

STATE OF FLORIDA

COMMISSIONERS:
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DIVISION OF THE COMMISSION CLERK &
ADMINISTRATIVE SERVICES
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770 (CLERK)
(850) 413-6330 (ADMIN)

Public Service Commission

November 1, 2001

Mr. Jack Espenship
Consolidated Water Works, Inc.
P.O. Box 191
Lake City, Florida 32056

Re: Docket No. 001682-WU - escrow agreement for Consolidated Water Works, Inc.

Dear Mr. Espenship:

Enclosed are a signed escrow agreement and two signature cards, all signed by Blanca S. Bayó, Director of the Division of the Commission Clerk and Administrative Services as well as the Commission's designated agent in escrowed fund matters.

It is our understanding this escrow account was established pursuant to requirements in Commission Order PSC-01-1988-PAA-WU, issued October 8, 2001, and that the account is maintained at Columbia County Bank.

Please advise if anything further is needed concerning the account.

Sincerely,

A handwritten signature in cursive script that reads "Kay Flynn".

Kay Flynn
Chief of Records and Hearing Services

cc: Samantha Cibula, Division of Legal Services
Charles Walker, Division of Economic Regulation

ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made by and between Columbia County Bank, in Columbia County (the Bank), the Florida Public Service Commission (FPSC), and Consolidated Water (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-01-1988-PAA-WU, issued October 8, 2001, the FPSC required the Utility to deposit 11.18% of its monthly charges), in order to insure payment of regulatory assessment fees pursuant to Section 367-145, Florida Statutes, and WHEREAS the Bank has agreed to hold such funds in an interest bearing escrow account at an interest rate of .50 %, 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 .50 %.
4. The FPSC's Director of the Division of the Commission Clerk & Administrative Services 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 No funds shall be withdrawn from the escrow account without the signature of both the Director of the Division of the Commission Clerk & Administrative Services of the FPSC and the Utility. Signature cards executed by the Director of the Division of Commission Clerk & Administrative Services of the FPSC and the Utility shall designate the appropriate authorized signature for each.
6. The Bank shall forward regular monthly statements (including cancelled checks) to the Utility and shall mail a copy of the monthly account statement to the FPSC.
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 FPSC 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 FPSC Order No. PSC-01-1988-PAA-WU, issued October 8, 2001. 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 FPSC 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 upon all parties upon the date that it becomes executed by all parties.

1) Consolidated Water Works, Inc.
Name of Utility

By: John M. Espenship
Person's Name and Title John M. Espenship, President

10-25-01
Date

2) Columbia County Bank
Name of Bank

By: Larry W. Sisco
Person's Name and Title Larry Sisco, Vice President & CFO

10-25-01
Date

3) Florida Public Service Commission
Flanica Z. Sanyal, Director
Division of the Commission Clerk and
Administrative Services

Nov. 1, 2001
Date

Notary Public: Leslie Rae McCalvin
Name Leslie Rae McCalvin

Place Seal Here:



REDACTED

Columbia County Bank

Name(s): CONSOLIDATED WATER WORKS, INC. TAX ESCROW ACCOUNT	
Reporting SSN/TIN: 59-3459957	
Mailing Address:	PO BOX 191, LAKE CITY, FL 32056
Street Location:	PO BOX 191, LAKE CITY, FL 32056
Telephone Number:	Work #: (386) 752-6729
Number of Signatures Required: 2 CIF Number:	
Signatures of Authorized Individuals. This Agreement is subject to all terms below.	
x <i>John M. Espenship</i> JOHN M. ESPENSHIP, PRESIDENT of CONSOLIDATED WATER WORKS, INC.	<i>Blanca S. Bayo</i>

(Signatures and printed names of each account signer)

The authorized Agent(s) signing above agree(s), that the Account Holder's Account(s) will be governed by the terms set forth in the Deposit Account Agreement and Disclosure, the Time Certificate of Deposit or Confirmation of Time Deposit Agreement (if applicable), the Rate and Fee Schedule, the Funds Availability Policy Disclosure, and the Electronic Funds Transfer Agreement and Disclosure, (if requested below), as amended by the Financial Institution from time to time. The authorized Agent(s) also acknowledge that they have received at least one copy of these deposit account documents. The Authorized Signer(s) understand(s) accounts opened after 6:00 PM are dated effective the next business day.

Account Purpose: **Non Consumer**

EFT Services: **Yes**

BUSINESS TYPE: Unincorporated Association					
ACCOUNT TYPE Business NOW Account					
ACCOUNT NUMBER					OPENED BY 7547
Date Opened 10-25-01	Date Revised	Opening Deposit	ATM Card N	Verified By Leslie	Account Formerly With
Date Closed	Closing Balance	Closed By	Reason For Closing	Statement Disposition Mail	Service Chg Disposition Regular

DEPOSIT PRO, Ver 8 50 01.00 Copr. Harland Financial Solutions, Inc 1996, 2001. All Rights Reserved FL - FL - L703SG.24 4X6

Columbia County Bank

12021954

Account Holder Name(s): CONSOLIDATED WATER WORKS, INC. TAX ESCROW ACCOUNT
Reporting SSN/TIN: 59-3459957

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