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STATE OF FLORIDA



OFFICE OF COMMISSION CLERK
ANN COLE
COMMISSION CLERK
(850) 413-6770

Public Service Commission

April 21, 2009

James L. Ade
James L. Ade, P.L.
841 Prudential Drive, Suite 1400
Jacksonville, Florida 32207

Re: Docket No. 080597WS, application for general rate increase in water and wastewater systems in Lake County by Southlake Utilities, Inc.

Dear Mr. Ade:

Enclosed are two original Escrow Agreements made by and between Banco Popular North America, the Florida Public Service Commission, and Southlake Utilities, Inc., which I have signed as the Commission's designated agent for such matters. Also enclosed is a signed Signature Card.

If you have any questions, please feel free to contact me.

Sincerely,


Ann Cole
Commission Clerk

Enclosure

cc: Martha Brown, Esquire
Office of the General Counsel

DOCUMENT NUMBER-DATE

03695 APR 21 8

FPSC-COMMISSION CLERK

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PSC Website: <http://www.floridapsc.com>

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

ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made by and between Banco Popular North America (the "Bank"), the Florida Public Service Commission ("FPSC") and Southlake Utilities, Inc., a Florida corporation, (the "Utility"), upon the following terms, conditions and considerations:

WITNESSETH:

WHEREAS, by action of the FPSC in Docket No. 080597-WS at its Agenda Conference held on February 10, 2009, the FPSC granted the Utility's request of interim monthly water and wastewater service rates, and

WHEREAS, as a condition of such order, the Utility is required to provide cash security for those monthly water and wastewater service rates collected subject to a refund, and

WHEREAS, the Bank has agreed to hold such funds in an interest bearing escrow account.

Now therefore, in consideration of Ten Dollars and the mutual covenants herein, the parties agree as follows:

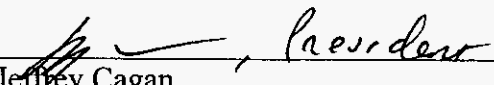
1. The foregoing representations are true and correct.
2. The Utility and FPSC shall open a joint interest bearing escrow account. The amount of interim monthly water and wastewater service rates collected subject to a refund shall be deposited by the Utility in the escrow account and in accordance with the requirements of the FPSC Order issued in Docket No. 080597-WS.
3. The balance in the escrow account shall bear interest at the Bank's prevailing money market rate which is currently 1% Annual Percentage Yield, which is a variable rate. Utility shall pay all fees required to maintain the escrow account.
4. In the event a refund is required, the Utility is authorized to withdraw funds from this account for the purpose of paying said refund with interest and undertaken in accordance with Rule 25-30.360, Florida Administrative Code.
5. The Utility shall provide to FPSC a report by the 20th day of each month indicating the monthly and total amount collected subject to refund.
6. The Commission Clerk of the Office of Commission Clerk of the FPSC and the Utility shall be signatories to the Escrow Account. Signature cards executed by the Commission Clerk of the Office of Commission Clerk of the FPSC and the Utility shall designate the appropriate authorized signature for each. No

withdrawals of funds shall occur without the prior approval of the Commission through the Office of Commission Clerk.

7. The Bank shall forward regular monthly statements (including images of cancelled checks) to the Utility and shall mail a copy of the monthly statement to the FPSC.
8. The balance of the funds remaining in the Escrow Account shall be disposed of in accordance with the FPSC's final order immediately after issuance and the account closed thereafter.
9. The Bank may, without reason, withdraw from this Agreement upon thirty (30) days written notice to the FPSC and to the Utility. If the Bank does not receive a disbursement order signed by both the FPSC and the Utility within such 30 days, the Bank shall deposit all funds with the Circuit Court of Highlands County, Florida.
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 the FPSC decision reached in Docket No. 080597-WS at its February 10, 2009 Agenda Conference for the benefit of the Utility's customers.
12. The information concerning the Escrow Account shall be available from the Bank to the FPSC and its representative 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 upon all parties upon the date that it becomes executed by all parties.

SOUTHLAKE UTILITIES, INC.

By:  _____
Jeffrey Cagan
President


March 30, 2009

BANCO POPULAR NORTH AMERICA

By: 
Matthew Hannam
Vice President

March 31, 2009

FLORIDA PUBLIC SERVICE COMMISSION

By: 
Ann Cole, Commission Clerk
Office of Commission Clerk

~~March~~ April 21, 2009

Account #:		
Opening Date:	03/26/2009	
Type of Account:	Corporation	Product Type: Premier Business Money Market
Account Title and Mailing Address:		
Southlake Utilities Inc. Interim Rate Escrow Account		
16554 Cagan Crossings Blvd Suite 2 Clermont FL 34714		

General Agreement

By signing this account signature card, you agree that the account will be governed by the terms and conditions of the Personal and Business Banking Disclosure and Agreement ("Agreement") and all other documents referenced therein. You acknowledge receipt of the Agreement and all other applicable documents referenced therein. You acknowledge your use of any access device (ATM or Debit Card) in conjunction with this account constitutes acceptance of said device.

You further agree that the information printed on this signature card is correct.

1 SIGNATURE(S) REQUIRED FOR WITHDRAWALS

Fold ▼

Business	Name: Southlake Utilities Inc. Address: 16554 Cagan Crossings Blvd Suite 2 Clermont FL 34714 Tax ID: 59-3144120 ID #: DOB: Phone: 352-242-2444
President 	Name: Jeffrey Cagan Address: 2236 N Ridge Ave Evanston IL 60201 Tax ID: 340-44-7005 ID #: DOB: 12/25/1951 Phone: 847-679-5512
Authorized signer 	Name: Ann Cole Address: C/O Florida Public Service Commission 2540 Shumard Oak lvd Tallahassee, Florida Tax ID: 000-00-0000 32399-0850 ID #: DOB: 5-1-52 Phone: 850-413-6770

IFold ▲

See reverse side for Additional Signer or Beneficiary information if applicable

W-9 CERTIFICATION - IF DEPOSITOR IS U.S. CITIZEN OR RESIDENT ALIEN
UNDER PENALTIES OF PERJURY, I certify that (1) the number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding and (3) I am a U.S. person (including a U.S. resident alien.)

For corporations exempt from backup withholding, write "exempt" next to your signature.

Certification Instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

W-8 CERTIFICATION - IF DEPOSITOR IS FOREIGN PERSON OR ENTITY: Certification is provided on a separate document.

X 3/30/09
SIGNATURE OF PRIMARY ACCOUNTHOLDER DATE

Opening Date: 03/26/2009

Account #: XXXXXXXXXX

Beneficiary Information

1. Name	SS#	DOB	Address
2. Name	SS#	DOB	Address
3. Name	SS#	DOB	Address
4. Name	SS#	DOB	Address

SIGNATURE(S) REQUIRED FOR WITHDRAWALS

Additional Signers

Fold

	Name: Address: Tax ID: ID #: DOB: Phone:
	Name: Address: Tax ID: ID #: DOB: Phone:
	Name: Address: Tax ID: ID #: DOB: Phone:

Fold

ATM / DEBIT CARD ACKNOWLEDGEMENT:

- I / We hereby acknowledge receipt of () Banco Popular Automated Teller Machine (ATM) card(s).
- At this time, I / We do not choose to receive an ATM/Debit card for my account. I understand that I have the option of requesting an ATM/Debit card(s) at any time.
- I / We hereby acknowledge applying for () Banco Popular Debit card(s). I understand that this is not a credit application.
- A card is not available for this product.

Comments:

Branch #: 10910

Employee: 01621

Date Prepared: 03/26/2009