

March 20, 2020

Dear San Diego Theatre Employees,

As you know, on Friday, March 13, 2020, the California Department of Public Health ordered drastic and immediate procedures to prevent the physical spread of COVID-19 by limiting the size of public events to less than 250 persons. Live performance theaters were ordered to keep attendance to under 250 persons per individual theater. As a result of the Government Order, all scheduled productions at the Balboa Theatre and the Civic Theatre have been cancelled or postponed through at least April 30, 2020. The majority of events in May and June have also been cancelled or postponed at the time of this email. In consideration of these unforeseen circumstances, San Diego Theatres has taken the following steps in order to provide business continuity for San Diego Theatres. All changes are until further notice unless otherwise indicated.

- The box office windows and phone lines are closed. Customers will be directed to our website and/or Ticketmaster to purchase tickets and to obtain refunds.
- A hiring freeze is in place, and all promotions, raises and merit increases are on hold until further notice.
- Active employees older than 65 years of age may voluntarily self-quarantine. If so, and they are not able to work from home, they may use accrued sick time, and may also coordinate benefits with other leave if applicable.
- This week, we have laid off twenty-one (21) full-time positions, and converted twelve (12) full-time positions to part-time positions. Part-time hours worked will be on an as-needed basis determined by the events schedule and will be pre-approved by the CEO or CFO.
- All remaining full-time positions have been identified as essential to the ongoing operation of the business and will be required to work from home beginning Monday, March 23, 2020 until at least April 3, 2020. Individuals may come to the office as needed to pick up supplies or files. The only exception to the above is that the engineering staff will continue to report.
- Schedules to our part-time event staff will be resumed when the next event is scheduled. They will be distributed one week at a time and only as required in order to minimize shift cancellation.
- For all active employees as of March 23, 2020, salary reductions will be in place until further notice, as follows:

o All non-union staff up to and including Managers	5% reduction
o All Directors	10% reduction
o Executive/C-level positions	15% reduction

The events of the last few weeks have left all of us with our heads spinning! The news is changing faster than ever and the situation continues to be fluid and uncertain. Thank you for your patience as we have strived to keep up with government mandates, event cancellations

and the ever-changing status of our community. It hasn't been easy. This week, we were faced with extremely difficult decisions that impacted valued and respected team members of San Diego Theatres. We ask that you now look to the future with us. It will be more important than ever for us to stay connected—via email, phone, skype, video chat—however we can, to keep our focus on bringing our dear theatres back to life—stronger and better than ever. Last week at our all-employee meeting, we had an important session on culture and purpose. While to some it may seem that that discussion was untimely and/or not authentic, nothing could be further from the truth. We sincerely value everyone who has had a hand in building San Diego Theatres with their hard work, commitment and passion. It is because of this that we, as leaders, are committed to doing what we need to in order to keep San Diego Theatres as a viable, thriving, performing arts organization that will live on to **create moments that matter** for us, our guests and patrons, and for the entire San Diego community.

THANK YOU, THANK YOU, THANK YOU,

Carol Wallace, President & CEO and Kelly Bargabos, CFO/COO