

January 20th, 2012

## Information request forming part of Form 1023

The Royal Poinciana Playhouse Foundation, Inc. EIN 27-2054146

The following information is provided in satisfaction of the attached letter by IRS reviewer M. Denise Barragan dated May 3, 2011 (revised December 7, 2011).

Paragraph 01.; 1023 Part IX, page 9, anticipated receipts and user fee.

We affirm our expectations and enclose a certified check for \$450.00 (four hundred and fifty dollars).

Paragraph 02.: Amendment to organizational document at Art III - Purpose

Articles of Amendment were filed with the Florida Department of State, Division of Corporations in satisfaction of the recommended changes. A copy of the endorsed amendment by the Florida Department of State has been forwarded to you and is attached.

Paragraph 03.; Activities of The Poinciana Playhouse and The Ezio Pinza Theater.

The activities of the Foundation will be to restore what in 1958 founding Royal Poinciana Playhouse President Frank J. Hale repeatedly referred to as "the most fabulous show place under the sun", now to also include the out-of-door Palm Beach Ezio Pinza Theater. Dr. Jim Volz, one of America's leading theater consultants with over three decades of work with theater, dance, music, museum and arts center management, has been providing assistance.

After the necessary renovations and construction, Mr. Robert A. Ficalora will remain President and hire a producing director like Mr. Hale's co-founder Paul Crabtree. Staff will be hired to operate the Playhouse on the customary ten week season of theatrical performances. The off-season schedule, and the schedule for the out-of-door Palm Beach Ezio Pinza Theater, will be less constrained and be more varied.

Para 03. a.&b. - Renovations to the Playhouse

a.) Yes, the foundation will entertain bids for each phase of the renovation. At a meeting held by the Palm Beach Theater Guild (a separate entity) in the Paramount building, the scope of the renovation work for which bids will be required was detailed by a consultant to include complete removal and reconstruction of the seating area to conform to ADA requirements, asbestos removal, mold abatement, and other miscellaneous improvements.

b.) The criteria to be followed in choosing a construction firm will be a satisfactory interview, past accomplishments, and price.

Para 04. a.&b. - Facility Management

a.) n/a the facility will be operated exclusively by the Royal Poinciana Playhouse Foundation corporation.

b.) n/a the foundation is not party to a management contract.

Paragraph 04.; Governing body of the Royal Poinciana Playhouse Foundation.

The foundation currently has two board members, Dr. Elliot Klorfein and Gail Amelia Shoentag. The community made clear that it wants its theater back and we will have work to do and money to raise. Mr. Ficalora feels that approaching the Palm Beach community for new board members prior to recovering the property is premature.

Paragraph 05.; Current operation of the Playhouse

The Royal Poinciana Playhouse is not currently operating; it closed in 2003

Paragraph 06.; Yes. It is [www.royalpoincianaplayhouse.org](http://www.royalpoincianaplayhouse.org)

Paragraph 07.; No fundraising has occurred yet.

Mr. Ficalora and his team are confident that the foundation will receive the property as a donation. When the Playhouse Foundation's application for tax-exempt status as an operating foundation is approved, formal negotiations will start with the Town of Palm Beach, Mr. Sidney Spiegel, The Sterling Group and the Florida Department of Transportation.

We are presenting a win-win proposal for the Palm Beach community and the Town government and financially interested parties. This can be accomplished without expending a significant amount of additional money. The 12.2 acre property that includes the Playhouse was appraised at \$22.5 million in 2003 with taxes of \$615,551. The more heavily locally taxed waterfront parcels will be transferred. Mr. Spiegel and the Sterling Group will benefit from the 50% of adjusted gross income deduction with provision for carry over for donating to an operating foundation. Furthermore, the restrictive covenants protecting the Playhouse and prohibiting new development on the Plaza property will be lifted.

Expanding the board of directors will begin after tax exempt status has been obtained and negotiations over the playhouse are underway. Donations will be sought for construction, renovation and operating costs when the property is held by the Royal Poinciana Playhouse Foundation corporation.