

Exhibit B

DEVELOPMENT AGREEMENT

This Agreement (the "Agreement") is made and entered into, effective as provided under the hereafter described Act (the "Effective Date"), by and between 2000 Neapolitan Limited Partnership, a Florida limited partnership, whose post office address is 6500 Rock Spring Drive, Suite 5, Bethesda, Maryland 20817, Third Street Plaza, LLC, a Florida limited liability company, whose post office address is 6500 Rock Spring Drive, Suite 5, Bethesda, Maryland 20817 (collectively, "Land Owner"), Old Naples Hotel LLC, a Delaware limited liability company, whose post office address is 6500 Rock Spring Drive, Suite 5, Bethesda, Maryland 20817 ("Ground Lessee") and the CITY OF NAPLES, a municipal corporation of the State of Florida, whose Post Office Address is 735 Eighth Street South, Naples, Florida 34102 (the "City").

For and in consideration of the mutual covenants contained in this Agreement, for the purposes set forth in the Florida Local Government Development Agreement Act, Sections 163.3220 through 163.3243, Florida Statutes, (the "Act"), and for other good and valuable consideration, the receipt of which the parties hereby acknowledge, City, Land Owner and Ground Lessee agree as follows:

RECITALS

1. This Agreement is entered into under the authority of the Act.
2. The legal description of the land subject to this Agreement is attached as Exhibit A (collectively, the "Land").
3. The names of the legal owners of the Land are 2000 Neapolitan Limited Partnership, a Florida limited partnership, and Third Street Plaza, LLC, a Florida limited liability company. Old Naples Hotel LLC is the Ground Lessee.
4. This Agreement has been approved by the City after the following two public hearings:
 - (a) The Naples Planning Advisory Board, as the City's local planning agency, held a public hearing on _____, pursuant to a notice thereof published in the Naples Daily News, a newspaper of general circulation and readership in Naples and Collier County, Florida, on the _____ day of _____.
 - (b) The Naples City Council held a public hearing on _____, pursuant to a notice thereof published in the Naples Daily News, a newspaper of general circulation and readership in Naples and Collier County, Florida, on the _____ day of _____.
5. At such hearings, the comments of the public were received and considered, and the City Council, having considered such comments and the recommendations of the Naples Planning Advisory Board, adopted Resolution No. _____ authorizing execution and delivery of this Agreement.

TERMS AND CONDITIONS

6. The duration of this Agreement is four years and conditional uses approved under a contemporaneous Site Plan with Deviations Application shall not expire 12 months after the date of approval as provided in Sec. 46-34 of the Naples Code of Ordinances.

7. The development uses permitted on the Land, including population densities, building intensities, and height are as follows:

Approximately 184,112 square feet of non-residential commercial uses, a below grade parking structure, building heights of 42' measured from 1st floor FEMA Elevation plus 7' of architectural embellishments, lot coverage of a maximum of 50%, a transient lodging facility, a valet parking plan, a parking needs analysis and the following program of uses:

Development Component Expected to Generate Parking Demand	Number of Rooms/ Square Feet of GFA
Hotel Guest Rooms	109 Guest Rooms
Hotel Restaurant/Lounge (Indoors)	930 SF GFA
Hotel Restaurant/Lounge (Covered Porch)	1,215 SF GFA
Hotel Restaurant/Lounge (Courtyard Seating)	1,590 SF GFA
Retail on 3 rd Street South	3,781 SF GFA
Hotel Sundry Shop	1,651 SF GFA
Spa	1,575 SF GFA
Components Accessible Only by Hotel Guests and Therefore Will Not Generate Parking Demand Additive to Hotel Guest Rooms	
Beach "Mud Room"	450 SF GFA
Solarium (Indoors)	1,100 SF GFA
Fitness Center	1,575 SF GFA
Living Room/ Reception	2,539 SF GFA
Pool	1,750 SF GFA
Pool Deck	5,450 SF GFA
Restrooms	1,468 SF GFA

8. Public Facilities

(a) The public facilities that will service the Land, including those who currently provide such facilities, are as follows:

- (1) Water - City of Naples
- (2) Sewer - City of Naples
- (3) Solid Waste - City of Naples
- (4) Water Management - City of Naples and South Florida Water Management District
- (5) Fire - Naples Fire Department
- (6) Police - Naples Police Department
- (7) Emergency Medical Service - Collier County

(b) There are no public facilities to be designed or constructed by Land Owner or Ground Lessee to serve the Land, except as expressly provided in this Agreement.

(c) The City will adopt a schedule to assure public facilities are available concurrent with the impacts of the development of the Land.

(d) The existing City water and sewer systems have sufficient capacity and levels of service available to serve the Land, and the Land may be served upon the payment of applicable systems development charges in accordance with the rules and regulations of the City Utility Division. There are adequate public facilities, in addition to water and sewer, available and reserved to serve the Land concurrent with the impacts of the development authorized by this Agreement so that no development order or permit for development on the Land will be denied or delayed on the basis of lack of adequate public facilities. The adequacy of same and schedule of improvements are contained in the Naples Comprehensive Plan or will be adopted by the City to assure that public facilities are available concurrent with the impacts of the development of the Land.

9. There is no reservation or dedication of land for public purposes.

10. All local development permits approved or needed to be approved for development of the Land are as follows:

- (a) Final Design Review;
- (b) Demolition Permit; and
- (c) Building Permit.

11. The City has determined that the uses, densities, intensities, heights, performance standards and development proposed and permitted under this Agreement for the Land are consistent with the Naples Comprehensive Plan and Land Development Code.

12. There are no conditions, terms, restrictions, or other requirements except as may be contained in other development orders or permits determined to be necessary by the City except those relating to final design review, and those administrative permits such as demolition permits, building permits, utility permits and similar permits.

13. The failure of this Agreement to address a particular permit, condition, term, or restriction shall not relieve Land Owner or Ground Lessee of the necessity of complying with the law governing said permitting requirement, condition, term, or restriction.

14. Development of the Land may proceed in phases, and the development of the phases may proceed in any sequence; but neither the entire development nor any phase thereof must be commenced or completed within a specific period of time.

15. The City's laws and policies governing development of the Land on the Effective Date of this Agreement shall govern the development of the Land for the duration of this Agreement; provided, however, that conditional uses for transient lodging, valet parking option and parking needs analysis shall not expire if a building permit is not issued within one year after approval of those conditional uses.

16. This Agreement contains the entire agreement between the City and Land Owner and Ground Lessee as to the subject matter hereof, there are no other prior or contemporaneous terms, conditions, promises, undertakings, statements, or representations, express or implied, by or between the parties which are not incorporated herein, and this Agreement may be modified or cancelled only by an agreement in writing executed by the parties, their successors, or assigns.

17. This Agreement does not affect multi-party rights or establish community-wide policy; affects and binds a specific private party; is subject to notice and hearing; includes specific findings based on statutory standards; and may only be modified or terminated with the written consent of the parties to it.

18. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid, but in the event any such provision should be held invalid or unenforceable, the remaining provisions hereof shall not be affected thereby, unless the provision has the effect of altering in a substantial way, the economics, function or design of the development.

19. In any litigation arising out of this Agreement, each party shall bear its own attorneys fees.

20. Land Owner and Ground Lessee represent and warrant to the City that:

- (a) The execution, delivery, and performance of this Agreement by Land Owner and Ground Lessee will not violate any law, or the terms of any agreement by which they are bound.
- (b) Land Owner and Ground Lessee have the power and authority to enter into this Agreement, and to perform the transactions set forth herein, and all the documents have been duly authorized, executed, and delivered and the transactions contemplated herein have been duly authorized.
- (c) This Agreement constitutes a valid and legally binding obligation of Land Owner and Ground Lessee, entered into after independent investigation by them of the information contained herein, and is enforceable in accordance with its terms.

21. The City represents and warrants to Land Owner and Ground Lessee that:

- (a) The execution, delivery, and performance of this Agreement by the City will not violate any law, or the terms of any City ordinances.
- (b) The City has the power and authority to enter into this Agreement, and to perform the transactions set forth herein, and all the documents have been duly authorized, executed, and delivered and the transactions contemplated herein have been duly authorized.
- (c) This Agreement constitutes a valid and legally binding obligation of the City, entered into after independent investigation by it of the information contained herein, and is enforceable in accordance with its terms.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this _____ day of _____.

Signed, sealed and delivered
in presence of:

2000 Neapolitan Limited Partnership,
a Florida limited partnership
By: One Neapolitan, LLC, a Florida
limited liability company, General
Partner

By: _____
Anne D. Camalier, Manager

Signed, sealed and delivered
in presence of:

Third Street Plaza, LLC,
a Florida limited liability company

By: _____
Charles A. Camalier, III, Manager

Signed, sealed and delivered
in presence of:

Old Naples Hotel LLC,
a Delaware limited liability company

By: _____
Charles A. Camalier, III, Manager

ATTEST:

CITY OF NAPLES, FLORIDA

By: _____

By: _____
Bill Barnett, Mayor

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

Robert D. Pritt, City Attorney

STATE OF FLORIDA)
)
COUNTY OF COLLIER) ss:

I HEREBY CERTIFY that on this day before me, an officer duly authorized in the State aforesaid and in the County aforesaid, to take acknowledgments personally appeared Charles A. Camalier, III, as Manager of Old Naples Hotel LLC, a Delaware limited liability company, who produced _____ as identification or who is personally known to me and who executed the foregoing instrument and he acknowledged before me that he executed the same and an oath was not administered.

WITNESS my hand and Official Seal in the County and State last aforesaid this _____ day of _____.

(SEAL)

NOTARY PUBLIC

Name: _____

STATE OF FLORIDA)
)
COUNTY OF COLLIER) ss:

I HEREBY CERTIFY that on this day before me, an officer duly authorized in the State aforesaid and in the County aforesaid, to take acknowledgments personally appeared Bill Barnett, Mayor of the City of Naples, a municipal corporation of the State of Florida, who produced _____ as identification or who is personally known to me and who executed the foregoing instrument and he acknowledged before me that he executed the same and an oath was not administered.

WITNESS my hand and Official Seal in the County and State last aforesaid this _____ day of _____.

(SEAL)

NOTARY PUBLIC

Name: _____