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May 20, 2002

David LaCroix, Esquire
123 N. Main Street
Brooksville, Florida 34601-2520

Re: City of Crystal River -
Developer's Agreement
Realticorp

Dear David:

As you know our office is general counsel to the City of Crystal River. Also, we are representing the above named developer relative to a Small Scale Comprehensive Land Use Plan, LDC Atlas and PD Overlay for a project located in Citrus County on U.S. 10 South. The City to date has confirmed to the County that they have adequate capacity for wastewater. The developer desires to enter into an agreement with the City relative to the funding of the wastewater expansion lines from its current location on U.S. 19 south to the stated project area. The project is located at the intersection of U.S. 19 and Venable on the east side of the road. Subject application is specifically located on 27.0 acres lying southeasterly of U.S. 19 and Penn.

The City has already contracted a engineer to design the system at substantial cost. The developer wants to reserve 200 ERU's. That is approximately \$295,000.00 to the City (MOL). The total project of running the sewer line to U.S. 19 to Ozello Road on the west side of U.S. 19 is \$1.1 Million.

The last meeting with the City Staff on this matter and the City's utility provider, U.S. Filter, it was agreed that the proper offer to make to this developer was as follows:

1. That the Developer pay at the time of execution of a Developer's Agreement the above noted impact fees and the City would reserve capacity;
2. The City would bring the line to the intersection of U.S. 19 and Venable and construct the necessary lift station;
3. The Developer would pay for the line running from its project to this lift station;

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4. All this needs to be coordinated with U.S. Filter who wants to run the line all the way to Ozello, use their engineers, etc. The terms of the U.S. Filter deal have yet to be tied down but basically they are looking for a contract extension. They would own the line, the City would lease it. At the end of the lease, title to the line would convert to the City. U.S. Filter is looking to gain the depreciation off of the capital investment in the line for a specific term, along with the noted contract extension.

As to the Developer and City, our office has a conflict of interest. In that regard they are represented by Shutts & Bowen, Mr. Scott A. Glass (see attached). Scott is a good lawyer and you will enjoy working with him.

What I need from you is a quote on your hourly rate to be special counsel to the City. Any questions, please call.

Very truly yours,

BRANNEN, STILLWELL & PERRIN, P.A.



Clark A. Stillwell

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Enclosure
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May 28, 2002

Clark A. Stillwell, Esq.
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VIA FACSIMILE
(352) 726-8283

Re: City of Crystal River;
Development Agreement with Realticorp

Dear Clark;

In response to your request of May 20, 2002, I would be pleased to represent the City of Crystal River, to the extent necessary and at the direction of the City Manager and City Council, in regard to the negotiation, drafting and execution of a development agreement with Realticorp.

My hourly rate would be \$150.00, with travel time, if any is necessary, at half that rate.

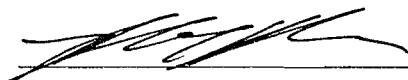
If this is agreeable, please have an authorized City representative sign and return to me a copy of this letter and I will contact the City Manager to obtain direction.

Cordially,



David La Croix

Approved for City of Crystal River:



Print Name: Ronald E. Kitchen, Jr.

Print Title: Mayor