



EMERGENCY MEMORANDUM

DATE: March 31, 2020
TO: All Orsid New York Board Members
FROM: Neil B. Davidowitz, President
RE: Covid-19 Update

We continue to hope that you and your families remain safe and healthy. Here is an update on the important topics and protocols we are implementing to help keep your properties operating as best as possible despite the circumstances:

1- Staffing:

As the number of affected persons increase throughout the city, building staff have been proportionally affected. We have an increased number of staff that have tested positive, are symptomatic or unable to continue working due to a household member being ill. To date, we have successfully filled those spots by modifying schedules, using relief workers and hiring private security. New union agreements give us flexibility to change shifts and hire temporary employees. One option is for buildings to use three 12 hour shifts per week for 40 hours of straight time pay where both the building and employee agree. There would be no overtime. We are evaluating this option in many buildings and will recommend implementation if it can keep the buildings staffed adequately and the residents and employees safe. In addition, some buildings have supplemented sanitization measures with the use of outside vendors. Finally, we are lining up commercial 32BJ members that have been laid off or furloughed from their jobs due to the crisis. We are vetting many of these employees now and they will be an additional resource that we can utilize.

2- Annual Meetings:

As this time of year would normally be the beginning of our Annual Meeting season for most Cooperative and Condominium buildings, it is a good time to address the options available for those buildings which typically schedule meetings for the months of April through June. In light of the current ban by Executive Order of any “non-essential gatherings of individuals of any size for any reason,” we are recommending that the Annual Meetings be postponed until conditions improve and “social distancing” is no longer mandated. Postponing the meeting, even when a specific date or time period is called for under the By Laws, can be done without consequence for the vast majority of Coops and Condos. The Directors and Managers in office continue to serve and the Board retains all of the normal powers until the next Annual Meeting is held. The alternative of having a “virtual meeting” online, while authorized by a 2019 amendment to the NY Business Corporation Law, is not without challenges. One major drawback is that many Shareholders may not have access to or be comfortable using online videoconference technology. This could lead to the disenfranchisement of a large and invaluable demographic of participants that would otherwise participate in person. Having a



meeting purely by proxy could satisfy basic By Law requirements but it would not allow for active debate or discussion between shareholders/unit owners and their elected Board of Directors. In any event, it is important that throughout this crisis that Boards continue to circulate not only financial information and certified financial statements but also newsletters and/or “state of the building” reports to our constituents.

3- **Supply Chain:**

As supplies have become scarce and the supply chain problematic, Orsid employees took over the task of procuring and distributing supplies. Orsid has leveraged its buying power to access bulk quantities of difficult to find supplies such as Clorox wipes, Purell hand sanitizers, paper towels, rags, rubber gloves and masks for employees. Over the past week we have made two large bulk purchases which were divided up amongst a number of our buildings. These efforts are ongoing and were largely spearheaded by several key employees John Devall, Mary Mariano and Rebecca Kampf. This is above and beyond their normal management duties and consumes many hours of coordination, communication and organizing efforts.

4- **Amended Building Policies and Protocols:**

As the situation evolves, many buildings have adopted policies concerning social distancing, guests and visitors, apartment alterations, and move-in and move-outs. These are complicated discussions in which we must balance the health and safety of our residents and staff, with the specific needs of the individual residents. As the situation worsens, policies have become more restrictive and we are getting new mandates from the Governor’s office on a daily basis. We urge all of our Boards to actively discuss these policies on an ongoing basis and to communicate any necessary changes to all building residents through our office.

5- **Self-Quarantining:**

As test kits for the Covid-19 are scarce, many residents are being advised by their medical professionals to self-quarantine in place even without a positive test for a variety of reasons including close contact with someone who tested positive, returning from “high risk countries,” or Covid-19 like symptoms. This creates a number of problems for building staff, other residents and Boards who are struggling to enforce basic rules and protocols designed to mitigate the risk of spread. We have received reports of residents who refuse to stay quarantined for the periods prescribed by health officials. Some have quarantined family members in close proximity yet choose to move freely around the building and community as if to ignore the risks. Please refer any such incidents to your Account Executives who have been in touch with counsel on what steps we can and cannot take to keep everyone as safe as possible during the crisis.



6- **CARES Act:**

Last week, the CARES Act was signed into law and it allocates \$350 billion to assist small businesses to keep them operating and to keep workers employed amid the Covid-19 pandemic and economic downturn. The Act expands a Small Business Administration (SBA) program to support a new “Paycheck Protection Program” (PPP) Loans. These loans would be fully guaranteed by the Federal government, will not require collateral, personal guaranties or proof of ability to pay. The amount limit of the loans will be 2.5 times the average monthly payroll costs during the one- year period before the loan is made or \$10 million, whichever is less. The loans can be used to pay payroll, rent, health benefits, insurance premiums, utilities, interest on mortgages or other operational costs that cannot be met as a result of Covid-19. Borrowers are entitled to loan forgiveness for the amounts spent on these items during the eight-week period beginning on the date the loan is originated. Please note that the PPP will not be operational until the SBA issues its guidance and regulations. We are hopeful that this will happen by next week. We are currently consulting with various legal counsel and accountants to determine the applicability to our clients and availability of funds.

Our office is fully functional while more than 90% of Orsid staff is working remotely in order to prevent the spread of the virus. We will continue to monitor these topics and new developments so that we can provide the best advice and assistance to you, your staff and residents during this crisis. Please stay safe and healthy!