

ATTORNEY GENERAL OF THE STATE OF NEW YORK
COUNTY OF NASSAU

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In the Matter of the Joint Application of

CIRCULO DE LA HISPANIDAD, INC.,
a New York Not-for-Profit Corporation,

For Approval to Transfer Real Property
pursuant to Sections 510 and 511-a
of the Not-for-Profit Corporation Law

and

CIRCULO REAL PROPERTY HOLDING
CORPORATION, a New York Not-for-Profit
Corporation,

For Approval to Lease Real Property pursuant
to Sections 510 and 511-a of the Not-for-Profit
Corporation Law.

AG APPROVAL
DOCUMENT

OAG No. 19-027291-21

Joint Petitioners.

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1. By Petition verified on July 12, 2019, Petitioner, Circulo de la Hispanidad, Inc. ("Circulo") applied to the Attorney General pursuant to Sections 510 and 511-a of the Not-for-Profit Corporation Law for approval to transfer certain real property and Petitioner Circulo Real Property Holding Corporation ("CRPH") applied to the Attorney General pursuant to Sections 510 and 511-a of the Not-for-Profit Corporation Law for approval to lease certain real property. Circulo and CRPH shall collectively be referred to herein as "Petitioners."

2. The asset that is the subject of the Petition is a school building of approximately 35,000 square feet situated on an approximately 1.02 acre lot comprised of property known as (i) 605 Peninsula Boulevard, Hempstead, New York (Section 34, Block 380, Lots 256, 454-455, 464, 467 and 470) and (ii) adjacent property known as 134 Linden Avenue, Hempstead, New York (Section 34, Block 380, Lots 328 and 329) (collectively referred to herein as the "Premises").

3. The terms of the transaction are as follows:

(i) Circulo requests the approval of the Attorney General in connection with the transfer of the Premises to CRPH, its controlled affiliate. In 2007, Circulo obtained tax-exempt bond financing from the Town of Hempstead Industrial Developmental Agency (now known as the Town of Hempstead Local Development Corporation) in connection with the acquisition of

the Premises (the "Series 2007 Bonds"). The Series 2007 Bonds are currently in payment default, and as a condition of refinancing the debt on more favorable terms, Circulo will transfer title to the Premises to CRPH for nominal consideration of \$1.00. CRPH will then pay off the Series 2007 Bonds with the refinanced bond proceeds; and

(ii) CRPH requests the approval of the Attorney General in connection with the subsequent lease of the Premises to Evergreen Charter School, a New York not-for-profit chartered education corporation and the current tenant of the Premises. Evergreen Charter School currently leases the Premises from Circulo for the purpose of operating a publicly supported charter school for students grades K-8 in the Hempstead community. Following the transfer of the Premises to CRPH, CRPH will enter into a new long-term lease with Evergreen Charter School, the current tenant. Under the lease between CRPH and Evergreen Charter School, the rental amount will be equal to the refinanced debt service on the building, including interest and amortization.

4. The terms of the proposed transactions are fair and reasonable and will promote the charitable and educational purposes of Circulo, CRPH and Evergreen Charter School. The transactions proposed herein are intended to support the refinancing of Circulo's existing indebtedness, currently in default, and will preserve the essential educational, recreational and supportive programs and services for school-age children living in the Hempstead community.

5. Based on a review of the Petition and the exhibits thereto, and the verification of Gil Bernardino, Executive Director of Circulo, and Sarah Brewster, Executive Director of CRPH, Petitioners have complied with the provisions of the Not-for-Profit Corporation Law applicable to the transfer or lease of all or substantially all assets, and neither the Petitioners nor any third party having raised with the Attorney General any objections to the proposed transactions, the transactions are hereby Approved.

6. Within 90 days hereof, Petitioners shall provide the Attorney General with written notice of one of the following: (i) that the transaction has been completed (i.e., upon closing); (ii) the transaction has been abandoned or (iii) that the transaction is still pending.

Letitia James
Attorney General of the State of New York

By: 
Assistant Attorney General

Date: 7/25/13