



July 27, 2020

VIA OVERNIGHT MAIL & EMAIL

Steven Gustafson
State Trade and Rapid Response Coordinator
REACT Program MSC 229
107 E. Madison Street
Tallahassee, FL 32399-4137
WARNnotices@deo.myflorida.com

Anthony F. DeFillipo, Mayor
17011 NE 19th Avenue, 4th Floor
North Miami Beach, FL 33162

Dear Mr. Gustafson and Mayor DeFillipo:

This letter is to inform you that on March 27, 2020, IPIC Theaters LLC (the "Company") was required to cease company operations located at 3701 NE 163rd Street, North Miami Beach, FL 33160. This requirement was mandated due to the unprecedented effects of the COVID-19 pandemic, and the related government restrictions on businesses. As a result, we were forced to place many of our valued team members on furlough. While we have opened the theaters in some capacity, we continue to anticipate returning many team members to work and operating at full capacity at the location when the climate allows sometime in the future. As we navigate these unprecedented challenges and recent events, at this point, we cannot reasonably predict when that will occur.

When we initially furloughed employees, we believed that we would be able to return them to work shortly after. That is no longer our working assumption as the timetable has been significantly pushed back due to circumstances and events beyond our control. While the Company has not as of yet been able to open the theaters at full capacity, we remain committed to returning to pre-COVID capacity as circumstances permit. At that time, furloughed team members will be asked to return to work. Unfortunately, there is no specific timetable since the level of uncertainty surrounding the virus's impact continues to change rapidly. Unfortunately, we must now take a variety of different actions due to the continuing unexpected effects and impacts of COVID-19. While we have now reopened in a limited capacity in some areas, the recent surge of COVID-19 cases and the new resulting government restrictions prevent us from resuming full operations and recalling employees at this time. First, for those employees who are furloughed, while we continue to hope the furloughs will be temporary, in light of the current and unexpected

circumstances, we are now unsure when we will be able to return them to work on a consistent basis. Accordingly, effective July 28, 2020 and in an abundance of caution, we want to let you know that, although we still expect these furloughs to be temporary, we simply cannot predict a return date at this juncture and their furloughs now may extend for an undetermined period of time, which at a minimum, will be 6 months. In addition, unfortunately, in light of the current and unexpected circumstances, the Company will also be forced to conduct employee separations at this location. The employee separations in connection with this action will occur on August 3, 2020. This action with respect to the separations is expected to be permanent. Enclosed is a listing of the job titles of the positions to be affected and the number of affected employees in each job classification. We have identified which groups shall be furloughed for extended periods of time and which shall be separated.

The Company and I personally regret that we were unable to provide to you more advance notice of this action. The movie theater industry has been hit especially hard by the health and economic outcome of the COVID-19 pandemic challenges. As a consequence, the State's phased and evolving reopening plan has forced us to re-evaluate all our initial assumptions concerning getting back to normal. Beyond the State and local guidance, reopening protocols require changes in the way we do business. These new requirements pose challenges that are both unique operationally and structurally to our business model. Moreover, the surge of COVID-19 cases in Florida, and the resulting rollback of reopening plans at the county level, make it clear that the impacts on the movie theater industry in Florida will be for an extended period of time and drastically impact the Company's business and ability operate fully. After reviewing our staffing and business needs, we are providing this notice to you at the earliest possible time.

There are no bumping rights in connection with these actions. The affected employees are not represented by a labor organization.

If you require further information, please contact me at denise.arena@IPIC.com or 561-886-3222.

Very truly yours,

Denise Arena
Director of Human Resources

Enclosure: List of impacted positions by job title and number of impacted employees in each job title

Impacted Positions

Server	19
Usher	25
Dishwasher	5
Line Cook	12
Guest Services	9
Prep Cook	4
Runner	1
Theater General Manager	1
Concessions	2
Cocktail Server	2
Event Sales Manager	1
Executive Chef	1
Sous Chef	1
Theater Supervisor	2
Theater Assistant General Manager	1
Theater Kitchen Supervisor	1
Bartender	6
Projectionist	1
Senior General Manager	1
Office Manager	1
Facilities Technician	1
Theater Manager	1