

Robert A. Ficalora
221 Ocean Terrace
Palm Beach, Florida 33480

To:

Sidney Spiegel
340 Royal Poinciana Way
Suite 326
Palm Beach, Florida 334870

Re: A plan that might work for you.

Dear Mr. Spiegel,

It was good meeting with you the other day, thank you.

After reviewing legal records of the Palm Beach Theater Guild, and retrieving key documents from the County center, I retained an attorney and prepared papers for a temporary restraining order to stop further progress on a proposal to demolish the Poinciana Playhouse. I have dismissed that council and consulted with, but have not retained, a new one about options for satisfactorily attaining a remedy from the issues raised by the 1979 Agreement as a contract.

Attorney Jeff Tomberg suggested suing the Town of Palm Beach for Mandamus to compel you to fulfill your obligations under the 1979 Agreement as a contract to maintain and operate the Playhouse. After some discussion with Patrick Flynn of the Theater Guild I came to realize that would mean forcing you to spend \$5 million or more dollars on the Playhouse with little or no probability of getting a return on that money. I emphatically told him that I wouldn't support it or be a part of it!

My thinking was, and remains, that all of the elements of a plan that will make you money and provide further development opportunities for the Plaza are available, are relatively inexpensive, and should be explored. I am not going to do anything unless we do it together by agreement.

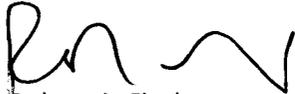
The restrictive covenants contained the October 1st, 1979 deed by which you took title to the Plaza constitute a negative easement and a cloud upon your title. Florida law on point this case is Chapter 65 regarding the clearing clouds. My perceived interest in the 1979 Agreement is as Palm Beach property owner/taxpayer whose representatives entered into the 1979 agreement on my predecessors' behalf. In other words, as the successor under the 1979 Agreement you are the servient estate and I am a member of the dominant estate. On this basis I think that we have standing to work out a plan and take it to court.

The Plan is:

1. A non-adversarial court action in which the Royal Poinciana Playhouse Foundation, the Plaza, and the Town of Palm Beach are parties.
2. All of the particulars would be considered by the parties prior to bringing it to the court.
3. If a satisfactory agreement is not reached the case will not be filed.
4. The court will divide the title unified in the 1979 Agreement in order to compel that a deed to the Playhouse be issued to The Royal Poinciana Playhouse Foundation as Trustee upon a claim of equitable title.
5. The deed to the Foundation would be on the western boundary of the Plaza roughly parallel the inter-coastal and would include the tax-deductible donation of the Hibel Building (see location map).
6. The above plan may cost-effectively unburden the Plaza from the 1979 Agreement and provide further development opportunities together with significant reductions in property taxes and federal Income taxes.
7. I have prepared the papers for establishing a tax-exempt Operating Foundation to take title to, maintain and operate the Playhouse. The papers are in the folder that I left with your secretary in draft form and have not been filed, nor has an attorney been retained.

I am available at you convenience for further meetings upon the above DRAFT plan.

Sincerely Yours,



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(561) 840-0696

Cc: Law offices of Jeff Tomberg
626 SE 4th Street
Boynton Beach FL 33435
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LOCATION MAP Royal Poinciana Plaza

