

STATE OF FLORIDA

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Public Service Commission

September 4, 2002

Mr. Rick Cascaddan, Assistant Branch Manager
AmSouth Bank
406 East Silver Springs Boulevard
Ocala, Florida 34470

Re: Docket No. 010869-WS - Staff-assisted rate case by East Marion Sanitary Systems, Inc.

Dear Mr. Cascaddan:

Enclosed is the original escrow agreement between East Marion Sanitary Systems, Inc., AmSouth, and the Florida Public Service Commission. This agreement has been signed by Blanca S. Bayó, the Commission's designated agent in such matters, and is being returned for your files.

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

Sincerely,

Handwritten signature of Kay Flynn in cursive.

Kay Flynn, Chief
Bureau of Records and Hearing Services

Enclosure

cc: Mr. Herbert Hein, East Marion Sanitary Systems, Inc.
Ralph Jaeger, Esquire
Troy Rendell
Ryan Fitch

DOCUMENT NUMBER - DATE
09355 SEP -4 02
FPSC-COMMISSION CLERK

02 SEP -11 AM 10:25
1011

ESCROW AGREEMENT

This escrow agreement is being entered into between East Marion Sanitary Systems, Inc. ("Utility"), AmSouth Bank ("Bank"), as escrow agent, at the direction of the Florida Public Service Commission ("FPSC") on this 30 day of AUGUST, 2002.

1. Utility is to make deposits to escrow account pursuant to FPSC order.
2. Bank to maintain account and only release deposited funds at the written direction of FPSC.
3. No funds in the escrow account may be withdrawn by the Utility without the express approval of the FPSC.
4. The escrow account should be an interest bearing account.
5. If a refund to the customers is required, all interest earned by the escrow account will be distributed to the utilities customers.
6. Bank shall have no responsibility or liability for utilities requirements.
7. If a refund to the customers is not required, all interest earned by the escrow account will revert to Utility.
8. All information on the escrow account is available to FPSC from the Bank.
9. Utility agrees to deposit revenue subject to refund into escrow account within seven days of receipt.
10. This escrow account is established by the direction of the FPSC for the purpose(s) set forth in its order requiring such account. Escrow account is not subject to garnishments.
11. The director of Commission Clerk and administrative Services will be a signatory to this escrow agreement.
12. Bank shall be entitled to rely on any instructions it receives and which it believes in good faith were sent by the Utility or FPSC. The Account established with Bank shall be titled EAST MARION SANITARY SYSTEM and the taxpayer identification number of the Utility will be used for any tax reporting purposes. Any requests for withdrawals must be made by a Utility representative and the Director of Commission (FPSC) Clerk on behalf of the FPSC.
13. Bank shall assume no obligation other than those set forth in this Agreement. Bank reserves the right to resign as Escrow Agent by giving Utility and FPSC thirty (30) days advance written notice of its intent to resign.
14. Utility agrees to indemnify and hold Bank harmless from any claims, demands, expenses (including reasonable attorneys fees) and liability of any kind arising from Bank's service as Escrow Agent unless the claims arise as a result of Bank's gross negligence or willful misconduct.

East Marion Sanitary Systems, Inc.

BY: [Signature]

TITLE: President

AmSouth Bank

BY: [Signature]

TITLE: Customer Serv. Assoc.

[Signature]

By: Blanca S. Bayó, Commission Clerk and Administrative Services Director

CCA Official Filing:

9/4/02***12:36 PM*****Kay Flynn*****1**

Kay Flynn

To: Ryan Fitch; Troy Rendell
Subject: RE: Docket 010869-WS - East Marion Sanitary Systems, Inc.

Thanks.

-----Original Message-----

From: Ryan Fitch
Sent: Wednesday, September 04, 2002 12:35 PM
To: Kay Flynn; Troy Rendell
Subject: RE: Docket 010869-WS - East Marion Sanitary Systems, Inc.

The bank's address is
406 East Silver Springs Blvd.
Ocala, Florida 34470

The Contact person is Mr. Rick Cascaddan, Assistant Branch Manager

The Utility address is
Mr. Herbert Hein, President
East Marion Sanitary Systems, Inc.
13380 East Hwy. 40
Silver Springs, Florida 34488

We believe the agreement is adequate, the language contained in the agreement is directly from the order.
Thanks

-----Original Message-----

From: Kay Flynn
Sent: Wednesday, September 04, 2002 12:00 PM
To: Ryan Fitch; Troy Rendell
Subject: Docket 010869-WS - East Marion Sanitary Systems, Inc.

Please send along the bank's mailing address and "attention" name as soon as you get it. Once I get that information, I'll prepare the transmittal letter and have Blanca sign the agreement so it can be mailed to the bank asap.

Also, I know we discussed the format of the agreement, et cetera, and I gather from your request that I have Blanca sign and then have it returned to the bank--I gather the agreement is adequate and acceptable. Please confirm that by return e-mail, and I'll place this e-mail in the file as documentation.

Let me know if questions.

Thanks.

Kay