



# Destiny Entertainment Corporation

P.O. Box 1850, The Dalles, OR 97058  
Phone & Fax (541) 296-3255

---

2020, Wow, what a year.

Hi, I am Bruce Humphrey, my company is Destiny Entertainment Corporation and we operate two theatres, the Columbia Cinema in The Dalles and the Hermiston Stadium 8 Cinema in Hermiston.

Running a movie theatre in a small town is a passion and the reward is seeing moviegoers enjoy the experience you have provided. A small town movie theatre should be seen as a public service, it doesn't make much money, you need a large population to make money in this business.

2020 has been a devastating year for us. Our revenues for the last three quarters of 2020 were down in excess of 90% compared to the same period in 2019. The bills keep coming and the money isn't there to pay them.

We were ordered to close our theatres on March 18, 2020. We started doing drive-up popcorn on Fridays and Saturdays in May to provide some of our team with some work. Selling drive-up popcorn was our theatres only source of revenue for many months in 2020. The community support has been great; they have been buying lots of popcorn.

By May, seeing no possibility of reopening, I could see we were in trouble. I approached the bank with making interest only payments on the Hermiston Cinema loan until we could reopen and business could support the full payment. The bank was not receptive to this idea but did offer to refinance the loan balance with a 25 year term to get the monthly payment down to less than a third of what it had been. I had less than five years left to pay on the existing loan.

I filled out the paper work for the new 25 year loan and turned it into the bank on Friday, May 29, 2020. I felt with the reduced payments I could survive until the end of the year if we opened back up by October 2020 and business started a slow return to normal. The next day, Saturday, May 30<sup>th</sup> a windstorm came through Hermiston. The storm took out eight of the 12 trees in the parking lot, tore off about 25% to 30% of the building's roof, damaged eight of the 11 rooftop HVAC units and the water that got in the building caused some interior damage. At the end of the day about \$280,000 in damage. Insurance covered about two-thirds of the repairs. This was an expense I had not anticipated in my survival plan.

We were allowed to reopen the theatres in September 2020 and ordered to close again on November 16, 2020. Missing all the holiday business and revenue. On February 24, 2021, we finally were allowed to reopen with concession sales. We opened both our

theatre the following week on March 5, 2021. About half our team found other jobs during the holidays and reopening in March has been difficult with so many of our team not returning or trying to work around their new jobs. Some would like to give up their new jobs and return to the theatre but feel the theatres could close again so need to hang on to the new job. I wish I could do more for them.

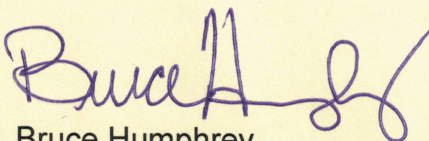
The level of business we are currently seeing isn't covering the expenses but I feel we need to stay open to provide jobs for the team members we have left and so, with time, customers can begin to feel comfortable returning to the movies.

I have tried to make a plan to survive. With the help of a PPP loan, CARES ACT grants, refinancing the Hermiston Cinema, an EIDL loan and personal savings we have made it this far. The theatres are out of money; really need the theatres to start generating cash flow to pay the bills. A grant from the State of Oregon would be a great help to get us through this. I see now that it is going to be a slow recovery for movie theatres with the lack of new films to bring people back and the reduced seating capacity to accommodate social distancing. Social distancing requirements limit our seating capacity to about 25% or less.

I bought my first theatre 28 years ago and have enjoyed providing the movie experience to thousands of people. The towns are small and operating the theatres has always been a financial challenge but have provided entertainment and jobs in our communities. I always thought the equity in the buildings would provide my retirement. Now I don't feel the buildings are worth much and I may have lost my life's work.

The grant program for Oregon movie theatres would really help as we work to rebuild our business and the movie going experience.

Thanks,



Bruce Humphrey  
Destiny Entertainment Corporation