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RECORDS AND REPORTING

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September 15, 2000

VIA HAND DELIVERY

ROBERT M. C. ROSE
OF COUNSEL

Ms. Blanca Bayo
Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0873

Re: Aloha Utilities, Inc.; PSC Docket No. 991643-SU
Application for Increase in Wastewater Rates in Seven Springs System
Our File No. 26038.30

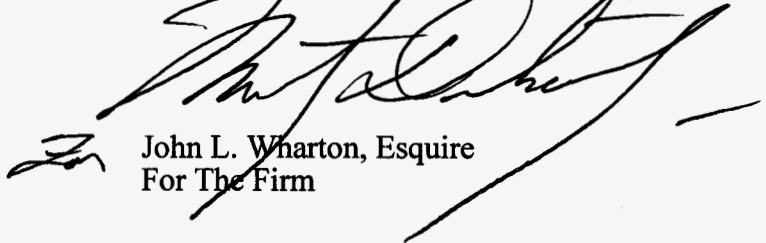
Dear Ms. Bayo:

Enclosed please find the original and 15 copies of the documents which are being submitted as a supplement to Stephen G. Watford's rebuttal testimony, filed March 12, 2000, and/or his supplemental direct testimony provisionally filed yesterday, September 14, 2000. These documents represent a fully-executed Contract for Purchase of a new office building which represents the most recent information regarding the purchase by Aloha of the new property.

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP



John L. Wharton, Esquire
For The Firm

JLW/mb
Enclosures

APP cc: Steve Burgess, Esquire (w/encl.)
CAF Ralph Jaeger, Esquire (w/encl.)
CMP
COM 3
CTR aloha\30\915clerk.ltr
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LEG 2
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DOCUMENT NUMBER-DATE

11637 SEP 15 8

FPSC-RECORDS/REPORTING

ALOHA UTILITIES, INC.

Docket No. 991643-SU

Rate Case

Executed Contract for Sale of New Office Building

Prudential Tropical Realty
8406 Massachusetts Avenue
Suite A-1
New Port Richey, FL 34653
Phone: 727-847-6556, Fax: 727-847-9676

Commercial Contract
FLORIDA ASSOCIATION OF REALTORS®

1. PURCHASE AND SALE:

Aloha Utilities, Inc.
("Buyer") agrees to buy and

Costanza Building Company and/or assigns
("Seller") agrees to sell the property described as: Street Address:
6915 Perrine Ranch Road, New Port Richey, Florida 34655

Legal Description:
Parcel ID#28 26 16 0000 00100 0070

and the following Personal Property:

n/a
(all collectively referred to as the "Property") on the terms and conditions set forth below The "Effective Date" of this Contract is the date on which the last of the Parties signs the latest offer. Time is of the essence in this Contract. Time periods of 5 days or less will be computed without including Saturday, Sunday, or national legal holidays and any time period ending on a Saturday, Sunday or national legal holiday will be extended until 5:00 p.m. of the next business day.

2. PURCHASE PRICE:

- (a) Deposit held in escrow by Prudential Tropical Realty Escrow \$ 10,000.00
(b) Additional deposit to be made within n/a days from Effective Date \$ 612,000.00
(c) Total mortgages (as referenced in Paragraph 3) \$ 560,000.00
(d) Other: n/a \$ 143,000.00
(e) Balance to close, subject to adjustments and prorations, to be made with cash, locally drawn certified or cashier's check or wire transfer. \$ 130,000.00

3. THIRD PARTY FINANCING: Within 5 days from Effective Date ("Application Period"), Buyer will, at Buyer's expense, expense, apply for third party financing in the amount of \$ n/a or 80% of the purchase price to be amortized over a period of n/a years and due in no less than n/a years and with a fixed interest rate not to exceed n/a % per year or variable interest rate not to exceed n/a % at origination with a lifetime cap not to exceed n/a % from initial rate, with additional terms as follows:

n/a
Buyer will pay for the mortgagee title insurance policy and for all loan expenses. Buyer will timely provide any and all credit employment, financial and other information reasonably required by any lender. Buyer will notify Seller immediately upon obtaining financing or being rejected by a lender. If Buyer, after diligent effort, fails to obtain a written commitment within 30 days from Effective Date ("Financing Period"), Buyer may cancel the Contract by giving prompt notice to Seller and Buyer's deposit(s) will be returned to Buyer in accordance with Paragraph 9.



Seller(s) [Signature]

4. TITLE: Seller has the legal capacity to and will convey marketable title to the Property by statutory warranty deed other, n/a free of liens, easements and encumbrances of record or known to Seller, but subject to property taxes for the year of closing; covenants, restrictions and public utility easements of record; and (list any other matters to which title will be subject)

n/a provided there exists at closing no violation of the foregoing and none of them prevents Buyer's intended use of the Property as

n/a (a) Evidence of Title: Seller will, at (check one) Seller's Buyer's expense and within n/a days from Effective Date prior to Closing Date from date Buyer meets or waives financing contingency in Paragraph 3, deliver to Buyer (check one)

a title insurance commitment by a Florida licensed title insurer and, upon Buyer recording the deed, an owner's policy in the amount of the purchase price for fee simple title subject only to exceptions stated above.

an abstract of title, prepared or brought current by an existing abstract firm or certified as correct by an existing firm. However, if such an abstract is not available to Seller, then a prior owner's title policy acceptable to the proposed insurer as a base for reissuance of coverage. The prior policy will include copies of all policy exceptions and an update in a format acceptable to Buyer from the policy effective date and certified to Buyer or Buyer's closing agent together with copies of all documents recited in the prior policy and in the update.

(b) Title Examination: Buyer will, within 15 days from receipt of the evidence of title deliver written notice to Seller of title defects. Title will be deemed acceptable to Buyer if (1) Buyer fails to deliver proper notice of defects or (2) Buyer delivers proper written notice and Seller cures the defects within 30 days from receipt of the notice ("Curative Period"). If the defects are cured within the Curative Period, closing will occur within 10 days from receipt by Buyer of notice of such curing. Seller may elect not to cure defects if Seller reasonably believes any defect cannot be cured within the Curative Period. If the defects are not cured within the Curative Period, Buyer will have 10 days from receipt of notice of Seller's inability to cure the defects to elect whether terminate this Contract or accept title subject to existing defects and close the transaction without reduction in purchase price. The party who pays for the evidence of title will also pay related title service fees including title and abstract charges and title examination.

(c) Survey: (check applicable provisions below)

Seller will, within 10 days from Effective Date, deliver to Buyer copies of prior surveys, plans, specifications, and engineering documents, if any, and the following documents relevant to this transaction:

See lease with Allstate

prepared for Seller or in Seller's possession, which show all currently existing structures.

Buyer will, at Seller's Buyer's expense and within the time period allowed to deliver and examine title evidence, obtain a current certified survey of the Property from a registered surveyor. If the survey reveals encroachments on the Property or that the improvements encroach on the lands of another, Buyer will accept the Property with existing encroachments such encroachments will constitute a title defect to be cured within the Curative Period.

(d) Ingress and Egress: Seller warrants that the Property presently has ingress and egress.

(e) Possession: Seller will deliver possession and keys for all locks and alarms to Buyer at closing.

5. CLOSING DATE AND PROCEDURE: This transaction will be closed in Pasco County, Florida on or before the December 20, 2000 or within 0 days from Effective Date ("Closing Date"), unless otherwise extended herein. Seller Buyer will designate the closing agent. Buyer and Seller will, within 45 days from Effective Date, deliver to Escrow Agent signed instructions which provide for closing procedure. If an institutional lender is providing purchase funds, lender requirements as to place, time of day, and closing procedures will control over any contrary provisions in this Contract.

(a) Costs: Buyer will pay taxes and recording fees on notes, mortgages and financing statements and recording fees for the deed. Seller will pay taxes on the deed and recording fees for documents needed to cure title defects. If Seller is obligated to discharge any encumbrance at or prior to closing and fails to do so, Buyer may use purchase proceeds to satisfy the encumbrances.

(b) Documents: Seller will provide the deed, bill of sale, mechanic's lien affidavit, assignments of leases, updated rent roll, tenants and lender estoppel letters, assignments of permits and licenses, corrective instruments and letters notifying tenants of the change in ownership/rental agent. If any tenant refuses to execute an estoppel letter, Seller will certify that information regarding the tenant's lease is correct. If Seller is a corporation, Seller will deliver a resolution of its Board of Directors authorizing the sale and delivery of the deed and certification by the corporate Secretary certifying the resolution and setting forth facts showing the conveyance conforms with the requirements of local law. Seller will transfer security deposits to Buyer. Buyer will provide the closing statement, mortgages and notes, security agreements and financing statements.

(c) Taxes, Assessments, and Prorations: The following items will be made current and prorated as of Closing Date as of n/a; real estate taxes, bond and assessment payments assumed by Buyer, interest, rents, association dues, insurance premiums acceptable to Buyer, operational expenses and n/a. If the amount of taxes and assessments for the current year cannot be ascertained, rates for the previous year will be used with due allowance being made for improvements and exemptions. Seller is aware of the following assessments affecting or potentially affecting the Property: n/a

Buyer will be responsible for all assessments of any kind which become due and owing on or after Effective Date, unless the improvement is substantially completed as of Closing Date, in which case Seller will be obligated to pay the entire assessment.

(d) **FIRPTA Tax Withholding:** The Foreign Investment in Real Property Act ("FIRPTA") requires Buyer to withhold at closing a portion of the purchase proceeds for remission to the Internal Revenue Service ("I.R.S.") if Seller is a "foreign person" as defined by the Internal Revenue Code. The parties agree to comply with the provisions of FIRPTA and to provide, at or prior to closing, appropriate documentation to establish any applicable exemption from the withholding requirement. If withholding is required and Buyer does not have cash sufficient at closing to meet the withholding requirement, Seller will provide the necessary funds and Buyer will provide proof to Seller that such funds were properly remitted to the I.R.S.

6. ESCROW: Buyer and Seller authorize Prudential Tropical Realty
Telephone: 727-847-6556 Facsimile: 727-847-9676 Address: 8406 Massachusetts Ave
Suite A-1, New Port Richey, FL 34553 to act as "Escrow Agent" to receive funds and other items and, subject to clearance, disburse them in accordance with the terms of this Contract. Escrow Agent will deposit all funds received in a non-interest bearing escrow account an interest bearing escrow account with interest accruing to n/a with interest disbursed (check one) at closing at n/a intervals. If Escrow Agent receives conflicting demands or has a good faith doubt as to Escrow Agent's duties or liabilities under this Contract, he/she may (a) hold the subject matter of the escrow until the parties mutually agree to its disbursement or until issuance of a court order or decision of arbitrator determining the parties' rights regarding the escrow or (b) deposit the subject matter of the escrow with the clerk of the circuit court having jurisdiction over the dispute. Upon notifying the parties of such action, Escrow Agent will be released from all liability except for the duty to account for items previously delivered out of escrow. If a licensed real estate broker, Escrow Agent will comply with applicable provisions of Chapter 475, Florida Statutes. In any suit or arbitration in which Escrow Agent is made a party because of acting as agent hereunder or interpleads the subject matter of the escrow, Escrow Agent will recover reasonable attorneys' fees and costs at all levels, with such fees and costs to be paid from the escrowed funds or equivalent and charged and awarded as court or other costs in favor of the prevailing party. The parties agree that Escrow Agent will not be liable to any person for misdelivery to Buyer or Seller of escrowed items, unless the misdelivery is due to Escrow Agent's willful breach of this Contract or gross negligence.

7. PROPERTY CONDITION: Seller will deliver the Property to Buyer at the time agreed in its present "as is" condition, ordinary wear and tear excepted, and will maintain the landscaping and grounds in a comparable condition. Seller makes no warranties other than marketability of title. By accepting the Property "as is," Buyer waives all claims against Seller for any defects in the property. (Check (a) or (b))

(a) **As Is:** Buyer has inspected the Property or waives any right to inspect and accepts the Property in its "as is" condition.
 (b) **Due Diligence Period:** Buyer will, at Buyer's expense and within 30 days from Effective Date ("Due Diligence Period"), determine whether the Property is suitable, in Buyer's sole and absolute discretion, for Buyer's intended use and development of the Property as specified in Paragraph 4. During the Due Diligence Period, Buyer may conduct any tests, analyses, surveys and investigations ("inspections") which Buyer deems necessary to determine to Buyer's satisfaction the Property's engineering, architectural, environmental properties; zoning and zoning restrictions; flood zone designation and restrictions; subdivision regulations; soil and grade; availability of access to public roads, water, and other utilities; consistency with local, state and regional growth management and comprehensive land use plans; availability of permits, government approvals and licenses; compliance with American with Disabilities Act; absence of asbestos, soil and ground water contamination; and other inspections that Buyer deems appropriate to determine the suitability of the Property for Buyer's intended use and development. Buyer shall deliver written notice to Seller prior to the expiration of the Due Diligence Period of Buyer's determination of whether or not the Property is acceptable. Buyer's failure to comply with this notice requirement shall constitute acceptance of the Property in its present "as is" condition. Seller grants to Buyer, its agents, contractors and assigns, the right to enter the Property at any time during the Due Diligence Period for the purpose of conducting Inspections; provided, however, that Buyer, its agents, contractors and assigns enter the Property and conduct Inspections at their own risk. Buyer shall indemnify and hold Seller harmless from losses, damages, costs, claims and expenses of any nature, including attorneys' fees at all levels, and from liability to any person, arising from the conduct of any and all inspections or any work authorized by Buyer. Buyer will not engage in any activity that could result in a mechanic's lien being filed against the Property without Seller's prior written consent. In the event this transaction does not close, (1) Buyer shall repair all damages to the Property resulting from the Inspections and return the Property to the condition it was in prior to conduct of the Inspections, and (2) Buyer shall, at Buyer's expense, release to Seller all reports and other work generated as a result of the Inspections. Should Buyer deliver timely notice that the Property is not acceptable, Seller agrees that Buyer's deposit shall be immediately returned to Buyer and the Contract terminated.

(c) **Walk-through Inspection:** Buyer may, on the day prior to closing or any other time mutually agreeable to the parties, conduct a final "walk-through" inspection of the Property to determine compliance with this paragraph and to ensure that all Property is on the premises.

(d) **Disclosures:**

1. **Radon Gas:** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

2. **Energy Efficiency:** Buyer may have determined the energy efficiency rating of the building, if any is located on the Real Property.

8. OPERATION OF PROPERTY DURING CONTRACT PERIOD: Seller will continue to operate the Property and any business conducted on the Property in the manner operated prior to Contract and will take no action that would adversely impact the Property,

tenants, lenders or business, if any. Any changes, such as renting vacant space, that materially affect the Property or Buyer's intended use of the Property will be permitted only with Buyer's consent without Buyer's consent.

9. RETURN OF DEPOSIT: Unless otherwise specified in the Contract, in the event any condition of this Contract is not met and Buyer has timely given any required notice regarding the condition having not been met, Buyer's deposit will be returned in accordance with applicable Florida laws and regulations.

10. DEFAULT:

(a) In the event the sale is not closed due to any default or failure on the part of Seller other than failure to make the title marketable after diligent effort, Buyer may either (1) receive a refund of Buyer's deposit(s) or (2) seek specific performance. If Buyer elects a deposit refund, Seller will be liable to Broker for the full amount of the brokerage fee.

(b) In the event the sale is not closed due to any default or failure on the part of Buyer, Seller may either (1) retain all deposit(s) paid or agreed to be paid by Buyer as agreed upon liquidated damages, consideration for the execution of this Contract, and in full settlement of any claims, upon which this Contract will terminate or (2) seek specific performance. If Seller retains the deposit, Seller will pay the Listing and Cooperating Brokers named in Paragraph 12 fifty percent of all forfeited deposits retained by Seller (to be split equally among the Brokers) up to the full amount of the brokerage fee.

11. ATTORNEY'S FEES AND COSTS: In any claim or controversy arising out of or relating to this Contract, the prevailing party, which for purposes of this provision will include Buyer, Seller and Broker, will be awarded reasonable attorneys' fees, costs and expenses.

12. BROKERS: Neither Buyer nor Seller has utilized the services of, or for any other reason owes compensation to, a licensed real estate Broker other than:

(a) Listing Broker: n/a who is an agent of n/a a transaction broker a nonrepresentative and who will be compensated by Seller Buyer both parties pursuant to a listing agreement other (specify) n/a

(b) Cooperating Broker: Prudential Tropical Realty who is an agent of n/a a transaction broker a nonrepresentative and who will be compensated by Buyer Seller both parties pursuant to an MLS or other offer of compensation to a cooperating broker other (specify) n/a

(collectively referred to as "Broker") in connection with any act relating to the Property, including but not limited to inquiries, introductions, consultations and negotiations resulting in this transaction. Seller and Buyer agree to indemnify and hold Broker harmless from and against losses, damages, costs and expenses of any kind, including reasonable attorneys' fees at all levels, and from liability to any person, arising from (1) compensation claimed which is inconsistent with the representation in this Paragraph, (2) enforcement action to collect a brokerage fee pursuant to Paragraph 10, (3) any duty accepted by Broker at the request of Buyer or Seller, which duty is beyond the scope of services regulated by Chapter 475, F.S., as amended, or (4) recommendations of or services provided and expenses incurred by any third party whom Broker refers, recommends or retains for or on behalf of Buyer or Seller.

13. ASSIGNABILITY; PERSONS BOUND: This Contract may be assigned to a related entity, and otherwise is not assignable is assignable. The terms "Buyer," "Seller" and "Broker" may be singular or plural. This Contract is binding upon Buyer, Seller and their heirs, personal representatives, successors and assigns (if assignment is permitted).

14. OPTIONAL CLAUSES: (Check if any of the following clauses are applicable and are attached as an addendum to this Contract):

- Arbitration
- Section 1031 Exchange
- Property Inspection and Repair
- Seller Representations
- Seller Warranty
- Coastal Construction Control Line
- Flood Area Hazard Zone
- Seller Financing
- Existing Mortgage
- Other See attached addendum
- Other n/a
- Other n/a

15. MISCELLANEOUS: The terms of this Contract constitute the entire agreement between Buyer and Seller. Modifications of this Contract will not be binding unless in writing, signed and delivered by the party to be bound. Signatures, initials, documents referenced in this Contract, counterparts and written modifications communicated electronically or on paper will be acceptable for all purposes, including delivery, and will be binding. Handwritten or typewritten terms inserted in or attached to this Contract prevail, over preprinted terms. If any provision of this Contract is or becomes invalid or unenforceable, all remaining provisions will continue to be fully effective. This Contract will be construed under Florida law and will not be recorded in any public records. Delivery of any written notice to any party's agent will be deemed delivery to that party.

THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK THE ADVICE OF AN ATTORNEY PRIOR TO SIGNING. BROKER ADVISES BUYER AND SELLER TO VERIFY ALL FACTS AND REPRESENTATIONS THAT ARE IMPORTANT TO THEM AND TO CONSULT AN APPROPRIATE PROFESSIONAL FOR LEGAL ADVICE (FOR

EXAMPLE, INTERPRETING CONTRACTS, DETERMINING THE EFFECT OF LAWS ON THE PROPERTY AND TRANSACTION, STATUS OF TITLE, FOREIGN INVESTOR REPORTING REQUIREMENTS, ETC.) AND FOR TAX, PROPERTY CONDITION, ENVIRONMENTAL AND OTHER SPECIALIZED ADVICE. BUYER ACKNOWLEDGES THAT BROKER DOES NOT OCCUPY THE PROPERTY AND THAT ALL REPRESENTATIONS (ORAL, WRITTEN OR OTHERWISE) BY BROKER ARE BASED ON SELLER REPRESENTATIONS OR PUBLIC RECORDS UNLESS BROKER INDICATES PERSONAL VERIFICATION OF THE REPRESENTATION. BUYER AGREES TO RELY ; SOLELY ON SELLER, PROFESSIONAL INSPECTORS AND GOVERNMENTAL AGENCIES FOR VERIFICATION OF THE PROPERTY CONDITION, SQUARE FOOTAGE AND FACTS THAT MATERIALLY AFFECT PROPERTY VALUE.

DEPOSIT RECEIPT: Deposit of \$ 10,000.00 by check other n/a received on n/a by Allen S. Pumbly Signature of Escrow Agent

OFFER: Buyer offers to purchase the Property on the above terms and conditions. Unless acceptance is signed by Seller and a signed copy delivered to Buyer or Buyer's agent no later than n/a a.m. p.m. on n/a Buyer may revoke this offer and receive a refund of all deposits.

DATE 9/8/00 Aloha Utilities, Inc. BUYER [Signature] By: Aloha Utilities, Inc.

ACCEPTANCE: Seller accepts Buyer's offer and agrees to sell the Property on the above terms and conditions (subject to the attached counter offer).

DATE 9/12/00 Costanza Building Company and/or assigns SELLER [Signature] By: Costanza Building Company and/or assigns

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Prudential Tropical Realty
8406 Massachusetts Avenue
Suite A-1
New Port Richey, FL 34653
Phone: 727-847-6556, Fax: 727-847-9676

Addendum to Contract

FLORIDA ASSOCIATION OF REALTORS®

Addendum No. 1 to the Contract dated September 08, 2000 between

Costanza Building Company and/or assigns
(Seller) and

Aloha Utilities, Inc
(Buyer)

concerning the property described as:

6915 Perrine Ranch Road, New Port Richey, FL 34655

(the "Contract"). Buyer and Seller make the following terms and conditions part of the Contract:

1. This contract is contingent upon the subject property being concurrent with the American Disabilities Act (ADA) requirements. *which shall take place within the 30 day due diligence period.*
2. This contract is subject to the Buyer and Seller agreeing to improve the lobby area, isolating and securing with improvements. The expense will be paid for by the Buyer. The cost is in addition to the purchase price. It is intended to have the improvements completed prior to move in.
3. This contract is subject to the Seller constructing a drive-thru facility suitable for Buyer and agreed by both Buyer and Seller. This Cost of such improvements will be paid by the Buyer and is in addition to the purchase price.

Aloha Utilities, Inc
BUYER *Steph M. Wolfe, Pres* DATE *9/8/00*
By: Aloha Utilities, Inc

Costanza Building Company and/or assigns
SELLER *[Signature]* DATE *9/12/00*
By: Costanza Building Company and/or assigns

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Addendum to Contract - ACSP-2 - Rev.6/94



Addendum #2 to the Contract dated September 8, 2000 between Costanza Building Company and Aloha Utilities, Inc.

- 1. Seller will maintain possession of the property for a maximum of 90 days after the closing.
- 2. Seller will pay rent to Buyer on a per diem basis at the rate of \$12.70 per sq. ft.. Rent for 30 days will be paid in advance by Seller at closing and monthly thereafter. Buyer will continue to pay for electricity.
- 3. Improvements requested by the Buyer on Addendum #1 will be started immediately upon closing and receipt of permits. Said improvements will be handled by a separate contract.
- 4. ~~Attached is a furniture and light fixture schedule owned by the Seller for purchase by the Buyer. Items to be selected within 10 days from the execution date and handled with a separate contract. Payment due at closing.~~ *sw* Attached list of built-in furniture will be included in the purchase price.
- 5. Seller counters Buyer's offer (to accept the counter offer, Buyer must sign or initial the counter offered terms and deliver a copy of the acceptance to Seller by 5:00 p.m. on September 19, 2000).

Buyer

[Signature]
Aloha Utilities, Inc.

Date

9/15/00

Seller

[Signature]
Costanza Building Company

Date

9/12/00

Prudential Tropical Realty
8406 Massachusetts Avenue
Suite A-1
New Port Richey, FL 34653
Phone: (727) 847-6556, Fax: (727) 847-9676

Brokerage Relationship Disclosure
FLORIDA ASSOCIATION OF REALTORS®

IMPORTANT NOTICE

FLORIDA LAW REQUIRES THAT REAL ESTATE LICENSEES PROVIDE THIS NOTICE TO ALL POTENTIAL SELLERS AND BUYERS OF REAL ESTATE.

You should not assume that any real estate broker or salesperson represents you unless you agree to engage a real estate licensee in an authorized brokerage relationship, either as a single agent or as a transaction broker. You are advised not to disclose any information you want to be held in confidence until you make a decision on representation.

TRANSACTION BROKER NOTICE

FLORIDA LAW REQUIRES THAT REAL ESTATE LICENSEES OPERATING AS TRANSACTION BROKERS DISCLOSE TO BUYERS AND SELLERS THEIR ROLE AND DUTIES IN PROVIDING A LIMITED FORM OF REPRESENTATION.

As a transaction broker, Prudential Tropical Realty and its associates, provides to you a limited form of representation that includes the following duties:

1. Dealing honestly and fairly;
2. Accounting for all funds;
3. Using skill, care, and diligence in the transaction;
4. Disclosing all known facts that materially affect the value of residential real property and are not readily observable to the buyer;
5. Presenting all offers and counteroffers in a timely manner, unless a party has previously directed the licensee otherwise in writing;
6. Limited confidentiality, unless waived in writing by a party. This limited confidentiality will prevent disclosure that the seller will accept a price less than the asking or listed price, that the buyer will pay a price greater than the price submitted in a written offer, of the motivation of any party for selling or buying property, that a seller or buyer will agree to financing terms other than those offered, or of any other information requested by a party to remain confidential; and
7. Any additional duties that are entered into by this or by separate written agreement

Limited representation means that a buyer or seller is not responsible for the acts of the licensee. Additionally, parties are giving up their rights to the undivided loyalty of the licensee. This aspect of limited representation allows a licensee to facilitate a real estate transaction by assisting both the buyer and the seller, but a licensee will not work to represent one party to the detriment of the other party when acting as a transaction broker to both parties.

9/8/00 _____
 Date Signature Signature

Copy returned to Customer on the _____ day of _____ by: personal delivery mail facsimile.

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BRD-3tb, Brokerage Relationship Disclosure, Rev. 10/99

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Completed by - user1, user1, Prudential Tropical Realty



COMMERCIAL SERVICES

RADON GAS, CLOSING COSTS AND PROPERTY SUITABILITY DISCLOSURE FORM

Seller: Costanza Building Company

Buyer: Aloha Utilities, Inc

Property: 6915 Perrine Ranch Road, New Port Richey, FL 34655

Radon Gas

Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

Closing Costs

At closing of this transaction, Buyer may be required to pay additional sums referred to as "closing costs". Listed below are the major closing cost items ordinarily arising in a real estate sales transaction and may be payable by Buyer pursuant to the Contract which Buyer is about to sign. The closing agent will prepare a settlement statement showing items applicable to this transaction and actual closing costs.

Appraisal Fee	Mortgage Insurance Premium	Tax Service Fee
Credit Report	Attorney's Fees	Document Preparation
Survey	Abstract Fees	Escrow Account Balance on Assumption
Pest Inspection	Title Search & Examination	Professional Property Inspection
Loan Origination/Service Fee	Title Insurance, Owner Policy	Home Owner's Warranty
Loan Discount Points	Title Insurance, Lender Policy	Flood Insurance, Prepaid
VA Funding Fee	Doc. Stamp Taxes on Deed, Note	Condominium Assoc. Application
Mortgage Transfer/Assumption Fee	Deed & Mortgage Recording Fees	_____
Hazard Insurance, Prepaid	Intangible Tax on Mortgage	_____
Taxes and Assessments, Prepaid	Broker's Fees	_____

Flood Insurance Notice

Property in the State of Florida may be subject to flooding and may require flood insurance.

Property Suitability

Buyer to determine, in Buyer's sole judgment, and based upon such independent inspections and investigations, as Buyer has deemed necessary or appropriate, that the land use requirements and suitability of the property for Buyer's proposed use will be sufficient.

<u><i>Stephen G. ...</i></u>	<u>9/8/00</u>	<u><i>Costanza</i></u>	<u>9/12/00</u>
Buyer	Date	Seller	Date

_____	_____	_____	_____
Buyer	Date	Seller	Date

_____	_____	_____	_____
Selling Office Representative	Date	Listing Office Representative	Date

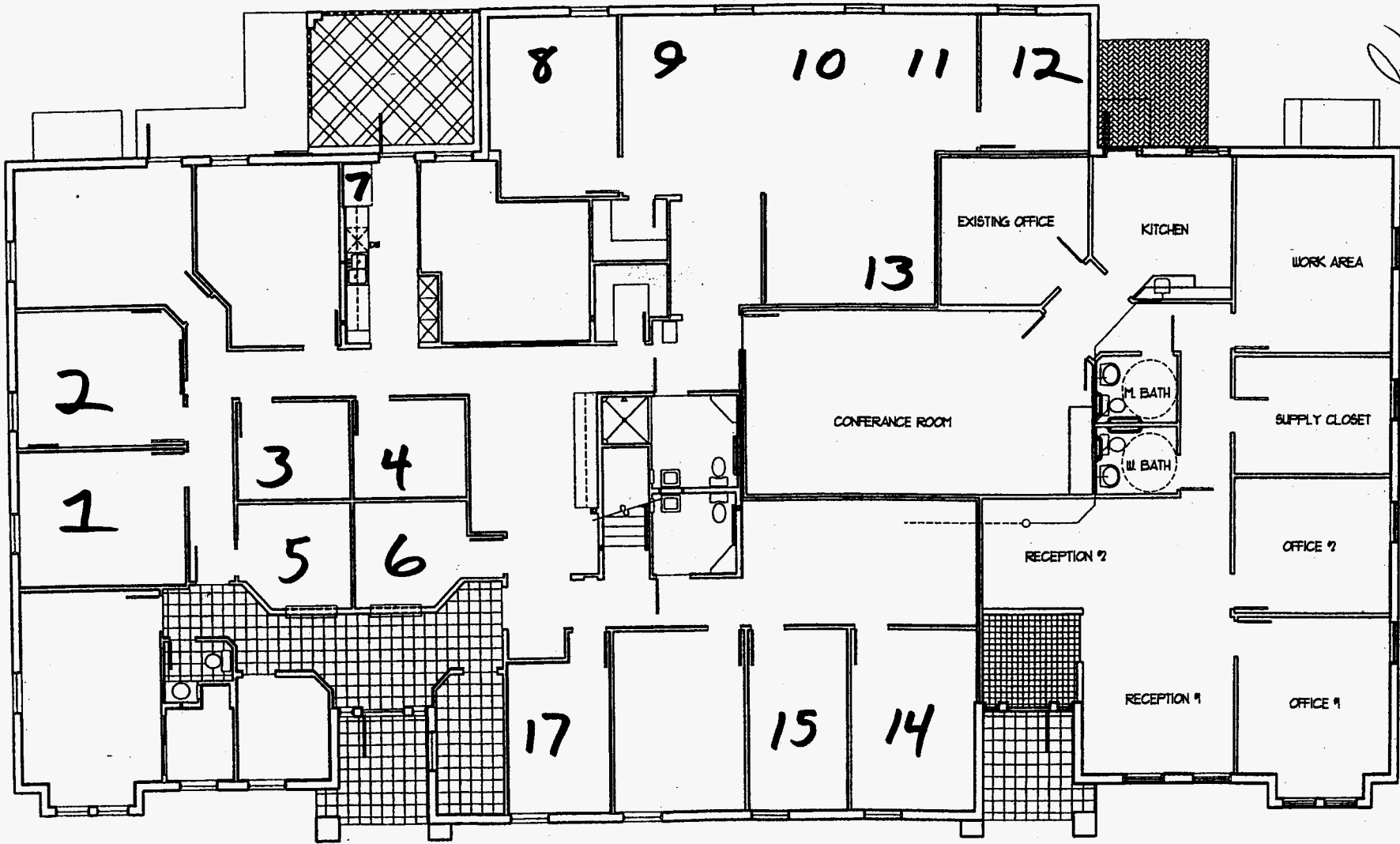
**FURNITURE TO BE INCLUDED IN THE
SELLING PRICE OF THE OFFICE**

**OFFICE
NUMBER**

DESCRIPTION

- 1 Built in desk, wall units, hutch, filing cabinets
- 2 Built in desk, wall units, hutch, filing cabinets
- 3 Built in desk, wall units, filing cabinets
- 4 Built in desk, wall units, filing cabinets
- 7 Refrigerator
- 14 Extra large built in desk, wall unit, filing cabinet
- 15 Built in desk, wall unit, filing drawers

- Built in cabinets in kitchen
- Built in cabinets in copy area
- Built in cabinets in conference room



Costanza Office Building

ALOHA UTILITIES, INC.

Docket No. 991643-SU

Rate Case

Sublease to Allstate Insurance of 2,380 Square Feet



"Good Living by Design"
Since 1972

May 17, 2000

Regarding Allstate Lease Increases at 6921 Perrine Ranch Road, New Port Richey, FL 34655

To Whom It May Concern,

Per the lease agreement between Allstate and Costanza Building Company (See lease addendum 1, article 4 and 4 A), an adjustment shall be made yearly for any increases in the taxes and the Consumer Price Index. **The New Monthly Rent Beginning June 1, 2000 is \$2,688.11.** The following is a breakdown of the new rent calculation.

The current yearly rent is	\$28,560
The current cpi is running at 3%	\$ 856.80
Real Estate Tax Increase from below	\$1,014.62
New Annual Rent	\$30,431.42
6% Sales Tax	\$1,825.89
Total Annual Rent	\$32,257.31
June 1, 2000 New Monthly Rent	\$2,688.11
Current Tax bill	\$11,884.31
Previous Years Tax Bill	\$ 8,385.63
Increase in taxes	\$ 3,498.68
Allstates portion per the lease 29%	\$ 1,014.62

I have attached copies of the last two years tax bills, the lease addendum page pertaining to taxes and the cpi, and a copy of the cpi. If you have any questions, please give me a call at 727-376-7800 ext 213.

Sincerely,

Pete Costanza, Jr.

Costanza Building Company • 6915 Perrine Ranch Road • New
Port Richey, Florida 34655

Phone (727) 376-7800 Fax (727) 376-9442 CG CO 32967

LEASE AMENDMENT

This amendment shall be attached to and become part of that certain lease dated February 17, 1999, between Costanza Building Company, a Florida Corporation herein called Lessor, and Allstate Insurance Company, an Illinois Corporation herein called Lessee, in the building commonly know as: 6921 Perrine Ranch Road New Port Richey, FL 34655.

The leased premises being more particularly described in said lease.

WHEREAS: the parties are desirous of amending said lease.

NOW, THEREFORE, for and in consideration of the terms, covenants and conditions set out herein and in said lease, the parties mutually agree as follows:

- 1. The beginning date is hereby amended and changed to June 1, 1999 and the ending date is changed to May 31, 2004.

IN WITNESS THEREOF, the parties have caused this lease to be executed this 17th day of August, 1999, hereby binding their respective successors, assigns, executors, and administrators.

[Signature]
 Witness
[Signature]
 Witness

By [Signature]
 Lessor Costanza Building Company
 Peter C. Costanza Sr. Vice President

[Signature]
 Witness
[Signature]
 Witness

By [Signature]
 Lessee Allstate Insurance Company
 Regional Vice President

LEASE

By this indenture of lease, dated February 17, 1999,
Costanza Building Company, a Florida Corporation
 herein called Lessor, leases to ALLSTATE INSURANCE COMPANY, an Illinois corporation, with its principal offices at Allstate Plaza, Northbrook, Illinois, herein called Lessee, the following described premises: as shown in Exhibit "A"
commonly known as 6921 Perrine Ranch Rd., New Port Richey, FL 34655

comprising an area of 2,380 gross square feet, for use as offices, for a term of -5- years and -0- months, commencing (see Article 1 of Addendum 1), at an annual rental at the rate of \$ 12.00 per square foot, or a term rental of \$ 142,800, payable in monthly installments of \$ 2,380 + Tax in advance on the first day of each month, commencing with the first month of the term, to Costanza Building Company 6915 Perrine Ranch Rd., New Port Richey, FL 34655; all on the following terms:

Utilities & Services

1. The parties agree that each shall furnish and pay for utilities and services as indicated below:

Occupancy Started on 6/2/99

	To be furnished by (insert "Lessor," "Lessee" or "not applicable")	
(a) Heat as required.	<u>Lessee</u>	(f) Gas for such of the installations in the premises as may require it. <u>n/a</u>
(b) Electricity or gas for air conditioning as required.	<u>Lessee</u>	(g) Clearing of ice and snow from sidewalks, driveways and parking areas. <u>n/a</u>
(c) Electricity for lighting and for ordinary office machines.	<u>Lessee</u>	(h) Replacement of broken glass. <u>Lessor</u>
(d) Replacement of bulbs and fluorescent tubes.	<u>Lessee</u>	(i) Janitor and cleaning services. <u>Lessee</u>
(e) Water for ordinary office purposes.	<u>Lessor</u>	(j) Window washing. <u>Lessee</u>

Wherever above the Lessee has agreed to furnish services, the same shall be obtained from existing heating plant, air conditioning ducts and equipment, water and electrical installations provided by Lessor, (unless this lease contains affirmative agreement by Lessee to make one or more of such installations). Where Lessee pays Lessor for electricity, gas or water, the same shall be billed to Lessee at the prevailing local utility company rates for the type in question.

Quiet Possession

2. So long as Lessee performs its obligations, Lessor covenants to it quiet and peaceful possession of the leased space, and the right to use the same free of interference from noise, noxious or unpleasant fumes or odors or other disturbance from other tenants in the same building.

Lessee's Obligations

3. Lessee agrees as follows:

- (a) To pay rent as due and to deliver possession of the premises to Lessor upon termination of this lease in the same condition as received, ordinary wear and tear and damage by fire, the elements or other casualty excepted;
- (b) To use the premises in a quiet and orderly fashion without disturbance to other tenants in the building, and not to suffer or permit any violations of laws or ordinances therein;
- (c) Not to assign or sublet without prior consent of Lessor, which Lessor agrees will not be unreasonably withheld, provided, however, Lessee may, without Lessor's consent and without release of liability hereunder, assign this lease, or sublet to, or permit occupancy of the demised premises by related companies.

Lessor's Remedies

4. Lessor may terminate this lease and enter and take possession of the premises from Lessee, all without waiving any rights which it may have at law hereunder, without further notice or demand (all such notices and demands being hereby waived) following any of these events:

- (a) That Lessee should fail to pay rent due hereunder within 30 days following written notice of default therein;
- (b) That Lessee shall fail to commence curing any other violation of its covenants within 30 days after written notice thereof, or, having commenced to cure the same as aforesaid, should fail to carry the same to conclusion with due diligence;
- (c) Upon the adjudication of Lessee as a bankrupt or the appointment of a receiver of its property.

Untenantability

5. If the premises, or any portion thereof, are made untenantable by fire, the elements or other casualty, rent for the entire premises or affected portion thereof shall abate from the date of such casualty to restoration of tenability. Lessor shall restore the same with all reasonable speed, and if Lessor does not restore the premises or the affected portion to tenability within sixty days thereafter, Lessee may then terminate this lease, retroactive to the date of casualty. If the premises are more than fifty per cent destroyed by such casualty, either Lessor or Lessee may terminate this lease, retroactive to such date; by notice delivered within thirty days thereafter; failing such notice, Lessor shall restore the premises to tenability within ninety days of such casualty and rent shall abate as aforesaid.

Lessor's Construction, Alterations and Improvements

Lessee's
 6. Lessor agrees at ~~his~~ **Lessee's** expense to construct or remodel the aforementioned leased premises in accordance with plans, specifications, elevations and renderings to be prepared by Lessor and approved by Lessee. Said plans and specifications shall require the completion of the premises, including all facilities and services specifically required by this lease and all facilities and services generally applicable to office space, with first class materials and construction and with such layouts, partitions, quality and type of materials and finish as Lessee shall approve. Lessor agrees to submit such plans and specifications to Lessee on or before 14 days Lessee shall approve or disapprove of said plans and specifications within -5- days after the same are submitted to it, and upon approval thereof by the Lessee, the same shall be deemed to be attached to and form a part of this lease. In the event the Lessor shall fail to prepare such plans and specifications by the above date, or to proceed with construction promptly upon the approval thereof, or to make reasonable progress towards the completion of such construction by the date of commencement of the term, with consideration for strikes or Acts of God, Lessee shall have the option to cancel and terminate this lease upon sixty days written notice to Lessor. (See page 4. "Lessee's Const. Alter. and Improv.")

Delivery of possession 7. If Lessor fails or is unable to deliver possession of the premises in tenantable condition and with Lessor's construction, alterations and improvements completed on the date of commencement of the term, then the monthly rent shall abate until the completion of tenantable conditions and of the foregoing work. If such tenantable conditions and work are not completed within sixty days after the specified date of commencement of the term, Lessee shall have an option to cancel this lease. ~~If the leased premises are in a new building under construction, tenantable condition shall include the substantial completion of adjacent parts thereof.~~

Lessee's Alterations and Improvements 8. (a) Lessee is granted permission to make such alterations and improvements and install such identification signs, furniture, fixtures, and equipment in the demised premises as may be specified in lists, plans and specifications attached hereto and identified as "Lessee's Alterations and Improvement". Lessee agrees to pay for the same, to indemnify, save and hold Lessor harmless from any cost, expense or liens arising in connection therewith. Lessee may enter upon the premises to do such work during a reasonable and necessary period before commencement of the term.
(b) Lessor shall not unreasonably withhold consent to Lessee making further alterations during the term of the lease, which further alterations shall be on the conditions contained in (a) above.
(c) Except as provided in paragraph 9 or as otherwise stated in Lessor's consent to the making thereof, Lessee's alterations and improvements shall become Lessor's property at the termination of this lease.

Removal of Lessee's Improvements 9. Upon termination Lessee may at its option remove ~~carpeting, venetian blinds,~~ office equipment, business machines, trade fixtures, if any, and signs, plus such installations as Lessee may make and may be permitted to remove under this lease, provided that it restores the premises to their original condition, ordinary wear and tear excepted, and repairs damage done by such removal.

Inspection 10. Lessor has the right to enter the premises for reasonable inspections, and to show the same to prospective tenants during the last sixty days of the term.

Liability 11. Unless caused by the negligence or wilful act or failure to act of Lessor or its agents or employes, Lessee waives all claims against Lessor for damages to the property of Lessee, resulting from the building or its equipment being out of repair, or from act or neglect of any other tenant or occupant or any accident or theft in or about the building.

Maintenance and Repair 12. Subject only to Lessee's liability to repair damage caused by the negligence or wilful act of its agents, employes or occupants, Lessor shall at its expense maintain and keep in repair the building and leased premises including both exterior, interior, parking lots, driveways and all structural parts, fixtures, wiring, plumbing, heating, water pipes, plastering and flooring therein, except only those installations, if any, provided by Lessee. Without limiting the foregoing, Lessor agrees to keep heating plant, electrical and water connections and facilities and air conditioning (if installed by Lessor) in first-class operating condition and available for continuous use.

Signs 13. Lessor will not unreasonably withhold consent to Lessee's lettering of windows or erection of signs as are reasonably necessary to Lessee's business and are in keeping with the standards maintained in the building.

Parking Facilities 14. Lessee, its employees, customers, and visitors shall have the right to use such parking facilities as may adjoin or be available to the building and Lessor will provide at least -4- paved parking spaces for the exclusive use of Lessee.

Office Equipment 15. Lessee may install and use business machines as necessary to conduct its business, including but not limited to addressograph machines and photochemical equipment.

Holding Over by Lessee 16. If Lessee shall remain in the demised premises after the expiration of this lease without having executed a new written lease, then Lessor shall have the option to treat Lessee either (a) as one not lawfully entitled to possession of the premises, and shall thereupon be entitled to take all lawful action for Lessee's immediate removal therefrom, or (b) as a tenant for the next ensuing calendar month and for each separate ensuing calendar month thereafter, in which case said tenancy may be terminated by either Lessor or Lessee as of the end of any calendar month upon thirty days' prior written notice, and Lessee shall pay monthly rent at the rate herein specified for each such month. No such holding over shall give rise, whether by operation of law or otherwise, to any other term or tenancy than that set forth in this paragraph.

Office Buildings Agreements Section 17, void. 17. If the demised premises consists of space in an office building, or shopping center, then in addition to the other terms of this lease, the parties agree as follows:
(a) Lessee, its employees and visitors shall have use of all lobbies, halls, stairways, washrooms and other public spaces in common with other tenants.
(b) Lessor shall provide to Lessee elevator service at all reasonable business hours, and shall also provide to Lessee such other services, not designated in this lease, as Lessor customarily provides without charge to other tenants in the building or shopping center.
(c) Lessee agrees to obey all such reasonable rules as do not conflict with this lease and as Lessor may establish uniformly throughout the building or shopping center, from time to time, provided that Lessee's office manager is notified of the same.

Condemnation 18. If any portion of the premises or the access thereto is condemned and if, in Lessee's sole opinion, the remainder is inadequate, then Lessee shall have the option (to be exercised within 90 days of written notice to Lessee of the area to be condemned) to cancel this lease as of the effective date of condemnation; in such case, any portion of a condemnation award or settlement attributable to the Lessee's leasehold (including options to extend the same) shall be paid to Lessee. Lessee shall have reasonable opportunity to participate in the condemnation proceedings. If any characteristics of the premises are made less desirable by condemnation, and Lessee elects not to cancel, then there shall be an equitable adjustment of rent to reflect such fact for the balance of the term.

Subordination 19. This lease and Lessee's rights hereunder shall at all times be subordinate to the liens of mortgages now or hereafter placed on the building or any underlying leasehold estate. So long as Lessee performs its covenants, its right to possession hereunder shall not be disturbed under the rights or powers granted in any such mortgage.

Renewal 20. Lessee, at its option, shall be entitled to -2- successive renewals hereof, each for a term of 5 years upon the same terms and conditions as set forth herein. Said option to be exercised in writing -120- days prior to the expiration of the original or succeeding terms.

**Commencement
of Term
Adjustment**

21. In the event the premises are not in tenable condition at the time of the commencement of the term of this lease, the term shall run for a period of -5- years from the date of completion of the premises and acceptance by the Lessee and the date of commencement and expiration of the amended term shall be stated in writing signed by both parties and attached to the lease. This provision is not intended to waive or cancel the Lessee's right to terminate this agreement in the event the premises are not completed and ready for occupancy within sixty days from the specified date of commencement of the term as provided by Paragraph 7, hereof.

**Waiver of
Subrogation**

22. Notwithstanding anything to the contrary contained herein, neither Lessor nor Lessee shall be liable to the other for any loss or damage caused by fire or any other risk insured against by fire, standard extended coverage and malicious mischief and vandalism insurance, in force at the time of such loss or damage.

Amendments

23. There are no agreements between the parties except as stated in this lease. No amendments hereof shall be effective unless in writing, signed by both parties.

Notices

24. The exercise of options granted and the delivery of notices provided for herein shall be effective only if delivered to Lessor at the address provided for payment of rent and to Lessee at Allstate Insurance Company, 780 Carillon Parkway, #400, St. Petersburg, FL 33716. Mailing of the same so addressed, by United States certified mail, postage prepaid, shall constitute delivery. No employe of Lessee at any other address has or shall have any authority to receive notices hereunder.

(Add additional clauses here)

Addendum 1. attached.

Exhibit "A" Plan of unimproved Lease Space.

Exhibit "B" Site Plan

Exhibit "D" Legal Discription

Lessee's Alterations and Improvements
(Designate for each item whether Lessee is permitted to remove the same at termination)

Projector Screen

Refrigerator

Signage

Lessee's ~~Lessee's~~ Construction, Alterations and Improvements

Exhibit "C" Specifications

Exhibit "E" Draw Schedule

Exhibit "F" Preliminary plan of Additions And Alterations

IN WITNESS WHEREOF, the parties have caused this lease to be executed on the date first above written, hereby binding their respective successors, assigns, heirs, executors and administrators.

WITNESS:

Peter C. Costanza, Sr.

Costanza Building Company

By *Peter C. Costanza, Sr.* (SEAL)
LESSOR Peter C. Costanza, Sr. Vice President (Title)

WITNESS:

Stuart Desrosiers

ALLSTATE INSURANCE COMPANY (SEAL)

By *Stuart Desrosiers*
LESSEE *PERSONAL* Vice President

ADDENDUM 1.

'ADDENDUM TO THE LEASE, between Costanza Building Company, as "Lessor" and Allstate Insurance Company, as "Lessee," for the premises at the east end of the Costanza Office Building located at 6915 Perrine Ranch Road, New Port Richey, Florida.

When Clauses in this Addendum are in conflict with Clauses in the Lease; the Clauses in this Addendum shall take precedence.

1. LEASE COMMENCEMENT AND EXPIRATION - Lease shall commence 100 days after the execution of the Lease and expire 5 years thereafter, subject to the terms and conditions contained in Section 7., of the Lease.

1a. PREMISES USE - Lessor agrees to lease to Lessee the demised premises for use and occupancy as office space and said space shall not be used for any other purpose than as above stipulated without written consent of the Lessor.

2. RENT - Lessee shall pay the annual term rental of Twenty Eight Thousand Five Hundred Sixty Dollars (\$28,560.00) plus sales tax of One Thousand Seven Hundred Thirteen and 60/100 Dollars (\$1,713.60) paid to the Lessor, in equal monthly installments of \$ 2,522.80. Payment to be made at the Lessors principal office or at such other location as the Lessor may from time to time direct in writing.

3. LATE CHARGE - If the Lessee fails to make payment within five (5) days after receipt of written or fax notice from Lessor that payment is due, then Lessee shall pay a late charge of one percent (1%) of the amount of the payment per month from the date when due. Such late charge shall constitute Rent, and shall be paid with the next monthly installment of Rent coming due. Such late charge shall be in addition to, and not in lieu of, all other rights and remedies provided to Lessor in this Lease.

4. TAXES - Pasco County Florida Parcel Identification Number 28-26-16-0000-00100-0070. Lessee acknowledges that the leased premises comprise approximately 29% of the total leasable space in the office building and which shall be defined as "Lessee's share." As an additional adjustment to said base rent, in the event that the real estate taxes or any special assessments of any governmental authority for the year subsequent to the initial twelve (12) month period of the Lease increases for the taxes or any special assessments applicable to the first month of the Lease term, then for the second and subsequent calendar years of the Lease term the Lessee shall pay to the Lessor as additional rent an amount of money equal to the Lessees Share of the increase in the taxes or any special assessments. Such adjustments shall be accumulative during the entire term of this Lease and upon being determined shall form a part of the base rent. The base rent shall be adjusted each year accordingly and such adjustments shall be made within the 12th, 13th or 14th month following the lease commencement date and each calendar year of the Lease including extension terms. Such adjusted monthly payments to the Lessor shall commence no later than thirty (30) days from written notice delivered to the Lessee that such adjustments have occurred.

(A) As an additional adjustment to said base rent, in the event that the Consumer Price index (CPI) for the year subsequent to the initial twelve (12) month period of the Lease increases for the CPI applicable to the first month of the Lease term, then for the second and subsequent calendar years of the Lease term the Lessee shall pay to the Lessor as additional rent an amount of money equal to the percentage of the change in the CPI multiplied by the then existing base rent. CPI adjustments shall not exceed three percent (3%) per year. Such adjustments shall be accumulative during the entire term of this Lease and upon being determined shall form a part of the base rent. The base rent shall be adjusted each year accordingly and such adjustments shall be made within the 12th, 13th or 14th month following the lease commencement date and each calendar year of the Lease including extension terms. Such adjusted monthly payments to the Lessor shall commence no later than thirty (30) days from written notice delivered to the Lessee that such adjustments have occurred.

5. ^{Two} FIRST ~~AND LAST~~ MONTHS RENT - Lessee has paid, at signing, to the Lessor the first

two (2) months rent of \$5,045.60.

(A) In the event of a bona fide sale, subject to this Lease, Lessor shall have the right to transfer the security to the buyer for the benefit of Lessee. Lessor, upon notice to Lessee of such sale and assignment of the security deposit to the buyer, shall be released from all liability for the return of such security. Lessee agrees to look solely to the new Lessor for the return of the said security, and it is agreed that this shall apply to subsequent transfer or assignment of the security to any new Lessor.

6. LICENSING, ALTERATIONS, ETC. - The Lessee shall promptly execute and comply with all licensing requirements, statutes, ordinances, rules, orders, regulations and requirements of any governmental or quasi-governmental authority, including departments, bureaus and the like, having jurisdiction applicable to the Premises, for the correction, prevention, and abatement of violations, nuisances or other grievances, in, upon, or connected with the Premises during the term of this Lease, at the Lessee's own cost and expense.

(A) Lessee's, Lessee's successors, heirs, executors or administrators shall not make any alterations to the Premises without the Lessor's consent in writing; or occupy, or permit or suffer the same to be occupied for any business or purpose deemed disreputable or extra-hazardous on account of fire, under the penalty of damages and forfeiture, and in the event of a breach thereof, the term herein shall immediately cease and terminate at the option of the Lessor as if it were the expiration of the original term.

(B) Lessee will not do anything in or to the Premises, or bring anything into the Premises, or permit anything to be done or brought into or kept in the Premises, which will in any way increase the rate of fire insurance on said Premises, nor use the Premises or any part thereof, nor allow or permit its use for any business or purpose which would cause an increase in the rate of fire insurance on said building, and the Lessee agrees to pay as additional rent the cost of any increase in fire insurance on demand by Lessor. Lessee shall maintain fire extinguisher equipment on Premises as required by governmental regulations.

(C) Lessee shall not encumber or obstruct the driveway, parking area, sidewalk in front of, entrance to, said Premises, nor allow the same to be obstructed or encumbered in any manner.

(D) Lessee shall not make any alterations therein and all additions thereto, without written consent of the Lessor and all additions, fixtures, or improvements which may be made by the Lessee, will be of equal quality as the existing improvements, except movable office furniture, and shall become the property of the Lessor and remain upon the Premises as a part thereof, and be surrendered with the Premises at the termination of this lease.

(E) Lessee shall not store anything outside of the building without written consent of the Lessor.

(F) Number of parking lot spaces for use by Lessee on a daily basis:
Employees 7, Clients 3, Handicapped to be shared with other Lessees including Lessor.

(G) Number of parking lot spaces for use by Lessees during peek periods:
Employees 15, Clients 5, Frequency once a mo.,
Handicapped to be shared with other Lessees including Lessor.

(H) Lessee shall not park vehicles other than automobiles, vans and pickups in the parking lot without written consent of the Lessor.

(I) Deliveries by truck (other than 15 minute parcel services) shall be limited to:
Times per week 1 Hours per delivery 1

(J) Lessee agrees to make its own arrangements with the utility company providing electricity and to pay all bills in its own name.

(K) Lessee shall pay as additional rent the cost of removal of Lessee's rubbish or refuse when such rubbish and refuse exceed that of professional office use.

7. SERVICES PROVIDED BY Lessor - As long as Lessee is not in default of any of the terms and conditions of this Lease, beyond the applicable cure periods, Lessor agrees to provide the following services:

(A) Water for ordinary lavatory purposes, except that if the Lessee shall use or consume water for any other purpose or in unusual quantities, Lessee shall pay to Lessor the rent or charge which may, during the term of this Lease, be assessed or imposed for the water used or consumed in or on the said Premises, whether determined by meter or otherwise, as soon as and when the same may be assessed or imposed. All such rents or charges or expenses shall be paid as additional rent when billed by Lessor.

(B) Provide common area maintenance.

8. NO ABATEMENT OF RENT OR ADDITIONAL RENT - This lease and the obligation of Lessee to pay rent hereunder and perform all of the other covenants and agreements hereunder on part of Lessee to be performed shall in no way be affected, impaired or excused because Lessor is unable to supply or is delayed in supplying any service expressly or impliedly to be supplied or is unable to make, or is delayed in making any repairs, additions, alterations or decorations or is unable to supply or is delayed in supplying any equipment or fixtures if Lessor is prevented or delayed from so doing by reasons of government preemption in connection with a National Emergency or in connection with any rule, order or regulation of any department or subdivision thereof of any governmental agency or by reason of the conditions of supply and demand which have been or are affected by war or other emergency.

(A) No diminution or abatement of rent, or other compensation, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the building or to its appliances, nor for any space taken to comply with any law, ordinance or order of a government authority. In respect to the various "services" if any, herein expressly or impliedly agreed to be furnished by Lessor to Lessee, it is agreed that there shall be no diminution or abatement of the rent, or any other compensation, for interruption or curtailment of such "service" when such interruption or curtailment shall be due to accident, alteration or repairs desirable or necessary to be made or to inability or difficulty in securing supplies or labor for the maintenance of such "service" or to some other cause, nor gross negligence on the part of Lessor. No such interruption or curtailment of any such "service" shall be deemed a constructive eviction. Lessor shall not be required to furnish, and Lessee shall not be entitled to receive any "services" during any period when Lessee shall be in default in respect to the payment of rent. Neither shall there be any abatement or diminution of rent because of making of repairs, improvements or decorations to the Premises after the date above fixed for the commencement of the term, it being understood that rent shall, in any event, commence to run at such date so above fixed.

9. DAMAGE TO THE PREMISES - Lessee must give Lessor prompt notice of fire, accident, casualty, damage or dangerous or defective condition. If the Premises can not be used because of fire or other casualty, Lessee is not required to pay rent for the time the Premises are unusable. If part of the Premises can not be used, Lessee must pay rent for the usable part. Lessor need only repair the damaged structural parts of the Premises. Lessor is not required to repair or replace any equipment, fixtures, furnishings or decorations unless originally installed by Lessor. If the Premises are not rendered Leasable within ninety days (90) therefrom, it shall be optional with either party hereto to cancel this Lease and in the event of such cancellation the rent shall be paid only to the date of such fire or casualty. The cancellation herein mentioned shall be evidenced in writing. Lessor is not responsible for delays due to settling insurance claims, obtaining estimates, labor and supply problems or any other cause not fully under Lessor's control.

(A) Lessor has the right to demolish or rebuild the building if there is substantial damage by fire or other casualty. Lessor may cancel this Lease within 30 days after

the substantial fire or casualty by giving Lessee notice of Lessor's intention to demolish or rebuild. The Lease will end 30 days after Lessor's cancellation notice to Lessee. Lessee must deliver the Premises to Lessor on or before the cancellation date in the notice and pay all rent due to the date of the fire or casualty. If the lease is cancelled, Lessor is not required to repair the Premises or building. The cancellation does not release Lessee of liability in connection with the fire or casualty.

10. INSPECTION AND ENTRY BY Lessor - Lessee agrees that Lessor and Lessor's agents and other representatives shall have the right to enter into and upon the Premises, or any part hereof, at all reasonable hours for the purpose of examining the same, or making such repairs or alterations therein as may be necessary for the safety and preservation of the Premises, with prior notification. The Lessee agrees to provide a key to the Lessor for the aforesaid purposes.

(A) Lessee also agrees to permit Lessor or the Lessor's agents to show the Premises to persons wishing to lease the Premises, with prior notification. Lessee further agrees that, on or after 120 days preceding the expiration of this lease, Lessor or Lessor's agents shall have the right to place notices on the front of said Premises, or any part thereof, offering the Premises "To Let" and the Lessee agrees to permit the same to remain thereof without hindrance or molestation.

(B) Lessee also agrees to permit Lessor or the Lessor's agents to show the Premises to persons wishing to purchase the Premises, with prior notification. Lessee further agrees that the Lessor or Lessor's agents shall have the right to place notices on the front of said Premises offering the Premises "For Sale" and the Lessee agrees to permit the same to remain thereof without hindrance or molestation.

(C) If Lessee shall default in the payment of rent or any part thereof or shall default in the performance of any of the covenants herein contained, Lessor or its representatives may, upon court order, re-enter the Premises by force, summary proceeding or otherwise, and remove all persons therefrom, without being liable to prosecution therefor, and Lessee shall pay at the same time as the rent becomes payable under the terms hereof a sum equivalent to the rent herein, and the Lessor may rent the Premises on behalf of the Lessee, reserving the right to rent the Premises for a longer period of time than fixed in the original lease without releasing the original Lessee from any liability, applying any moneys collected, first to the expense of resuming or obtaining possession, second to restoring the Premises to a rentable condition, and then to the payment of the rent and all other charges due and to become due to the Lessor, any surplus to be paid to the Lessee, who shall remain liable for any deficiency.

11. GLASS, ETC. - Lessor may replace, at the expense of Lessee, any and all broken glass, damage or injury in and about the Premises, caused by the carelessness, negligence or improper conduct on the part of Lessee or Lessee's agents or employees which is not repaired as speedily as possible by Lessee at Lessee's own cost and expense.

12. SIGNS - Lessee shall neither place, nor cause nor allow to be placed, any sign or signs of any kind whatsoever in or about the entrance to said Premises or any part of same, except in or at such place or places as may be indicated by the Lessor and except in such style, color, material, size and installation method as approved by written consent of the Lessor. In the event Lessor or Lessor's representatives shall deem it necessary to remove any such sign in order to paint the Premises or the building wherein same is situated or make any repairs, alterations, improvements in or upon the Premises or the building or any part of the Premises or the building, Lessor shall have the right to do so, providing any sign be removed and replaced at Lessor's expense whenever the said repairs, alterations or improvements shall be completed.

13. INSURANCE - Lessee agrees to maintain in full force and effect during the entire term of this Lease, liability insurance insuring Lessor (naming the Lessor as additional insured) against any loss or damage sustained or to which Lessor may be subject by reason of Lessee's occupancy and use of the Premises, which policy shall have the following limits of liability:
\$ 1,000,000 Each Occurrence
\$ 2,000,000 Aggregate
\$ 2,000,000 Products/Completed Operations

- \$ 10,000 Medical Expenses (Each Person)
- \$ 1,000,000 Personal and Advertising Injury
- \$ 50,000 Fire Damage

Lessee agrees to furnish to Lessor, prior to the effective date of this Lease, a binder or other such certificate evidencing such insurance coverage.

(A) Lessee is self insured.

14. **DEFAULT** - If Lessee defaults in fulfilling any of the terms and conditions of this Lease other than the payment of rent or additional rent; or if any execution or attachment shall be issued against Lessee or any of Lessee's property located or situated at or on the Premises whereby the Premises shall be taken or occupied by someone other than Lessee, it's affiliate or subsidiaries; or if this Lease shall be rejected under any applicable provision of the bankruptcy laws; and upon Lessor serving written notice to Lessee specifying the nature of the default, Lessee shall have thirty (30) days from the date of receipt of such notice to cure the default (or if such default cannot be cured within such period, Lessee must diligently and in good faith proceed to cure the default). If Lessee shall have failed to cure or proceed to cure the default within such period, Lessor may serve a thirty (30) day notice of cancellation of this Lease upon Lessee and upon the expiration of the cancellation period this Lease shall terminate and expire and Lessee shall quit and surrender the Premises to Lessor but Lessee shall remain liable as provided in this Lease.

(A) If after default in payment of rent or violation of any other provision of this Lease, or upon the expiration of this Lease, Lessee moves out or is dispossessed and fails to remove any trade fixtures or other property prior to such said default, removal, expiration of Lease, or prior to the issuance of the final order or execution of the warrant, then and in that event, the said fixtures and property shall be deemed abandoned by the said Lessee and shall become the property of Lessor.

15. **LEASE NOT A LIEN** - This Lease shall not be a lien against the Premises in respect to any mortgage that may now or in the future be placed against said Premises, and that the recording of such mortgage or mortgages shall have preference and precedence and be superior and prior in lien of this Lease, irrespective of the date of recording, and the Lessee agrees to execute without cost any such instrument which may be deemed necessary or desirable to further effect the subordination of this Lease to any such mortgages, and a refusal to execute such instrument shall entitle the Lessor, or the Lessor's assigns and legal representative to the option of cancelling this Lease without incurring any expenses or damages and the term hereby granted is expressly limited accordingly.

IN WITNESS WHEREOF, the parties have set their hand and seal this 17 day of February 1999

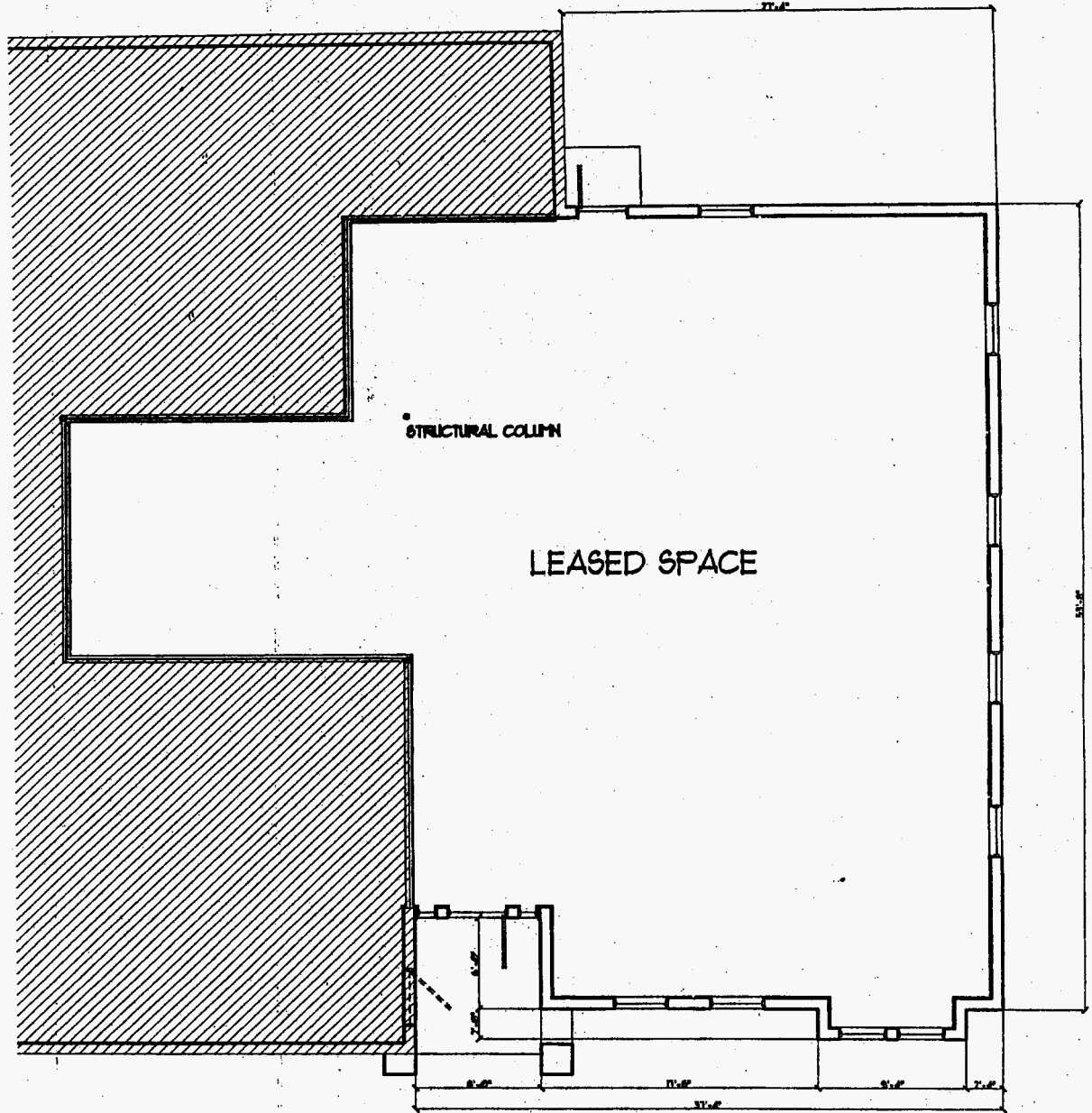
Signature
February

Costanza Building Company

BY *Signature*
Peter C. Costanza, Sr. Vice President

Allstate Insurance Company

BY *Signature*
RVP



Costanza Office Building

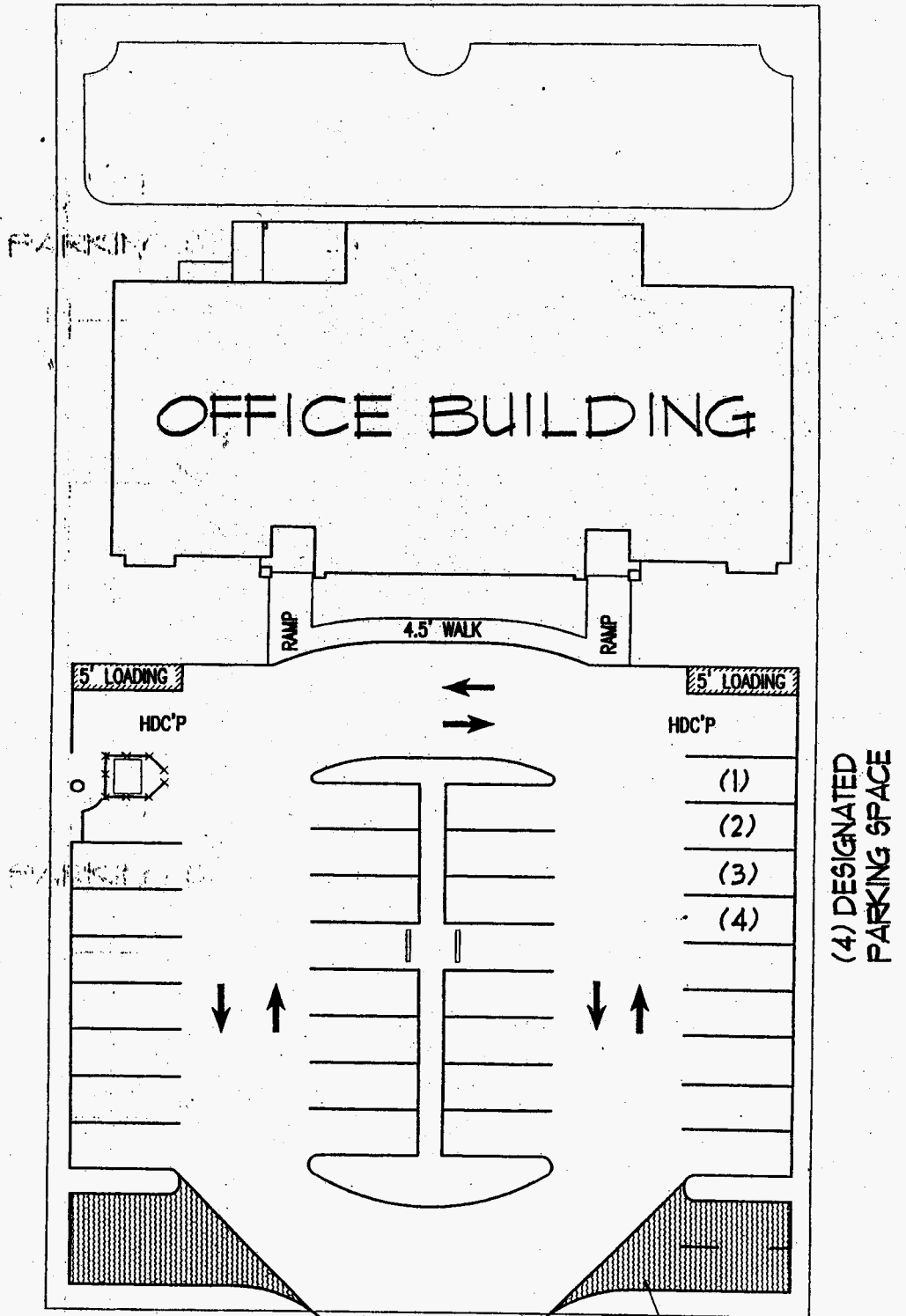
2,380 GROSS SQUARE FOOTAGE FOR USE AS OFFICES

NOT TO SCALE

EXHIBIT "A"

PLAN APPROVAL

x *[Signature]* Date 2/17/99
 x *[Signature]* Date 2/16/99



PLAN APPROVAL

[Signature] Date *2/17/99*
[Signature] Date *2/16/99*

Costanza Office Building

SITE PLAN WITH
 PARKING SPACES FOR EXCLUSIVE USE OF LESSEE
 NOT TO SCALE

EXHIBIT "B"

DESCRIPTION OF

COSTANZA OFFICE BUILDING PARCEL

A PORTION OF THE EAST 3/4 OF SECTION 28, TOWNSHIP 26 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA, BEING FURTHER DESCRIBED AS FOLLOWS:

COMMENCE AT NORTHEAST CORNER OF THE SOUTHEAST 1/4 OF SAID SECTION 28; THENCE RUN ALONG THE EAST BOUNDARY LINE OF THE NORTHEAST 1/4 OF SAID SECTION 28, NORTH 00°36'25" EAST, A DISTANCE OF 3.40 FEET; THENCE NORTH 89°31'33" WEST, A DISTANCE OF 60.00 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF SEVEN SPRINGS BOULEVARD AS DESCRIBED IN OFFICIAL RECORD BOOK 860, PAGES 568 AND 569 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID SEVEN SPRINGS BOULEVARD, SOUTH 00°36'25" WEST, A DISTANCE OF 3.15 FEET; THENCE CONTINUE ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID SEVEN SPRINGS BOULEVARD, SOUTH 00°36'45" WEST, A DISTANCE OF 251.21 FEET TO THE NORTH RIGHT-OF-WAY LINE OF PERRINE RANCH ROAD AS SHOWN ON THE PLAT OF OAK RIDGE UNIT ONE RECORDED IN PLAT BOOK 14, PAGES 78, 79, 80, 81 AND 82 OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID PERRINE RANCH ROAD, NORTH 89°31'33" WEST, A DISTANCE OF 250.00 FEET, FOR A POINT OF BEGINNING; THENCE CONTINUE ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID PERRINE RANCH ROAD, NORTH 89°31'33" WEST, A DISTANCE OF 140.00 FEET; THENCE NORTH 00°36'25" EAST, A DISTANCE OF 254.36 FEET; THENCE SOUTH 89°31'33" EAST, A DISTANCE OF 140.03 FEET; THENCE SOUTH 00°36'45" WEST, A DISTANCE OF 254.36 FEET, TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 0.818 ACRES, MORE OR LESS.

EXHIBIT "D"

PLAN APPROVAL	
<i>[Signature]</i>	Date <i>2/17/99</i>
<i>[Signature]</i>	Date <i>2/16/99</i>

COSTANZA BUILDING COMPANY
6915 Perrine Ranch Road
New Port Richey, Florida 34855
813-376-7800

f:\23files\apete\llease

DRAW SCHEDULE


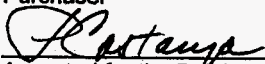
PURCHASER: Allstate Insurance Company
 TOTAL PURCHASE PRICE \$57,661.90
 BALANCE TO BE PAID PER DRAW SCHEDULE: \$57,661.90

WORK COMPLETED

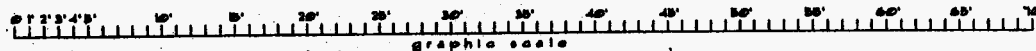
- 1 Architect, engineering & permit fees.
 - 2 Rough-in plumbing.
 - 3 IS walls framed
 - 4 Security rough in wiring allowance
 - 5 Electrical, rough-in wiring.
 - 6 Plumbing, 2nd rough-in.
 - 7 Wall insulation.
 - 8 Drywall - rough.
 - 9 Drywall - finished.
 - 10 IS Trim
 - 11 IS Doors
 - 12 Interior Paint- Prime coat
 - 13 Hardware
 - 14 Interior Paint- Finish coat
 - 15 Kitchen and Conference Cabinets
 - 16 Plumbing Fixtures Set
 - 17 Electrical Wiring - complete
 - 18 Electrical Occupancy Sensors Switches
 - 19 Security System Allowance for Trim
 - 20 Rough in Ceiling Grid
 - 21 Floor/8 oz. Oilfin Carpet & Entry Floor Tile
 - 22 Kitchen/Bathroom Vinyl Floor
 - 23 Ceiling Tile Installed
 - 24 Ceiling Insulation.
 - 25 Wallpaper (\$15 a roll allowance)
 - 26 Debris Removal & Miscellaneous
 - 27 Pavers At Rear
 - 28 Totals
- PERCENTAGE REQUIRED
 X BASE AMOUNT
 DATE REQUESTED

		1st	2nd	Final
8%	\$4,680.90			
3%	\$1,629.00			
7%	\$4,012.20			
1%	\$357.00			
6%	\$3,343.50			
3%	\$1,629.00			
1%	\$668.70			
6%	\$3,343.50			
6%	\$3,343.50			
9%	\$5,349.60			
3%	\$2,006.10			
2%	\$1,337.40			
3%	\$2,006.10			
3%	\$2,006.10			
4%	\$2,550.00			
3%	\$1,629.00			
6%	\$3,343.50			
1%	\$326.00			
1%	\$357.00			
3%	\$2,006.10			
6%	\$3,186.00			
1%	\$668.70			
3%	\$2,006.10			
2%	\$1,337.40			
1%	\$671.00			
6%	\$3,343.50			
1%	\$525.00			
100%	\$57,661.90			

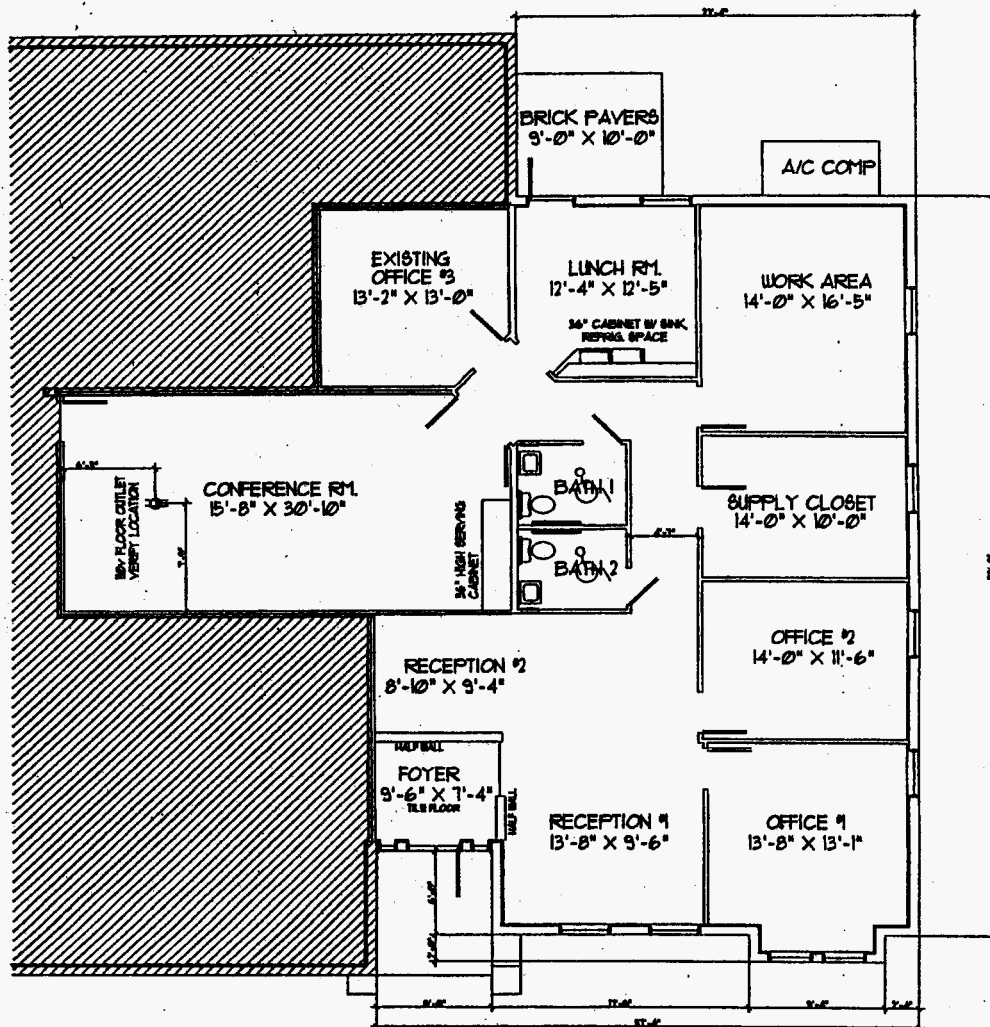
Note: Percentages are rounded to the nearest percent.

Purchaser

 Purchaser

 Accepted for the Builder

Date
 2/17/99
 Date
 2/16/99
 Date



ALL dimensions are approximate.
 Floor Plan and Elevations may show
 features that are subject to change
 Some dimensions are averaged



NOTES:

Specifications Take Precedence Over Plan.
 These plans are "proposed" and subject
 to approval by all Regulatory Authorities.

- CONCEPTUAL
- ESTIMATING
- CONTRACT

PLAN APPROVAL
[Signature] Date 2/17/99
[Signature] Date 2/16/99

ALLSTATE/
 ADDITIONS AND ALTERATIONS

2380 GROSS SF.
 1/20/99
 1/29/99
 6915 Perrine Ranch Road
 New Port Richey, Florida 34655
 (727) 316-1800 Fax (727) 316-9442
 bldrs. lic: cg co 32967
 plans are © copyrighted 1996

COSTANZA
Homes
 "Good Living By Design"

EXHIBIT "F"

SPECIFICATIONS FOR THE ALTERATIONS AND IMPROVEMENTS AT 6921 PERRINE RANCH RD. NEW PORT RICHEY, FLORIDA, FOR ALLSTATE INSURANCE COMPANY BY COSTANZA BUILDING COMPANY

LEASEHOLD IMPROVEMENTS \$ 57,661.90
INCLUDES: FLOOR PLUG IN CONFERENCE, 4 ELECTRICAL CIRCUITS FOR 8 WORK STATIONS AND 1 ELECTRICAL CIRCUIT FOR CONFERENCE, FOYER TILE, DESIGN AND WORKING DRAWINGS, PLANS, ENGINEERING, PERMITTING AND IMPACT FEES.

WHERE APPLICABLE WORK WILL BE COMPLETED WITH THE STANDARD DETAILS OF MATERIALS AND CONSTRUCTION AS THOSE USED IN THE BUILDERS GENERAL OFFICE SPACE. (EXCEPTIONS OF: ENTRY, WAITING, CONFERENCE, POWDER, CARPET, SOUND BOARD AND INSULATION FOR INTERIOR WALLS, WATER COOLER, ETC.)

PROVIDED BY BUILDER: 3 ZONE HVAC (INCLUDES ALL DUCT WORK) WITH HIGH CAPACITY FOR CONFERENCE USE, CEILING LIGHT FIXTURES, EXISTING BATH, DEMOLITION, FIRE / PARTY WALLS NO CHARGE

OPTIONS INCLUDED IN THIS AGREEMENT:

KITCHEN CABINETS AND PLUMBING 2,074
CARBON WATER FILTER WITH SEPARATE SPOUT IN KITCHEN 423
BASE CABINET IN CONFERENCE ROOM 928
OCCUPANCY SENSORS IN LIEU OF SWITCHES (8) 326
SECURITY 714
WALLPAPER 670
BRICK PAVER PATIO 9' x 10' OUTSIDE LUNCH ROOM DOOR 525

OPTIONS NOT INCLUDED IN THIS AGREEMENT:

DISHWASHER 387
CARPET UPGRADE (EQUAL TO THAT USED IN BUILDERS OFFICE) 1,499

TO BE PROVIDED AND INSTALLED BY LESSEE:

SCREEN FOR PROJECTOR (AND WIRING IF REQUIRED)
REFRIGERATOR AND MICRO (SIZE PROVIDED BY OWNER)
TELEPHONE WIRING
COMPUTER WIRING
WINDOW TREATMENTS (ELEVATION EXISTING)
SHELVING
SIGNAGE

IN WITNESS WHEREOF, the parties have set their hand and seal this 17 day of

February, 1999

Costanza Building Company

BY Peter C. Costanza
Peter C. Costanza, Sr. Vice President

Allstate Insurance Company

BY RVP
RVP