

August 6, 2008

Dear Interested Resident of Sand Key:

I am writing to you on behalf of Legg Mason Real Estate Investors, LLC, the owner of the Cabana Club on Sand Key. Simultaneously with the purchase of the Cabana Club in June, 2007, Legg Mason also purchased the historic Belleview Biltmore Hotel and Golf Club in the Town of Belleair with the goal of restoring the properties to a four-five star resort hotel.

As the Managing Director of the Belleview Biltmore, I have recently become aware that misinformation is being circulated about our proposed new hotel at the Cabana Club site. I would like to provide you with the true facts about this project so that you can make an informed decision.

1. **Use of the Beach:** Legg Mason is **NOT** “taking 25’ of the public beach and using it for the hotel’s use” as some have stated. No portion of this project is being constructed on the public beach. It will be totally contained within our property. This fact can be confirmed by reviewing the site plan drawings and application on file with the City of Clearwater.

Moreover, public access across the hotel property is required by an existing public access easement that runs next to the seawall for the entire beachfront width of the site. Legg Mason is committed to maintaining this public access across its property for all beach visitors. The guests of the hotel will enjoy the public beach just as other residents of Sand Key enjoy the beach.

2. **Building Location:** The hotel building, pool, deck and parking area are located completely on the portion of the property which is zoned Commercial. The proposed hotel is located a minimum of 22 feet east of the existing seawall and does not extend any further toward the beach than the adjacent condominiums (Dan’s Island and Cabana Club Condominium). Between the hotel building and the seawall, Legg Mason proposes to install grass, pavers and removable canvas cabanas for shade protection for the hotel guests. There are no permanent habitable structures located west of the Commercial zoning line or on the public beach.
3. **Hotel Use:** The property’s existing Commercial zoning allows hotel use along with more intensive commercial businesses such as retail sales, gas stations, nightclubs, liquor stores or even a used car lot. Of these uses, we believe our modest 38- room boutique hotel and restaurant to be the most compatible with the surrounding condominium community.
4. **Height:** The proposed hotel is **NOT** “100 feet tall” or a “10-story high restaurant/ hotel complex.” The proposed boutique hotel is 67 feet high, (6 stories over one story of parking), which is lower than all of the adjoining properties and significantly lower than all

Sand Key condominiums and the Sheraton Sand Key Hotel that front on the Gulf of Mexico.

5. **Parking:** The hotel site proposes to contain 56 parking spaces which exceeds the City code requirement of 38 spaces as well as exceeds the actual parking demand for a hotel of this size.
6. **Setbacks:** The Hotel's existing restaurant and banquet facility were constructed simultaneously with the Cabana Club Condominium and by the same owner as the Biltmore Hotel as one project. For this reason, there has never been a setback between the Cabana Club Condominium and the existing restaurant. The proposed redevelopment plan maintains the same general restaurant location as exists today thereby minimizing any adverse impact on Cabana Club residents. However, the main hotel portion of the structure is setback 31 feet from the north property line on the east end and 47 feet from the north property line on the west end, substantially exceeding the 10' setback required by code.

Elsewhere, along Gulf Boulevard, our plan maintains the existing pavement setback that is consistent with both adjoining developments. Along the Coastal Construction line on the beach side, we propose a similar setback to all of the other developments along the Gulf of Mexico.

7. **Dock:** In our application, we have deleted all references to use of the existing Biltmore Hotel dock on the east side of Gulf Boulevard so the dock is no longer an issue in the pending application. Due to community input and concerns, we are evaluating other options available to us at this time. Once we have completed our analysis, we will again publicly address this issue.

Our complete application including architectural, civil and landscape plans are on file with the City of Clearwater Planning Department and they clearly show the specifics of the plan as described above. We urge you to confirm the facts about the project with the City staff and by personally reviewing the plans at the City office. We believe that if you will take the time to review our proposed plan, you will find this project to be a welcome addition to the community.

After reviewing this information, should you have any further questions, we would be happy to speak with you. Please contact Cyndi Tarapani, Planning Consultant, Florida Design Consultants, via e-mail ctarapani@fldesign.com or by telephone 727-849-7588.

Thank you for your interest in our project.

Sincerely,



Martin Smith
Managing Director
Bellevue Biltmore Resort