation

Number of Signers Required: 1

<u>Signer Name/SSN</u>	<u>Address</u>	<u>Phone</u>	<u>Identification</u>	<u>Employer</u>
CHARLES de MENZES SSN/TIN:	PO BOX 5220 OCALA, FL 34478	W: (352) 622-4949		
DEBORAH DILLON SSN/TIN:	PO BOX 5220 OCALA, FL 34478			
JAMES MORAIN SSN/TIN:	PO BOX 5220 OCALA, FL 34478			
TRADEWINDS UTILITIES, INC SSN/TIN: 59-2323148	PO BOX 5220 OCALA, FL 34478			

Opening Information

Branch Number: 002 **Branch Name:** Ocala Office
Open By: TS
Verified By:
Checks Ordered: NONE
Comments:

ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made by and between NEWBERRY BANK
, in
MARION County (the Bank), the Florida Public Service Commission
(FLORIDA PUBLIC SERVICE COMMISSION), and TRADEWINDS VTL (the Utility), a
Florida corporation, upon the following terms, conditions, and
considerations:

W I T N E S S E T H:

WHEREAS, by Order No. PSC-99-0382-FOF-SU issued 2/23/99, the
FLORIDA PUBLIC SERVICE COMMISSION authorized the Utility to continue
to collect increased rates as temporary rates and WHEREAS, by Order
No. PSC-99-0382-FOF-SU the Utility is required to provide security for
those temporary rates that generate per customer collections in excess
of those collections resulting from the application of the rates
approved effective FEBRUARY 23, 1999, and WHEREAS the Bank has
agreed to hold such funds in an interest bearing escrow account at an
interest rate of 2.47 %, the parties hereto agree as follows:

1. The foregoing representations are true and correct.
2. The Utility shall open a joint interest bearing escrow account.
The amount of revenue subject to refund shall be deposited by the
Utility in the escrow account within seven days of receipt.
3. The escrow account shall bear interest at the rate of 2.47 %.
4. The FLORIDA PUBLIC SERVICE COMMISSION's Director of the Division
of Records and Reporting shall be a signatory to the escrow
account.
5. No funds shall be withdrawn from the escrow account without the
signature of both the Director of the Division of Records and
Reporting of the FLORIDA PUBLIC SERVICE COMMISSION and the
Utility. Signature cards executed by the Director of the
Division of Records and Reporting of the FLORIDA PUBLIC SERVICE
COMMISSION and the Utility shall designate the appropriate
authorized signature for each.
6. The Bank shall forward regular monthly statements (including
canceled checks) to the utility and shall mail a copy of the
monthly account statement to the FLORIDA PUBLIC SERVICE
COMMISSION.
7. If a refund to the customers is required, all interest earned by
the escrow account shall be distributed to those customers who
paid such monies that generated the deposits into the escrow
account.
8. If a refund to the customers is not required, the interest earned
by the escrow account shall revert to the utility.
9. The Bank may, without reason, withdraw from this Agreement upon

thirty (30) days written notice to the FLORIDA PUBLIC SERVICE COMMISSION and to the Utility.

10. The Utility shall indemnify and hold the Bank harmless from any claim, demand or loss suffered by the Bank, and the cost thereof (including court costs and attorney fees for negotiation, trial and appeal).
11. This escrow account is established pursuant to FLORIDA PUBLIC SERVICE COMMISSION Order No. PSC-99-0382-FOF-SU, issued 2-23-99. This escrow account is for the benefit of the Utility's customers.
12. Information concerning the escrow account shall be available from the Bank to the FLORIDA PUBLIC SERVICE COMMISSION and its representatives at all times.
13. This escrow account is established by the direction of the Florida Public Service Commission for the purpose(s) set forth in its Order requiring such account. Pursuant to Cosentino v. Elson, 263 So.2d 253 (Fla. 3rd DCA 1972), escrow accounts are not subject to garnishment.

THIS AGREEMENT shall become effective and binding on all parties upon the date that it becomes executed by all parties.

1) TRADEWINDS UTILITIES, INC.
Name of Utility
By: Charles de Haan, Pres.
Person's Name and Title
2-24-99
Date

2) NEWBERRY BANK
Name of Bank
By: Tracey H. Vasikas Customer Service rep
Person's Name and Title

Date

3) Florida Public Service Commission
By: Blanca S. Bayo
Director, Division of Records and Reporting

Date

Notary Public: _____ Place Seal Here:
Name

Commission #: _____