

ATTORNEY GENERAL OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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In the Matter of the Application of

KEHILAT ROMEMU

OAG No.: NYC-2024-606

**ATTORNEY GENERAL
APPROVAL**

For Leave to Sell Real Property
pursuant to Section 510 and 511-a of the
Not-for-Profit Corporation Law and
Section 12 of the Religious Corporations Law
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By Petition verified on June 27, 2024, Kehilat Romemu (“Petitioner”) applied for approval of an application for leave to sell real property pursuant to Sections 510 and 511-a of the Not-for Profit Corporation Law and Section 12 of the Religious Corporations Law.

1. The asset that is the subject of the Petition is the Petitioner’s real property located in the State of New York, City of New York, County of New York, known as and by street address 176 West 105th Street, New York, New York 10025, and identified on the City of New York, New York County tax map records, as Block 1859 and Lot 63 (the “Property”). The Property is improved with a Synagogue.

2. Petitioner resolved to sell the Property to World Mission Society, Church Of God A NJ Nonprofit Corporation pursuant to the terms of the transaction identified in the Purchase and Sale Agreement between Petitioner and purchaser, dated August 28, 2023, as amended by the First Amendment to the Purchase and Sale Agreement, dated November 15, 2023, for the purchase price of \$10,000,000.00.

3. The terms of the sale are fair and reasonable to Petitioner because: (i) the purchase price exceeds the appraised value, (ii) there is a short closing period upon receipt of the approval of the transaction required by New York law, and (iii) the sale as amended is not contingent on financing.

4. Petitioner’s purposes will be promoted by the sale because: (i) Petitioner will no longer be saddled with the expense of maintaining and operating a building that is not handicap accessible and does not have a layout conducive to satisfying the programming needs of Petitioner, and (ii) the proceeds will be used towards: (a) the repayment of the debts of Petitioner, (b) moving expenses, (c) rent for leased space, (d) hiring of new staff, (e) the costs and expense of holding additional community and board retreats/events, and (f) to conduct and further the Petitioner’s religious activities and purposes and in accordance with the Petitioner’s bylaws and Certificate of Incorporation.

5. The approximate closing costs for the transaction are \$656,250.00, which includes: (a) the broker commissions (\$400,000.00), (b) New York State transfer taxes (\$65,000.00), (c) anticipated legal fees (50,000.00), (d) bank and other transaction closing costs (\$10,000.00), (e) mortgage prepayment penalty (\$128,250.00) and (f) payment of violations and other closing costs (\$3,000.00).

6. The transaction proceeds will also be used to pay the following debts of Petitioner: (i) outstanding loans by board members and congregational members of Petitioner totaling approximately \$1,163,350.00 (inclusive of interest at 5%); (ii) the existing mortgage held by Carver Federal Savings Bank in the approximate principal amount of \$4,203,566.76 (as of April 15, 2024); and (iii) the FJC Loan in the approximate amount of \$527,500 (inclusive of interest).

7. In addition to the above-described payment of closing costs and debts to be paid from proceeds, estimated to total approximately \$6,550,666.76, petitioner has budgeted \$860,000 for anticipated costs in year one following the closing of the transaction and \$760,000 in year two following the closing of the transaction, as more fully set forth in the petition. The anticipated net proceeds (“Remaining Proceeds”) after all the above is estimated to be approximately \$1,829,333.24.

8. Petitioner has formed an Investment Committee, which shall serve as an advisory committee to the Board and shall be responsible for monitoring the overall investment policies of Petitioner and for establishing investment guidelines in furtherance of the policies set forth in the Investment Committee Charter. The Remaining Proceeds shall be used in accordance with Petitioner’s charitable purposes. While the Remaining Proceeds are not considered donor-restricted assets, the Investment Committee will act in accordance with the standards of conduct set forth in Article 5-A, Section 552 of the Not-for-Profit Corporation Law.

9. Notwithstanding the above paragraphs 7 and 8, petitioner will escrow \$800,000.00 from the Remaining Proceeds (“Escrow Funds”) with its attorneys, Capell Barnett Matalon & Schoenfeld LLP, at the closing of the transaction. The Escrow Funds are to be used to continue petitioner’s ministry and provide similar services to the ones it currently provides at another property which it intends to lease. Upon execution of such a lease for new space, Petitioner shall contact the Attorney General for review and approval of the executed lease agreement, at which time the Attorney General will review the request and authorize any release of the Escrow Funds in accordance therewith.

10. Based on a review of the Petition and the exhibits thereto (and the additional documents and information requested by the Attorney General), and the verification of Staci Levine, as an officer of Petitioner, that Petitioner has complied with the provisions of Section 12 of the Religious Corporations Law, and Section 510 and 511-a of the Not-for-Profit Corporation Law applicable to this transaction, and neither the Petitioner nor any third party having raised with the Attorney General any objections to the proposed transaction, the transaction is approved.

11. None of the terms or parties referenced in this Attorney General Approval may be altered without further approval of the Attorney General.

12. Petitioner shall provide the New York State Attorney General with a copy of the closing statement within 30 days from the closing of the transaction.

13. Petitioner will give the New York State Attorney General written notification that the transaction is closed, abandoned, or still pending after 90 days of the date of this approval.

14. This approval by the New York State Attorney General only applies to the terms and parties set forth herein.

15. For the purposes of this transaction, the Assistant Attorney General's facsimile or electronic signature shall be deemed the equivalent of an original signature.

Letitia James
Attorney General of the State of New York

By: Sharon Sash
Assistant Attorney General
Sharon Sash

Date: July 10, 2024