

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Issuer, under existing statutes and court decisions and assuming compliance with the tax covenants referred to herein, (i) interest on the Series 2012 Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series 2012 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. Bond Counsel to the Issuer is further of the opinion that, under existing statutes, interest on the Series 2012 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York. See "TAX MATTERS" herein.

\$49,995,000

BUILD NYC RESOURCE CORPORATION

Revenue Bonds

(YMCA of Greater New York Project),

Series 2012



Dated: Date of Delivery

**Due: As shown on the
inside front cover**

The Series 2012 Bonds are issuable by Build NYC Resource Corporation (the "Issuer") only in fully registered form in the denomination of \$5,000, or any integral multiple thereof, and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"). Purchases of the Series 2012 Bonds will be made in book-entry only form. See "BOOK-ENTRY ONLY SYSTEM" herein. Interest on the Series 2012 Bonds will be payable by The Bank of New York Mellon, as trustee for the Series 2012 Bonds (the "Trustee"), on each February 1 and August 1, commencing February 1, 2013. The Series 2012 Bonds are subject to redemption prior to maturity, as described herein.

The Series 2012 Bonds are being issued for the benefit of the Young Men's Christian Association of Greater New York, a New York not-for-profit corporation (the "YMCA of GNY"), pursuant to an Indenture of Trust dated as of June 1, 2012 (the "Indenture") between the Issuer and the Trustee in order to provide a portion of the funds required to (i) finance, refinance or reimburse the YMCA of GNY for certain of the costs of acquiring, constructing, renovating, equipping and/or furnishing various facilities of the YMCA of GNY, (ii) refund certain outstanding bonds previously issued for the benefit of the YMCA of GNY, (iii) fund a debt service reserve fund for the Series 2012 Bonds and (iv) pay certain costs of issuing the Series 2012 Bonds, as more fully described herein.

THE SERIES 2012 BONDS ARE SPECIAL LIMITED REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE AS TO PRINCIPAL, REDEMPTION PRICE AND INTEREST, SOLELY FROM THE TRUST ESTATE (AS HEREINAFTER DEFINED). NEITHER THE STATE OF NEW YORK (THE "STATE") NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY OF NEW YORK (THE "CITY"), SHALL BE OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF, OR THE INTEREST ON, THE SERIES 2012 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, IS PLEDGED TO SUCH PAYMENT OF THE SERIES 2012 BONDS. THE SERIES 2012 BONDS WILL NOT BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE SERIES 2012 BONDS WILL NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE CREDIT OR TAXING POWERS OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY. NO RECOURSE WILL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR THE INTEREST ON, THE SERIES 2012 BONDS AGAINST ANY MEMBER, OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

The Series 2012 Bonds are offered, when, as and if issued and accepted by the Underwriter, subject to the approval of legality by Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Issuer, and certain other conditions. Certain legal matters will be passed upon for the Issuer by Richard E. Marshall, Esq., its Vice President for Legal Affairs, and for the YMCA of GNY by its counsel, Goulston & Storrs, P.C., New York, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Chapman and Cutler LLP, Chicago, Illinois. It is expected that delivery of the Series 2012 Bonds will take place through the facilities of DTC on or about June 28, 2012.

J.P. Morgan

The date of this Official Statement is June 21, 2012.

\$49,995,000
BUILD NYC RESOURCE CORPORATION
REVENUE BONDS
(YMCA OF GREATER NEW YORK PROJECT),
SERIES 2012

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPs†

| <u>Maturity</u> <u>(August 1)</u> | <u>Principal</u> <u>Amount</u> | <u>Interest</u> <u>Rate</u> | <u>Yield</u> | <u>CUSIP†</u> |
|----------------------------------------------------|-------------------------------------------------|----------------------------------------------|---------------------|----------------------|
| 2014 | \$2,490,000 | 4.00% | 1.02% | 12008EAA4 |
| 2015 | 2,600,000 | 4.00 | 1.32 | 12008EAB2 |
| 2016 | 2,690,000 | 5.00 | 1.52 | 12008EAC0 |
| 2017 | 2,810,000 | 5.00 | 1.84 | 12008EAD8 |
| 2018 | 2,945,000 | 5.00 | 2.10 | 12008EAE6 |
| 2019 | 3,095,000 | 5.00 | 2.38 | 12008EAF3 |
| 2020 | 3,255,000 | 5.00 | 2.62 | 12008EAG1 |
| 2021 | 2,430,000 | 5.00 | 2.87 | 12008EAH9 |
| 2022 | 775,000 | 5.00 | 3.01 | 12008EAJ5 |

\$10,240,000 5.00% Term Bonds Due August 1, 2032, Yield 3.96%* CUSIP† 12008EAK2

\$16,665,000 5.00% Term Bonds Due August 1, 2042, Yield 4.26%* CUSIP† 12008EAL0

* Priced at the stated yield to the August 1, 2022 optional call date.

† CUSIP® is a registered trademark of the American Bankers Association (ABA). CUSIP Global Services (CGS) is managed on behalf of the ABA by Standard & Poor's. CUSIP numbers herein are provided by CGS and are included herein for reference only. None of the Issuer, the Trustee, the YMCA of GNY or the Underwriter takes any responsibility for the accuracy of such numbers.

REGARDING THIS OFFICIAL STATEMENT

The information set forth herein has been obtained from the Issuer, the YMCA of GNY and other sources which are believed to be reliable. As to information from the YMCA of GNY, it is to be construed as a representation by the YMCA of GNY and not by the Issuer. The information contained in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the information or opinions stated herein or in the affairs of the Issuer or the YMCA of GNY since the date hereof.

The Issuer has provided the information set forth under the headings “THE ISSUER” and “ABSENCE OF LITIGATION—The Issuer” and makes no representation, warranty or certification as to the adequacy or accuracy of the information set forth anywhere else in this Official Statement.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information and this Official Statement is not to be construed as the promise or guarantee of the Underwriter.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2012 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2012 Bonds in any jurisdiction in which such offer, solicitation or sale is not qualified under applicable law or to any person to whom it is unlawful to make such offer, solicitation or sale.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “budget,” “intend,” “projection” or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information in APPENDIX A — “INFORMATION CONCERNING THE YOUNG MEN’S CHRISTIAN ASSOCIATION OF GREATER NEW YORK.” Such forward-looking statements speak only as of the date of this Official Statement.

Forward-looking statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the YMCA of GNY. THE YMCA OF GNY DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO RELEASE PUBLICLY ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT CONTAINED HEREIN TO REFLECT ANY CHANGE IN THE YMCA OF GNY'S EXPECTATIONS WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.

TABLE OF CONTENTS

| | |
|------------------------------------------------------------|----|
| INTRODUCTION | 1 |
| THE ISSUER | 3 |
| THE YMCA OF GNY | 3 |
| General | 3 |
| Outstanding Bonds | 4 |
| THE PLAN OF FINANCE | 4 |
| Financing of the 2012 Capital Projects | 4 |
| Refunding of the Prior Bonds | 4 |
| Refinancing of the Taxable Loans | 5 |
| ESTIMATED SOURCES AND USES OF FUNDS | 6 |
| THE SERIES 2012 BONDS | 6 |
| General | 6 |
| Payment of Principal and Interest | 7 |
| Redemption Provisions | 8 |
| BOOK-ENTRY ONLY SYSTEM | 14 |
| SECURITY FOR THE SERIES 2012 BONDS | 17 |
| General | 17 |
| Debt Service Reserve Fund | 17 |
| Debt Service Coverage Ratios | 18 |
| Limitations on Incurrence of Certain Additional Debt | 22 |
| Additional Bonds | 23 |
| Limited Obligations | 23 |
| ANNUAL BOND DEBT SERVICE REQUIREMENTS | 25 |
| BONDHOLDERS' RISKS | 26 |
| General | 26 |
| Matters Relating to Security | 26 |
| Matters Relating to Enforceability of Remedies | 26 |
| Funding of Debt Service Reserve Fund | 27 |
| Amendments to Indenture and Loan Agreement | 27 |
| Tax-Exempt Status of the YMCA of GNY | 27 |
| Tax-Exempt Status of the Series 2012 Bonds | 28 |
| Risk of IRS Audit | 28 |
| Bond Ratings | 28 |
| Secondary Market and Prices | 29 |
| Other Considerations | 29 |
| Other Risk Factors | 29 |
| ABSENCE OF LITIGATION | 30 |
| The Issuer | 30 |
| The YMCA of GNY | 30 |

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| LEGAL MATTERS | 31 |
| TAX MATTERS | 31 |
| Opinion of Bond Counsel | 31 |
| Certain Ongoing Federal Tax Requirements and Covenants..... | 32 |
| Certain Collateral Federal Tax Consequences | 32 |
| Bond Premium | 32 |
| RATINGS | 34 |
| UNDERWRITING | 34 |
| RELATIONSHIP OF CERTAIN PARTIES | 35 |
| INDEPENDENT ACCOUNTANTS | 35 |
| CONTINUING DISCLOSURE | 35 |
| The Issuer..... | 35 |
| The YMCA of GNY | 36 |
| Dissemination Agent | 36 |
| MISCELLANEOUS | 37 |
| APPENDIX A — Information Concerning the Young Men’s Christian Association of Greater New York | |
| APPENDIX B — Audited Financial Statements of Young Men’s Christian Association of Greater New York as of and for the Year Ended December 31, 2011 | |
| APPENDIX C — Certain Definitions | |
| APPENDIX D — Summary of Certain Provisions of the Loan Agreement | |
| APPENDIX E — Summary of Certain Provisions of the Indenture of Trust | |
| APPENDIX F — Proposed Form of Continuing Disclosure Agreement | |
| APPENDIX G — Proposed Form of Opinion of Bond Counsel | |

OFFICIAL STATEMENT

RELATING TO

\$49,995,000

**BUILD NYC RESOURCE CORPORATION
REVENUE BONDS
(YMCA OF GREATER NEW YORK PROJECT),
SERIES 2012**

See APPENDIX C for definitions of certain of the words and terms used in this Official Statement.

INTRODUCTION

This Official Statement (including the front cover page, the inside front cover page and the Appendices) is being distributed in connection with the offering and sale of \$49,995,000 in aggregate principal amount of Build NYC Resource Corporation Revenue Bonds (YMCA of Greater New York Project), Series 2012 (the “*Series 2012 Bonds*”) of Build NYC Resource Corporation (the “*Issuer*”). The Issuer is a not-for-profit local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York.

The Series 2012 Bonds are authorized to be issued under and pursuant to a resolution of the Issuer adopted on April 10, 2012, authorizing the issuance and sale of the Series 2012 Bonds and an Indenture of Trust dated as of June 1, 2012 (the “*Indenture*”) between the Issuer and The Bank of New York Mellon, as trustee (the “*Trustee*”). The Trustee will also serve as Paying Agent and Bond Registrar for the Series 2012 Bonds.

The proceeds from the sale of the Series 2012 Bonds are being loaned to the Young Men’s Christian Association of Greater New York, a not-for-profit corporation organized and existing under the laws of the State of New York (the “*YMCA of GNY*”), pursuant to the Loan Agreement dated as of June 1, 2012 (the “*Loan Agreement*”) between the Issuer and the YMCA of GNY, for the purposes described below. The YMCA of GNY will be obligated under the Loan Agreement and the Promissory Note from the YMCA of GNY to the Issuer and the Trustee (the “*Promissory Note*”) to make payments sufficient to pay the principal or redemption price of, and interest on, the Series 2012 Bonds, as and when the same become due. The obligations of the YMCA of GNY to make payments pursuant to the Loan Agreement and the Promissory Note will be unconditional obligations of the YMCA of GNY, but will not be secured by a mortgage of or any other interest in the Facilities. See Appendix D—“SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT.”

Pursuant to the Indenture, the Issuer will assign to the Trustee substantially all of its right, title and interest in and to the Loan Agreement (except for the Issuer’s Reserved Rights), including all rights to receive the payments of principal or redemption price of, and interest on,

the Series 2012 Bonds to be made by the YMCA of GNY pursuant to the Loan Agreement and the Promissory Note.

The proceeds from the sale of the Series 2012 Bonds will be used, together with other available funds, to (i) finance or reimburse the YMCA of GNY for certain of the costs of acquiring, constructing, renovating, equipping and/or furnishing various facilities owned and operated by the YMCA of GNY (the “*2012 Capital Projects*”), (ii) refinance a portion of certain taxable loans (the “*Taxable Loans*”) applied by the YMCA of GNY to the costs of acquiring, constructing, renovating, equipping and/or furnishing certain facilities owned and operated by the YMCA of GNY, (iii) refund certain outstanding bonds previously issued for the benefit of the YMCA of GNY (the “*Prior Bonds*”), as more fully described below under the heading “THE PLAN OF FINANCE—The Prior Bonds,” (iv) fund the Debt Service Reserve Fund established under the Indenture in an amount equal to the Debt Service Reserve Fund Requirement for the Series 2012 Bonds and (v) pay certain costs of issuing the Series 2012 Bonds (collectively, the “*Project*”).

Subject to compliance by the YMCA of GNY with the provisions of the Loan Agreement summarized below under the heading “SECURITY FOR THE SERIES 2012 BONDS—Limitations on Incurrence of Certain Additional Debt” and in APPENDIX D—“SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT—Financial Covenants,” the Issuer may, upon the request of the YMCA of GNY, issue Additional Bonds under the Indenture (collectively with the Series 2012 Bonds, the “*Bonds*”) for the benefit of the YMCA of GNY. See “SECURITY FOR THE SERIES 2012 BONDS—Additional Bonds” below.

The forepart of this Official Statement contains brief descriptions of the Issuer, the YMCA of GNY, the Series 2012 Bonds, the Indenture, the Loan Agreement, the Promissory Note, the Continuing Disclosure Agreement to be executed by the YMCA of GNY on the date of issuance of the Series 2012 Bonds (the “*Continuing Disclosure Agreement*”) and the current refunding of the Prior Bonds. Additional information about the YMCA of GNY is set forth in Appendix A. The audited financial statements of the YMCA of GNY as of and for the year ended December 31, 2011 are included in APPENDIX B. Certain of the defined terms used herein are set forth in APPENDIX C. Summaries of certain provisions of the Loan Agreement and the Indenture are included as APPENDICES D and E, respectively. The proposed form of the Continuing Disclosure Agreement is included in APPENDIX F. The proposed form of opinion of Bond Counsel is included in APPENDIX G.

All references herein to the Indenture, the Loan Agreement, the Promissory Note and the Continuing Disclosure Agreement are qualified in their entirety by reference to such documents, and the description of the Series 2012 Bonds herein is qualified in its entirety by reference to the terms thereof and the information with respect thereto included in the Indenture and the Loan Agreement. All such descriptions are further qualified in their entirety by reference to laws relating to or affecting the enforcement of creditors’ rights generally. Copies of the Indenture and the Loan Agreement may be obtained prior to the date of issuance of the Series 2012 Bonds from J.P. Morgan Securities LLC (the “*Underwriter*”) at its offices at 383 Madison Avenue, New York, New York 10179 and, on and after the date of issuance of the Series 2012 Bonds, from the Trustee at its offices at 101 Barclay Street, New York, New York 10286.

This introduction is subject in all respects to the additional information contained in this Official Statement, including APPENDICES A through G.

THE ISSUER

The Issuer, created in 2011, is a not-for-profit local development corporation organized pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York (the “State”) at the direction of the Mayor of The City of New York (the “City”). The Issuer is not an agency of State or City government and is not subject to administrative direction by any department, commission, board or agency of the State or of the City. The Issuer is authorized by the Not-For-Profit Corporation Law of the State and the Issuer’s Certificate of Incorporation to promote community and economic development and the creation of jobs in the non-profit and profit sectors for residents of the City by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses and other entities to access low interest tax-exempt and non-tax-exempt financing for their eligible projects.

The Issuer has offered and plans to offer other obligations from time to time to finance projects for other not-for-profit and, under certain circumstances, manufacturing and industrial businesses, with respect to facilities located in the City. Such obligations have been and will be issued pursuant to and secured by instruments separate and apart from the Indenture.

The Issuer has not prepared or assisted in the preparation of this Official Statement, except for statements under the sections captioned “THE ISSUER” and “ABSENCE OF LITIGATION—The Issuer” and, except as aforesaid, the Issuer is not responsible for any statements made in this Official Statement. Except for the execution and delivery of documents required to effect the issuance of the Series 2012 Bonds, the Issuer has not otherwise assisted in the public offer, sale or distribution of the Series 2012 Bonds. Accordingly, except as aforesaid, the Issuer disclaims responsibility for the disclosures set forth in this Official Statement or otherwise made in connection with the offer, sale and distribution of the Series 2012 Bonds.

The Series 2012 Bonds are special limited revenue obligations of the Issuer payable solely from the payments made by the YMCA of GNY under the Loan Agreement and the Promissory Note and from the Trust Estate, as described in the Indenture. Neither the Issuer nor its directors or officers are personally liable with respect to the Series 2012 Bonds. Accordingly, no financial information with respect to the Issuer or its directors or officers has been included in this Official Statement.

THE YMCA OF GNY

GENERAL

The YMCA of GNY is a community service organization which promotes positive values through programs that build spirit, mind and body, welcoming all people, with a focus on youth. Founded in 1852, the YMCA of GNY is the largest YMCA organization in the world, serving over 400,000 people each year, including 200,000 children under the age of 18. As of the date of

this Official Statement, the YMCA of GNY has 20 branches and over 180 leased program sites in all five boroughs of the City and a resident camp and meeting center in upstate New York. For additional information about the YMCA of GNY, see APPENDIX A.

OUTSTANDING BONDS

In addition to the Prior Bonds, which will be refunded on the date of issuance of the Series 2012 Bonds, the YMCA of GNY is obligated to pay the principal, interest and other payments due with respect to (i) that portion of the Dormitory Authority of the State of New York 2000 Series C Mental Health Services Facilities Improvement Revenue Bonds that was loaned to the YMCA of GNY on April 25, 2001 (the “2001 Bond Loan”), which loan is outstanding on the date of this Official Statement in the aggregate principal amount of \$856,300, and (ii) the New York City Industrial Development Agency Civic Facility Revenue Bonds (2006 YMCA of Greater New York Project) (the “Series 2006 Bonds”), which were issued on September 21, 2006 and are outstanding on the date of this Official Statement in the original aggregate principal amount of \$32,290,000. The 2001 Bond Loan and the proceeds from the sale of the Series 2006 Bonds were used to finance a portion of the costs of acquiring, constructing, equipping, furnishing and/or refinancing various civic facilities owned and operated by the YMCA of GNY. The 2001 Bond Loan and the Series 2006 Bonds will remain outstanding after the date of issuance of the Series 2012 Bonds.

THE PLAN OF FINANCE

FINANCING OF THE 2012 CAPITAL PROJECTS

A portion of the proceeds from the sale of the Series 2012 Bonds will be used to finance or reimburse the YMCA of GNY for certain of the costs of the 2012 Capital Projects, which are more fully described in APPENDIX A under the caption “2012 CAPITAL PROJECTS.”

REFUNDING OF THE PRIOR BONDS

General

A portion of the proceeds from the sale of the Series 2012 Bonds will be used to currently refund and redeem the Prior Bonds. The Prior Bonds consist of the following bonds issued by the New York City Industrial Development Agency (the “NYC IDA”):

- New York City Industrial Development Agency Civic Facility Revenue Bonds, Series 1997 (YMCA of Greater New York Project) (the “Series 1997 Bonds”), issued in the original aggregate principal amount of \$30,385,000 and outstanding on the date hereof in the aggregate principal amount of \$9,330,000; and
- New York City Industrial Development Agency Civic Facility Revenue Bonds, Series 2002 (YMCA of Greater New York Project) (the “Series 2002 Bonds”), issued in the

original aggregate principal amount of \$17,195,000 and outstanding on the date hereof in the aggregate principal amount of \$17,195,000.

Series 1997 Bonds

A portion of the proceeds from the sale of the Series 2012 Bonds will be applied to the current refunding and redemption of the Series 1997 Bonds. Such proceeds will be paid to the trustee for the Series 1997 Bonds (the “1997 Trustee”) for deposit in the Escrow Fund established for the Series 1997 Bonds under the Refunding Escrow Trust Agreement (Series 1997) dated as of June 1, 2012, by and among the NYC IDA, the YMCA of GNY and the 1997 Trustee, acting as escrow agent. The 1997 Trustee, as escrow agent, will apply such proceeds, together with other funds transferred by the 1997 Trustee to such Escrow Fund, to the redemption of the Series 1997 Bonds on or about August 1, 2012, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date.

Series 2002 Bonds

A portion of the proceeds from the sale of the Series 2012 Bonds will be applied to the current refunding and redemption of the Series 2002 Bonds. Such proceeds will be paid to the trustee for the Series 2002 Bonds (the “2002 Trustee” and, collectively with the 1997 Trustee, the “Prior Trustees”) for deposit in the Escrow Fund established for the Series 2002 Bonds under the Refunding Escrow Trust Agreement (Series 2002) dated as of June 1, 2012, by and among the NYC IDA, the YMCA of GNY and the 2002 Trustee, acting as escrow agent. The 2002 Trustee, as escrow agent, will apply such proceeds, together with other funds transferred by the 2002 Trustee to such Escrow Fund, to the redemption of the Series 2002 Bonds on or about August 1, 2012, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date.

REFINANCING OF THE TAXABLE LOANS

The Taxable Loans consist of a \$10 million line of credit agreement (the “Line of Credit Agreement”) and a \$16 million credit agreement (the “Credit Agreement”) between the YMCA of GNY and JPMorgan Chase Bank, N.A., an affiliate of the Underwriter. The principal outstanding under the Line of Credit Agreement and the Credit Agreement as of May 31, 2012 was \$8.0 million and \$12.5 million, respectively.

A portion of the proceeds of the Series 2012 Bonds will be used to repay (i) in full the amount due under the Line of Credit Agreement as of the date of issuance of the Series 2012 Bonds, whereupon the Line of Credit Agreement will be terminated, and (ii) all but \$5.0 million of the amount due under the Credit Agreement as of the date of issuance of the Series 2012 Bonds whereupon it is expected that the expiration date of the Credit Agreement will be extended to June 30, 2013.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds from the sale of the Series 2012 Bonds, together with certain other funds, are expected be applied as follows:

| | |
|--------------------------------------|---------------------|
| SOURCES OF FUNDS | |
| Par Amount of Series 2012 Bonds | \$49,995,000 |
| Bond Premium | 5,162,276 |
| Funds Held by Prior Trustees | <u>4,606,390</u> |
| | |
| TOTAL SOURCES | <u>\$59,763,666</u> |
| | |
| USES OF FUNDS | |
| Payment of New Capital Project Costs | \$12,469,399 |
| Refinancing of Taxable Loans | 15,515,600 |
| Refunding of Prior Bonds | 27,246,939 |
| Debt Service Reserve Fund | 3,590,931 |
| Costs of Issuance ⁽¹⁾ | <u>940,797</u> |
| | |
| TOTAL USES | <u>\$59,763,666</u> |

(1) Includes underwriter's discount, legal fees, accounting fees, costs of printing and other fees and expenses.

THE SERIES 2012 BONDS

The information under this heading is subject in its entirety to the information set forth below under the heading "Book-ENTRY ONLY SYSTEM" while the Bonds are held in DTC's book-entry only system.

GENERAL

The Series 2012 Bonds shall be dated their date of delivery and will bear interest from such date, payable initially on February 1, 2013 and semiannually thereafter on each February 1 and August 1 (each an "*Interest Payment Date*") computed on the basis of a 360-day year of twelve 30-day months. The Series 2012 Bonds shall mature (subject to prior redemption) in the principal amounts and on the dates set forth on the inside front cover page of this Official Statement. The Series 2012 Bonds shall be issuable only in fully registered, book-entry only form in a minimum denomination of \$5,000 or any integral multiple thereof (the "*Authorized Denomination*"). See "BOOK-ENTRY ONLY SYSTEM" herein.

Each Series 2012 Bond shall be transferable only upon compliance with the restrictions on transfer set forth on such Series 2012 Bond and only upon the books of the Issuer, which shall be kept for the purpose at the designated corporate trust office of the Trustee, by the registered owner thereof in person or by his duly authorized attorney-in-fact, upon surrender of such Series

2012 Bond together with a written instrument of transfer in the form appearing on such Series 2012 Bond duly executed by the registered owner or his duly authorized attorney-in-fact with a guaranty of the signature thereon. Upon the transfer of any Series 2012 Bond, the Trustee shall prepare and issue in the name of the transferee one or more new Series 2012 Bonds of the same aggregate principal amount, maturity and interest rate as the surrendered Series 2012 Bond.

Any Series 2012 Bond, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer in the form appearing on such Series 2012 Bond, duly executed by the registered owner or his duly authorized attorney-in-fact, with a guaranty of the signature thereon, may, at the option of the owner thereof, be exchanged for an equal aggregate principal amount of Series 2012 Bonds of the same maturity and interest rate in the Authorized Denomination. However, the Trustee will not be required to (i) transfer or exchange any Series 2012 Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding any day for the selection of Series 2012 Bonds to be redeemed, or (ii) transfer or exchange any Series 2012 Bonds selected, called or being called for redemption in whole or in part.

The Issuer, the Bond Registrar, the Trustee and any Paying Agent may deem and treat the Person in whose name any Series 2012 Bond shall be registered as the absolute owner of such Series 2012 Bond, whether such Series 2012 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of, Sinking Fund Installments for, and interest on such Series 2012 Bond and for all other purposes, and all payments made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Series 2012 Bond to the extent of the sum or sums so paid, and neither the Issuer, the YMCA of GNY, the Bond Registrar, the Trustee nor any Paying Agent shall be affected by any notice to the contrary.

PAYMENT OF PRINCIPAL AND INTEREST

The principal of, Sinking Fund Installments for, and the Redemption Price, if applicable, on all Series 2012 Bonds shall be payable by check or draft at maturity or upon earlier redemption to the Persons in whose names such Series 2012 Bonds are registered on the bond registration books maintained by the Trustee as Bond Registrar at the maturity or redemption date thereof, upon the presentation and surrender of such Series 2012 Bonds at the designated corporate trust office of the Trustee, as Paying Agent.

The interest payable on each Series 2012 Bond on any Interest Payment Date shall be paid by the Trustee to the registered owner of such Series 2012 Bond, as shown on the bond registration books of the Trustee as Bond Registrar at the close of business on the Record Date for such interest, (1) by check or draft mailed to such registered owner at his address as it appears on the bond registration books or at such other address as is furnished to the Trustee in writing by such owner, or (2) by wire transfer at the written request addressed to the Trustee by any registered owner of Series 2012 Bonds in the aggregate principal amount of at least \$1,000,000 that all such payments be made by wire transfer, no later than five (5) Business Days before an Interest Payment Date, but no later than a Record Date for any interest payment.

Interest on any Series 2012 Bond that is due and payable but not paid on the date due (“*Defaulted Interest*”) shall cease to be payable to the owner of such Series 2012 Bond on the Record Date and shall be payable to the owner in whose name such Series 2012 Bond is registered at the close of business on a special record date (the “*Special Record Date*”) for the payment of such Defaulted Interest, which Special Record Date shall be fixed as provided in the Indenture.

REDEMPTION PROVISIONS

Optional Redemption

The Series 2012 Bonds maturing on and after August 1, 2023 shall be subject to redemption on or after August 1, 2022 in whole or in part at any time (but if in part in integral multiples of \$5,000 and in the minimum principal amount of \$50,000) at the option of the Issuer (which option shall be exercised only upon the giving of notice by the YMCA of GNY of its intention to prepay loan payments due under the Loan Agreement), at the Redemption Price of 100% of the unpaid principal amount of the Series 2012 Bonds to be redeemed, plus accrued interest to the date of redemption.

Mandatory Sinking Fund Installment Redemption

The Series 2012 Bonds maturing on August 1, 2032 shall be subject to mandatory redemption by the Issuer prior to maturity, in part by lot, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date of redemption, from mandatory Sinking Fund Installments on the dates and in the principal amounts set forth in the following table, provided that the amounts of such Sinking Fund Installments shall be reduced by the credits provided for in the Indenture:

SERIES 2012 TERM BONDS MATURING AUGUST 1, 2032

| <u>Date</u> <u>(August 1)</u> | <u>Amount</u> |
|----------------------------------|---------------|
| 2023 | \$ 815,000 |
| 2024 | 855,000 |
| 2025 | 895,000 |
| 2026 | 940,000 |
| 2027 | 990,000 |
| 2028 | 1,040,000 |
| 2029 | 1,090,000 |
| 2030 | 1,145,000 |
| 2031 | 1,205,000 |
| 2032* | 1,265,000 |

* Maturity

The Series 2012 Bonds maturing on August 1, 2042 shall be subject to mandatory redemption by the Issuer prior to maturity, in part by lot, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date of redemption, from mandatory Sinking Fund Installments on the dates and in the principal amounts set forth in the following table, provided that the amounts of such Sinking Fund Installments shall be reduced by the credits provided for in the Indenture:

SERIES 2012 TERM BONDS MATURING AUGUST 1, 2042

| <u>Date</u> <u>(August 1)</u> | <u>Amount</u> |
|----------------------------------|---------------|
| 2033 | \$1,325,000 |
| 2034 | 1,390,000 |
| 2035 | 1,460,000 |
| 2036 | 1,535,000 |
| 2037 | 1,610,000 |
| 2038 | 1,690,000 |
| 2039 | 1,775,000 |
| 2040 | 1,865,000 |
| 2041 | 1,960,000 |
| 2042* | 2,055,000 |

* Maturity

Extraordinary Optional Redemption

The Series 2012 Bonds are subject to redemption prior to maturity, at the option of the Issuer exercised at the direction of the YMCA of GNY (which option shall be exercised only upon the giving of notice by the YMCA of GNY of its intention to prepay loan payments due under the Loan Agreement), upon notice or waiver of notice as provided in the Indenture, at a Redemption Price of 100% of the principal amount of the Series 2012 Bonds to be redeemed, plus accrued interest to the date of redemption, if one or more of the following events shall have occurred:

- (i) a Facility shall have been damaged or destroyed to such extent that, as evidenced by a certificate of an Independent Engineer filed with the Issuer and the Trustee, (A) such Facility cannot be reasonably restored within a period of two years from the date of such damage or destruction to the condition thereof immediately preceding such damage or destruction, (B) the YMCA of GNY is thereby prevented or likely to be prevented from carrying on its normal operation at such Facility for a period of two years from the date of such damage or destruction, or (C) the restoration cost of such Facility would exceed the total amount of all insurance proceeds, including any deductible amount, in respect of such damage or destruction; or

(ii) title to, or the temporary use of, all or substantially all of a Facility shall have been taken or condemned by a competent authority which taking or condemnation results, or is likely to result, in the YMCA of GNY being thereby prevented or likely to be prevented from carrying on its normal operation at such Facility for a period of two years from the date of such taking or condemnation, as evidenced by a certificate of an Independent Engineer filed with the Issuer and the Trustee; or

(iii) as a result of changes in the Constitution of the United States of America or of the State or of legislative or executive action of the State or any political subdivision thereof or of the United States of America or by final decree or judgment of any court after the contest thereof by the YMCA of GNY, the Loan Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed therein or unreasonable burdens or excessive liabilities are imposed upon the YMCA of GNY by reason of the operation of a Facility.

In the event a circumstance of the type described in paragraph (i), (ii) or (iii) above shall occur with respect to a Facility, the principal amount of Series 2012 Bonds to be redeemed shall equal the Facility Allocation Percentage for the affected Facility multiplied by the principal amount of Series 2012 Bonds then Outstanding; provided, however, that if the affected Facility shall be the last or only Facility subject to the Loan Agreement, the Series 2012 Bonds Outstanding shall be redeemed in whole. If, on the other hand, a circumstance of the type described in paragraph (i), (ii) or (iii) above shall occur with respect to more than one Facility, the principal amount of the Series 2012 Bonds to be redeemed shall equal the aggregate Facility Allocation Percentage for the affected Facilities multiplied by the principal amount of the Series 2012 Bonds then Outstanding; provided, however, that if the affected Facilities shall be the only Facilities subject to the Loan Agreement, the Series 2012 Bonds Outstanding shall be redeemed in whole.

If the Series 2012 Bonds are to be redeemed in whole or in part as a result of the occurrence of any of the events described above, the YMCA of GNY shall deliver to the Issuer and the Trustee a certificate of an Authorized Representative of the YMCA of GNY stating that, as a result of the occurrence of the event giving rise to such redemption, the YMCA of GNY has discontinued, or at the earliest practicable date will discontinue, its operation of the affected Facility or Facilities for its intended purposes for the specified period.

Mandatory Redemption from Excess Proceeds and Certain Other Amounts

The Series 2012 Bonds shall be redeemed at any time in whole or in part by lot prior to maturity in the event and to the extent:

(i) excess Series 2012 Bond proceeds shall remain after the completion of the Project,

(ii) excess title insurance or property insurance proceeds or condemnation awards shall remain after the application thereof pursuant to the Loan Agreement and the Indenture,

(iii) excess proceeds shall remain after the release or substitution of any Facility Realty or any Facility Personalty, or

(iv) certain funds received by the YMCA of GNY pursuant to any capital campaign which are earmarked for specific Project Costs shall remain with the YMCA of GNY and shall not be required for completion of the Project or related Project Costs,

in each case at a Redemption Price equal to 100% of the principal amount of the Series 2012 Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

Mandatory Redemption Upon Occurrence of Certain Other Events

The Series 2012 Bonds are also subject to mandatory redemption prior to maturity, at the option of the Issuer, as a whole only or, in the event the operation described in clause (i)(w) below or failure described in clause (ii) below affects only a specific Facility and the remaining Facilities are unimpaired, in part with respect to the affected Facility, on any Interest Payment Date, in the event (i) the Issuer shall determine that (w) the YMCA of GNY is operating any of the Facilities or any portion thereof, or is allowing any of the Facilities or any portion thereof to be operated, not for the Approved Project Operations, (x) the YMCA of GNY, any Principal of the YMCA of GNY or any Person that directly or indirectly Controls, is Controlled by or is under common Control with the YMCA of GNY has committed a material violation of a material Legal Requirement, (y) any Conduct Representation is false, misleading or incorrect in any material respect at any date, as if made on such date, or (z) a Required Disclosure Statement delivered to the Issuer under any Project Document is not acceptable to the Issuer acting in its sole discretion, or (ii) the YMCA of GNY shall fail to obtain or maintain the public liability insurance with respect to the Facilities required under the Loan Agreement, and, in the case of clause (i) or (ii) above, the YMCA of GNY shall fail to cure any such default or failure within the applicable time periods set forth in the Loan Agreement following the receipt by the YMCA of GNY of written notice of such default or failure from the Issuer and a demand by the Issuer on the YMCA of GNY to cure the same. Any such redemption shall be made upon notice or waiver of notice to the Bondholders as provided in the Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Series 2012 Bonds required to be redeemed, together with interest accrued thereon to the date of redemption.

In the event a circumstance of the type described in the immediately preceding paragraph shall occur with respect to a Facility, the principal amount of the Series 2012 Bonds to be redeemed shall equal the Facility Allocation Percentage for the affected Facility multiplied by the principal amount of the Series 2012 Bonds then Outstanding; provided, however, that if the affected Facility shall be the last or only Facility subject to the Loan Agreement, the Series 2012 Bonds Outstanding shall be redeemed in whole. If, on the other hand, a circumstance of the type described in the immediately preceding paragraph shall occur with respect to more than one Facility, the principal amount of the Series 2012 Bonds to be redeemed shall equal the aggregate Facility Allocation Percentage for the affected Facilities multiplied by the principal amount of the Series 2012 Bonds then Outstanding; provided, however, that if the affected Facilities shall be the only Facilities subject to the Loan Agreement, the Series 2012 Bonds Outstanding shall be redeemed in whole.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2012 BONDS, ALL PAYMENTS OF PRINCIPAL OR REDEMPTION PRICE OF, SINKING FUND INSTALLMENTS FOR, AND INTEREST ON THE SERIES 2012 BONDS WILL BE MADE DIRECTLY TO DTC. DISBURSEMENT OF SUCH PAYMENTS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) WILL BE THE RESPONSIBILITY OF DTC, AND DISBURSEMENT OF SUCH PAYMENTS TO BENEFICIAL OWNERS (AS HEREINAFTER DEFINED) WILL BE THE RESPONSIBILITY OF THE DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS (AS HEREINAFTER DEFINED). SEE "BOOK-ENTRY ONLY SYSTEM" HEREIN.

General Redemption Provisions

In the event of redemption of less than all the Outstanding Series 2012 Bonds of a maturity, the particular Series 2012 Bonds or portions thereof to be redeemed shall be selected by the Trustee in such manner as the Trustee in its discretion may deem fair, except that (i) Series 2012 Bonds to be redeemed from Sinking Fund Installments shall be redeemed by lot, and (ii) to the extent practicable, the Trustee shall select Series 2012 Bonds for redemption such that no Series 2012 Bond shall be of a denomination of less than the Authorized Denomination. In the event of redemption of less than all the Outstanding Series 2012 Bonds stated to mature on different dates, the principal amount of such Series 2012 Bonds to be redeemed shall be applied in such order as the YMCA of GNY directs the Trustee or, if no such direction is given, in direct chronological order of maturity of the Outstanding Series 2012 Bonds to be redeemed and by lot within a maturity. The portion of Series 2012 Bonds to be redeemed in part shall be in the principal amount of the minimum Authorized Denomination thereof or some integral multiple thereof and, in selecting Series 2012 Bonds for redemption, the Trustee shall treat each such Series 2012 Bond as representing that number of Series 2012 Bonds which is obtained by dividing the principal amount of such registered Series 2012 Bond by the minimum Authorized Denomination thereof (referred to below as a "unit") then issuable rounded down to the integral multiple of such minimum Authorized Denomination. If it is determined that one or more, but not all, of the units of principal amount represented by any such Series 2012 Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Holder of such Series 2012 Bond shall forthwith surrender such Series 2012 Bond to the Trustee for (a) payment to such Holder of the Redemption Price of the unit or units of principal amount called for redemption and (b) delivery to such Holder of a new Series 2012 Bond or Series 2012 Bonds in the aggregate unpaid principal amount of the unredeemed balance of the principal amount of such Series 2012 Bond. New Series 2012 Bonds of the same maturity representing the unredeemed balance of the principal amount of such Series 2012 Bond shall be issued to the registered Holder thereof, without charge therefor. If the Holder of any such Series 2012 Bond of a denomination greater than a unit shall fail to present such Series 2012 Bond to the Trustee for payment and exchange as aforesaid, such Series 2012 Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

When redemption of any Series 2012 Bond is requested or required pursuant to the Indenture, the Trustee shall give notice of such redemption in the name of the Issuer, specifying the name of the Series 2012 Bonds, CUSIP number, Series 2012 Bond numbers, the date of

original issue of such Series 2012 Bonds, the date of mailing of the notice of redemption, maturities, interest rates and principal amounts of the Series 2012 Bonds or portions thereof to be redeemed, the redemption date, the Redemption Price, and the place or places where amounts due upon such redemption will be payable (including the name, address and telephone number of a contact person at the Trustee) and specifying the principal amounts of the Series 2012 Bonds or portions thereof to be payable and, if less than all of the Series 2012 Bonds of any maturity are to be redeemed, the numbers of such Series 2012 Bonds or portions thereof to be so redeemed. Such notice shall further state that on such date there shall become due and payable upon each Series 2012 Bond or portion thereof to be redeemed the Redemption Price thereof together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice may set forth any additional information relating to such redemption. The Trustee, in the name and on behalf of the Issuer, shall mail a copy of such notice by first class mail, postage prepaid, not more than sixty (60) nor less than thirty (30) days prior to the date fixed for redemption, to the registered owners of any Series 2012 Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registration books, but any defect in such notice shall not affect the validity of the proceedings for the redemption of such Series 2012 Bonds with respect to which proper mailing was effected. Any notice mailed as provided in the Indenture and described above shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. In the event of a postal strike, the Trustee shall give notice by other appropriate means selected by the Trustee in its discretion. If any Series 2012 Bond shall not be presented for payment of the Redemption Price within sixty (60) days of the redemption date, the Trustee shall mail a second notice of redemption to such Holder by first class mail, postage prepaid. Any amounts held by the Trustee due to non-presentment of Series 2012 Bonds for payments on or after any redemption date shall be retained by the Trustee for a period of at least one year after the final maturity date of such Series 2012 Bonds. Further, if any Holders of Series 2012 Bonds shall constitute registered depositories, the notice of redemption described in the first sentence of this paragraph shall be mailed to such Holders at least two (2) days prior to the mailing of such notice to all Holders.

If notice of redemption shall have been given as aforesaid, the Series 2012 Bonds called for redemption shall become due and payable on the redemption date; provided, however, that with respect to any optional redemption of the Series 2012 Bonds, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on the Series 2012 Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem the Series 2012 Bonds. In the event that such notice of optional redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of optional redemption shall be unconditional, or if the conditions of a conditional notice of optional redemption shall have been satisfied, then upon presentation and surrender of the Series 2012 Bonds so called for redemption at the place or places of payment, such Series 2012 Bonds shall be redeemed.

Notice having been given in the manner provided in the Indenture and described above, the Series 2012 Bonds or portions thereof so called for redemption shall become due and payable

on the redemption dates so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date. If, on the redemption date, moneys for the redemption of all the Series 2012 Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, (i) interest on the Series 2012 Bonds or portions thereof so called for redemption shall cease to accrue and become payable, (ii) the Series 2012 Bonds or portions thereof so called for redemption shall cease to be entitled to any lien, benefit or security under the Indenture, and (iii) the Holders of the Series 2012 Bonds or portions thereof so called for redemption shall have no rights in respect thereof, except to receive payment of the Redemption Price together with interest accrued to the redemption date. If said moneys shall not be so available on the redemption date, such Series 2012 Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“*DTC*”), New York, New York, will act as securities depository for the Series 2012 Bonds. The Series 2012 Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (*DTC*’s partnership nominee) or such other name as may be requested by an authorized representative of *DTC*. One fully registered certificate will be issued for each maturity of the Series 2012 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with *DTC*.

DTC, the world’s largest securities depository is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. *DTC* holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that *DTC*’s participants (“*Direct Participants*”) deposit with *DTC*. *DTC* also facilitates the post-trade settlement among *Direct Participants* of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between *Direct Participants*’ accounts. This eliminates the need for physical movement of securities certificates. *Direct Participants* include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. *DTC* is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“*DTCC*”). *DTCC* is the holding company for *DTC*, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. *DTCC* is owned by the users of its regulated subsidiaries. Access to the *DTC* system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a *Direct Participant*, either directly or indirectly (“*Indirect Participants*”). *DTC* has a Standard & Poor’s rating of AA+. The *DTC* Rules applicable to its *Participants* are on file with the Securities and Exchange Commission. More information about *DTC* can be found at www.dtcc.com.

Purchases of Series 2012 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2012 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2012 Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2012 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2012 Bonds, except in the event that use of the book-entry system for the Series 2012 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2012 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2012 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2012 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2012 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2012 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2012 Bonds, such as redemptions, defaults and proposed amendments to bond documents. For example, Beneficial Owners of Series 2012 Bonds may wish to ascertain that the nominee holding the Series 2012 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2012 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2012 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2012 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, interest and redemption prices on the Series 2012 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption prices to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2012 Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information set forth above under this heading concerning DTC and DTC's book-entry system has been obtained from sources the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

NO REPRESENTATION IS MADE BY THE ISSUER, THE TRUSTEE, THE YMCA OF GNY OR THE UNDERWRITER AS TO THE ACCURACY OR ADEQUACY OF THE INFORMATION SET FORTH ABOVE UNDER THIS HEADING NOR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Under the Indenture, payments made by the Trustee to DTC or its nominee will satisfy the Issuer's obligations under the Indenture and the YMCA of GNY's obligations under the Loan Agreement, to the extent of the payments so made.

Prior to any discontinuation of the book-entry only system described above, the Trustee and the Issuer may treat DTC or its nominee, Cede & Co., as, and deem DTC or its nominee, Cede & Co., to be, the absolute owner of the Series 2012 Bonds for all purposes whatsoever, including, without limitation, (i) the payment of principal of and interest on the Series 2012 Bonds, (ii) giving notices of redemption and other matters with respect to the Series 2012 Bonds, (iii) registering transfers with respect to the Series 2012 Bonds and (iv) the selection of Series 2012 Bonds for redemption.

NONE OF THE ISSUER, THE TRUSTEE, THE YMCA OF GNY OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION WITH RESPECT TO (i) THE ACCURACY OF THE RECORDS

OF DTC, ITS NOMINEE OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT WITH RESPECT TO ANY BENEFICIAL OWNERSHIP INTEREST IN ANY SERIES 2012 BOND, (ii) THE DELIVERY TO ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OR ANY OTHER PERSON, OTHER THAN AN OWNER, AS SHOWN IN THE BOND REGISTER, OF ANY NOTICE WITH RESPECT TO ANY SERIES 2012 BOND, INCLUDING, WITHOUT LIMITATION, ANY NOTICE OF REDEMPTION OR ANY EVENT WHICH WOULD OR COULD GIVE RISE TO AN OPTION WITH RESPECT TO ANY SERIES 2012 BOND, (iii) THE PAYMENT OF ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OR ANY OTHER PERSON, OTHER THAN AN OWNER, AS SHOWN IN THE BOND REGISTER, OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON ANY SERIES 2012 BOND OR (iv) ANY CONSENT GIVEN BY DTC AS REGISTERED OWNER.

SECURITY FOR THE SERIES 2012 BONDS

GENERAL

Concurrently with the issuance of the Series 2012 Bonds, the Issuer will enter into the Loan Agreement with the YMCA of GNY pursuant to which the Issuer will loan the proceeds from the sale of the Series 2012 Bonds to the YMCA of GNY. The YMCA of GNY will be unconditionally obligated under the Loan Agreement, the Promissory Note and any additional Promissory Note issued in connection with the issuance of any Additional Bonds to make semiannual payments (except upon the circumstances set forth below when such payments shall be made monthly) to the Trustee sufficient to pay the principal or redemption price of, and interest on, the Series 2012 Bonds and any Additional Bonds, as the same become due. See "SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT" in APPENDIX D herein. Pursuant to the Indenture, the Issuer will assign to the Trustee all of its right, title and interest in and to the Loan Agreement and the Promissory Note, including all amounts payable thereunder with respect to the principal or redemption price of, and interest on, the Bonds, except for the Issuer's Reserved Rights.

NEITHER THE SERIES 2012 BONDS NOR THE OBLIGATIONS OF THE YMCA OF GNY UNDER THE LOAN AGREEMENT AND THE PROMISSORY NOTE ARE SECURED BY A MORTGAGE OF OR ANY OTHER INTEREST IN THE FACILITIES. THE OBLIGATIONS OF THE YMCA OF GNY UNDER THE LOAN AGREEMENT AND THE PROMISSORY NOTE TO PAY AMOUNTS SUFFICIENT TO PAY PRINCIPAL OR REDEMPTION PRICE OF, AND INTEREST ON, THE SERIES 2012 BONDS ARE UNSECURED OBLIGATIONS OF THE YMCA OF GNY.

DEBT SERVICE RESERVE FUND

Concurrently with the issuance of the Series 2012 Bonds, the Trustee will deposit from the proceeds thereof an amount equal to the Debt Service Reserve Fund Requirement on the Series 2012 Bonds into the Debt Service Reserve Fund. Concurrently with the issuance of any Additional Bonds, the amount on deposit in the Debt Service Reserve Fund shall be increased to an amount equal to the Debt Service Reserve Fund Requirement on all outstanding Bonds, including the Series 2012 Bonds and such Additional Bonds. Amounts in the Debt Service Reserve Fund exceeding the Debt Service Reserve Fund Requirement as a result of a redemption

of Bonds may be applied toward such redemption; *provided* that in no event may the amount on deposit in the Debt Service Reserve Fund be reduced to an amount less than the Debt Service Reserve Fund Requirement on all outstanding Bonds, including the Series 2012 Bonds and any Additional Bonds, following such redemption.

In the event a deficiency shall exist in the Debt Service Reserve Fund (whether arising by reason of a withdrawal of funds therefrom or a decreased valuation), the YMCA of GNY is obligated pursuant to the Loan Agreement, upon notice from the Trustee, to make 12 substantially equal monthly payments to the Trustee in an amount sufficient to cure such deficiency. If such deficiency is due to a withdrawal from the Debt Service Reserve Fund, the YMCA of GNY is further obligated under the Loan Agreement to make its payments with respect to the principal or redemption price of, and interest on, the Bonds on a monthly basis (*i.e.*, 1/6 of each semiannual interest payment and 1/12 of each annual principal or Sinking Fund Installment) until 24 months after the curing of such deficiency in the Debt Service Reserve Fund.

DEBT SERVICE COVERAGE RATIOS

Definitions

The capitalized terms set forth below and used under this subcaption and under the subcaption “Limitations on Incurrence of Certain Additional Debt” below have the meanings set forth immediately below. Capitalized terms used hereunder and thereunder and not set forth immediately below have the meanings set forth in APPENDIX C—“Certain Definitions” and APPENDIX D—Summary of Certain Provisions of the Loan Agreement—Financial Covenants.”

“*Additional Senior Debt*” means any direct and general obligation of the YMCA of GNY which is not Subordinated Debt, Short-Term Indebtedness, Term Loan Indebtedness or a Capital Lease or is not represented by the 2001 Bond Loan, the Series 2006 Bonds or the Series 2012 Bonds.

“*Balloon Indebtedness*” means fixed or variable rate indebtedness, 25% or more of the original principal amount of which matures (or is subject to scheduled mandatory redemption) during any Fiscal Year.

“*Capital Lease*” means a lease obligation, as defined under generally accepted accounting principles, shown as a “capital lease” in the YMCA of GNY’s audited financial statements.

“*Debt Service Coverage Ratio*” means, for any period for which audited financial statements are available, a ratio equal to:

(A) Unrestricted “excess (deficit) of operating revenues and public support over operating expenses”; plus

(B) “Interest”; plus

(C) “Depreciation and amortization”; less

(D) “Temporarily restricted net assets released from restrictions” for construction or acquisition of property and equipment; divided by

(E) Debt Service for Senior Debt or Debt Service for Total Debt, as applicable.

Any term used in (A) through (D) above which appears in quotations shall refer to the amount under such item appearing in the column heading “Unrestricted” on the YMCA of GNY’s annual audited financial statements (and in the event any such heading shall change, the YMCA of GNY shall deliver to the Trustee an opinion of the YMCA of GNY’s independent certified public accountants as to the equivalency of the new headings).

“*Debt Service for Senior Debt*” means the amount of principal and interest on Senior Debt of the YMCA of GNY due in any period, provided that for purpose of such calculation:

(i) Balloon Indebtedness shall be assumed to mature over 30 years on a level annual debt service basis beginning with such period, calculated using the Revenue Bond Index;

(ii) variable interest rate indebtedness shall be assumed to bear interest at a rate equal to the average annual rate of interest that was borne by such variable interest rate indebtedness during the then most recent Fiscal Year, or if such variable interest rate indebtedness was not then outstanding, the SIFMA Index for the preceding Fiscal Year;

(iii) such amount shall include payments on Capital Leases in such period;

(iv) such amount shall include interest paid for Short-Term Indebtedness in such period;

(v) such amount shall include interest paid in such period and principal calculated as Balloon Indebtedness as described in (i) above for Term Loan Indebtedness;

(vi) such amount of principal and interest payable on any indebtedness in any such period shall be reduced by the amount of related cash flows made available from financing and investing activities (such as proceeds from sales of property and equipment, proceeds from issuance of debt, and receipts from contributions restricted from long-term investment) to the extent such payments were funded by these financing and investing activities;

(vii) such amount of principal and interest payable on any indebtedness in any such period shall be reduced by any amount which will be released during such period from any debt service reserve fund securing such indebtedness as a result of the amortization or repayment of such indebtedness in such period or a prior period; and

(viii) such amount shall exclude from interest on any indebtedness any amounts funded from such indebtedness and dedicated and available solely for the payment of such interest.

“Debt Service for Total Debt” means the amount of principal and interest on Senior Debt and Subordinated Debt of the YMCA of GNY due in any period, provided that for purpose of such calculation:

(i) such amount shall include Debt Service for Senior Debt; and

(ii) such amount shall include principal and interest payments on Subordinated Debt, which shall be calculated in accordance with the definition of “Debt Service for Senior Debt.”

“Maximum Annual Debt Service” means the maximum Debt Service for Senior Debt or the maximum Debt Service for Total Debt due in any one current or any future Fiscal Year of the YMCA of GNY.

“Senior Debt” means all indebtedness of the YMCA of GNY incurred with respect to the 2001 Bond Loan, the Series 2006 Bonds, the Series 2012 Bonds and any Additional Senior Debt.

“Short-Term Indebtedness” means indebtedness designated by the YMCA of GNY as such, the outstanding principal amount of which shall not exceed 5% of Unrestricted Operating Revenues of the Fiscal Year for which audited financial statements are available; provided, however, to be designated by the YMCA of GNY as Short-Term Indebtedness, there shall be a period of not less than 20 consecutive days in each Fiscal Year in which the principal amount thereof shall be zero.

“Subordinated Debt” means any debt obligation of the YMCA of GNY which expressly contains the following terms:

(A) the obligation of the YMCA of GNY to pay debt service on such debt obligation is explicitly subordinated to the YMCA of GNY’s obligation to pay debt service on the Series 2012 Bonds and any Additional Bonds;

(B) payment of debt service on such obligation is expressly contingent upon the YMCA of GNY’s having first satisfied all of its obligations under the Security Documents then due and owing;

(C) the YMCA of GNY explicitly agrees with the Trustee that the YMCA of GNY shall not make payments of debt service on such obligations unless all payments of principal and interest on the Series 2012 Bonds and any Additional Bonds currently due have been paid; and

(D) in the event of a default on such obligations, holders of such obligations shall not have any rights to exercise any remedies with respect to such event of default for a period of 360 days after such event of default results in the acceleration of such obligations; provided, however, that the result of such holders exercising such remedies shall not be satisfaction of such obligations prior to the satisfaction in full of all Senior Debt, including the Series 2012 Bonds and any Additional Bonds.

“Term Loan Indebtedness” means indebtedness for capital projects designated by the YMCA of GNY as such, the outstanding principal amount of which shall not exceed 15% of Unrestricted Operating Revenues in any Fiscal Year for which audited financial statements are available.

“Total Debt” means all Senior Debt and Subordinated Debt of the YMCA of GNY.

“Unrestricted Operating Revenues” means such items under the headings “Unrestricted” and “Operating revenues and public support” on the YMCA of GNY’s audited financial statements for such period (and in the event such headings shall change, the YMCA of GNY shall deliver to the Trustee an opinion of the YMCA of GNY’s independent certified public accountants as to the equivalency of the new headings).

Debt Service Coverage Covenant

The YMCA of GNY will covenant in the Loan Agreement that, as long as the Series 2012 Bonds are outstanding, it will maintain rates, fees, charges, rents and other sources of revenue and support such that (i) the Debt Service Coverage Ratio with respect to Debt Service for Senior Debt shall equal or exceed 1.15:1.00 in each Fiscal Year of the YMCA of GNY and (ii) the Debt Service Coverage Ratio with respect to Debt Service for Total Debt shall equal or exceed 1.00:1.00 in each Fiscal Year of the YMCA of GNY. Failure of the YMCA of GNY to maintain the ratio described in the preceding clause (ii) in any Fiscal Year will obligate the YMCA of GNY under the Loan Agreement to develop a series of financial plans to correct such failure. The failure of the YMCA of GNY to maintain such ratio shall not constitute a default on the part of the YMCA of GNY, provided that the YMCA of GNY continues to develop and comply with such financial plans in accordance with the Loan Agreement. See APPENDIX D—“SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT—Financial Covenants.”

The covenants with respect to the Debt Service Coverage Ratio summarized in the preceding paragraph are different in certain respects from the debt service coverage covenant made by the YMCA of GNY for the benefit of the holders of the Series 2006 Bonds. A summary of the debt service coverage covenant made for the benefit of the Series 2006 Bonds is

contained in the Official Statement for the Series 2006 Bonds, which is on file with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access system.

See APPENDIX A—“MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS” for a description of the YMCA of GNY’s non-compliance with its debt service coverage covenant for the Series 2006 Bonds for the year ended December 31, 2008.

Calculation of Debt Service Coverage Ratio

The following table sets forth, for the five years ended December 31, 2011, the calculation of the Debt Service Coverage Ratio with respect to Debt Service for Senior Debt (as such terms are defined under the subcaption “Debt Service Coverage Ratios—Definitions” above) outstanding in each such year.

**CALCULATION OF DEBT SERVICE COVERAGE RATIO
FOR SENIOR DEBT**

| | 2007 | 2008 | 2009 | 2010 | 2011 |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| EXCESS (DEFICIT) OF OPERATING REVENUES AND SUPPORT OVER OPERATING EXPENSES ⁽¹⁾ | \$ 216,366 | \$ 2,804,977 | \$ 4,767,278 | \$ (832,963) | \$ 1,836,771 |
| PLUS: INTEREST ⁽¹⁾ | 4,098,884 | 3,946,985 | 3,694,607 | 3,691,516 | 3,547,331 |
| PLUS: DEPRECIATION AND AMORTIZATION ⁽¹⁾ | 9,226,486 | 10,209,559 | 11,068,077 | 11,607,273 | 12,192,836 |
| LESS: TEMPORARILY RESTRICTED NET ASSET RELEASED FROM RESTRICTION FOR CONSTRUCTION OR ACQUISITION OF PROPERTY AND EQUIPMENT ⁽¹⁾ | <u>(2,680,101)</u> | <u>(2,968,448)</u> | <u>(6,467,110)</u> | <u>(1,242,649)</u> | <u>(1,781,637)</u> |
| ADJUSTED EXCESS (DEFICIT) OF OPERATING REVENUES AND SUPPORT OVER OPERATING EXPENSES ⁽¹⁾ | <u>\$10,861,635</u> | <u>\$13,993,073</u> | <u>\$13,062,852</u> | <u>\$13,223,147</u> | <u>\$15,795,241</u> |
| DEBT SERVICE FOR SENIOR DEBT ⁽²⁾ | \$ 6,292,117 | \$ 6,606,905 | \$ 5,954,700 | \$ 6,284,015 | \$ 6,451,420 |
| DEBT SERVICE COVERAGE RATIO ⁽²⁾ | 1.73 | 2.12 | 2.19 | 2.10 | 2.45 |

⁽¹⁾ All such items are classified as “Unrestricted” in the YMCA of GNY’s audited financial statements.

⁽²⁾ Debt Service for Senior Debt and Debt Service Coverage Ratio are calculated in accordance with the definitions set forth above under the subcaption “Debt Service Coverage Ratios—Definitions.”

Upon the issuance of the Series 2012 Bonds and the application of a portion of the proceeds thereof to the refunding of the Prior Bonds, the YMCA of GNY estimates that the Maximum Annual Debt Service (as defined under the subcaption “Debt Service Coverage Ratios—Definitions” above) will be approximately \$7.1 million.

LIMITATIONS ON INCURRENCE OF CERTAIN ADDITIONAL DEBT

The Loan Agreement provides that the YMCA of GNY may incur Additional Senior Debt; provided, among other things, that, for either (i) the Fiscal Year of the YMCA of GNY

immediately preceding the issuance of such Additional Senior Debt or (ii) the 12 consecutive months immediately preceding the issuance of such Additional Senior Debt, the Debt Service Coverage Ratio with respect to Maximum Annual Debt Service for Senior Debt (including such Additional Senior Debt to be issued, except for any Additional Senior Debt being issued to refund or refinance existing indebtedness of the YMCA of GNY) is at least 1.25:1.00.

The Loan Agreement further provides that the YMCA of GNY may incur additional Subordinated Debt; provided, among other things, that, for either (i) the Fiscal Year of the YMCA of GNY immediately preceding the issuance of such additional Subordinated Debt or (ii) the 12 consecutive months immediately preceding the issuance of such additional Subordinated Debt, the Debt Service Coverage Ratio with respect to Maximum Annual Debt Service for Total Debt (including such additional Subordinated Debt to be issued, except for any additional Subordinated Debt being issued to refund or refinance existing indebtedness of the YMCA of GNY) is at least 1.00:1.00.

The foregoing notwithstanding, the YMCA may incur Additional Senior Debt or additional Subordinated Debt to refund the indebtedness represented by the Series 2006 Bonds, the Series 2012 Bonds or any Additional Bonds without satisfying the conditions described in the two preceding paragraphs.

See APPENDIX D—“SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT—Financial Covenants.”

ADDITIONAL BONDS

Subject to compliance by the YMCA of GNY with the provisions of the Loan Agreement summarized above under the subheading “Limitations on Incurrence of Certain Additional Debt” and in APPENDIX D—“SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT—Financial Covenants,” the Issuer may, upon the request of the YMCA of GNY, issue Additional Bonds under the Indenture for the purpose of (i) completing the Project, (ii) providing funds in excess of Net Proceeds to repair, relocate, replace, rebuild or restore a Facility in the event of damage, destruction or taking by eminent domain, (iii) providing extensions, additions or improvements to any of the Facilities or (iv) refunding Outstanding Bonds. Additional Bonds will be secured on a parity basis with the Series 2012 Bonds under the Indenture.

LIMITED OBLIGATIONS

THE SERIES 2012 BONDS ARE SPECIAL LIMITED REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE AS TO PRINCIPAL, REDEMPTION PRICE AND INTEREST, SOLELY FROM THE TRUST ESTATE. NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY OF NEW YORK, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2012 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY OF NEW YORK, IS PLEDGED TO SUCH PAYMENT OF THE SERIES 2012 BONDS. THE SERIES 2012 BONDS WILL NOT BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE SERIES 2012 BONDS WILL NOT GIVE RISE TO A PECUNIARY

LIABILITY OR CHARGE AGAINST THE CREDIT OR TAXING POWERS OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY OF NEW YORK. NO RECOURSE WILL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2012 BONDS AGAINST ANY MEMBER, OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

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ANNUAL BOND DEBT SERVICE REQUIREMENTS

The following table sets forth, for each of the years ending December 31, the annual debt service on the 2001 Bond Loan, the Series 2006 Bonds and the Series 2012 Bonds.

| YEAR ENDING DECEMBER 31 | SERIES 2012 BONDS | | | OTHER BOND RELATED DEBT* | TOTAL BOND DEBT SERVICE* |
|-------------------------------|---------------------|---------------------|---------------------|-----------------------------|-----------------------------|
| | PRINCIPAL | INTEREST* | TOTAL | | |
| 2012 | - | - | - | \$1,745,006 | \$1,745,006 |
| 2013 | - | \$ 2,673,328 | \$2,673,328 | 1,745,639 | 4,418,967 |
| 2014 | \$ 2,490,000 | 2,448,850 | 4,938,850 | 1,745,788 | 6,684,638 |
| 2015 | 2,600,000 | 2,349,250 | 4,949,250 | 1,743,999 | 6,693,249 |
| 2016 | 2,690,000 | 2,245,250 | 4,935,250 | 1,745,333 | 6,680,583 |
| 2017 | 2,810,000 | 2,110,750 | 4,920,750 | 1,746,169 | 6,666,919 |
| 2018 | 2,945,000 | 1,970,250 | 4,915,250 | 1,744,966 | 6,660,216 |
| 2019 | 3,095,000 | 1,823,000 | 4,918,000 | 1,743,541 | 6,661,541 |
| 2020 | 3,255,000 | 1,668,250 | 4,923,250 | 1,708,800 | 6,632,050 |
| 2021 | 2,430,000 | 1,505,500 | 3,935,500 | 1,614,500 | 5,550,000 |
| 2022 | 775,000 | 1,384,000 | 2,159,000 | 3,109,500 | 5,268,500 |
| 2023 | 815,000 | 1,345,250 | 2,160,250 | 3,109,750 | 5,270,000 |
| 2024 | 855,000 | 1,304,500 | 2,159,500 | 3,111,250 | 5,270,750 |
| 2025 | 895,000 | 1,261,750 | 2,156,750 | 3,113,750 | 5,270,500 |
| 2026 | 940,000 | 1,217,000 | 2,157,000 | 3,112,000 | 5,269,000 |
| 2027 | 990,000 | 1,170,000 | 2,160,000 | 3,111,000 | 5,271,000 |
| 2028 | 1,040,000 | 1,120,500 | 2,160,500 | 3,110,500 | 5,271,000 |
| 2029 | 1,090,000 | 1,068,500 | 2,158,500 | 3,110,250 | 5,268,750 |
| 2030 | 1,145,000 | 1,014,000 | 2,159,000 | 3,110,000 | 5,269,000 |
| 2031 | 1,205,000 | 956,750 | 2,161,750 | 3,109,500 | 5,271,250 |
| 2032 | 1,265,000 | 896,500 | 2,161,500 | 3,113,500 | 5,275,000 |
| 2033 | 1,325,000 | 833,250 | 2,158,250 | 3,111,500 | 5,269,750 |
| 2034 | 1,390,000 | 767,000 | 2,157,000 | 3,108,500 | 5,265,500 |
| 2035 | 1,460,000 | 697,500 | 2,157,500 | 3,109,250 | 5,266,750 |
| 2036 | 1,535,000 | 624,500 | 2,159,500 | 3,113,250 | 5,272,750 |
| 2037 | 1,610,000 | 547,750 | 2,157,750 | - | 2,157,750 |
| 2038 | 1,690,000 | 467,250 | 2,157,250 | - | 2,157,250 |
| 2039 | 1,775,000 | 382,750 | 2,157,750 | - | 2,157,750 |
| 2040 | 1,865,000 | 294,000 | 2,159,000 | - | 2,159,000 |
| 2041 | 1,960,000 | 200,750 | 2,160,750 | - | 2,160,750 |
| 2042 | <u>2,055,000</u> | <u>102,750</u> | <u>2,157,750</u> | <u>-</u> | <u>2,157,750</u> |
| TOTAL | <u>\$49,995,000</u> | <u>\$36,450,678</u> | <u>\$86,445,678</u> | <u>\$63,947,241</u> | <u>\$150,392,919</u> |

* Rounded to the nearest dollar

BONDHOLDERS' RISKS

The following is a discussion of certain risks that could affect payments to be made by the YMCA of GNY with respect to the Series 2012 Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Official Statement, and such discussion should not be considered to be a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2012 Bonds should carefully analyze the information contained in this Official Statement, including the Appendices hereto, and in the documents summarized herein, copies of which are available as described herein.

GENERAL

The Series 2012 Bonds are payable solely from the payments to be made by the YMCA of GNY pursuant to the Loan Agreement and the Promissory Note. Such payments will be made from the revenues derived by the YMCA of GNY from its operations and from other nonoperating revenues received by the YMCA of GNY, income from the investment of funds held for the security of the Series 2012 Bonds and, under certain circumstances, proceeds of casualty insurance or condemnation awards. No representation or assurance is made that revenues will be realized by the YMCA of GNY in the amounts necessary to make payments due under the Loan Agreement. The amount of the YMCA of GNY's future revenues and expenses are subject to, among other things: (a) the maintenance of membership levels and program enrollments by individuals able to pay membership dues and program fees; (b) competition from other facilities located within the YMCA of GNY's service area which may offer comparable memberships at competitive pricing levels; (c) the continuation of support from private contributions, grants and various federal and State programs; (d) the capabilities of management of the YMCA of GNY; and (e) future economic and other conditions, all of which are unpredictable and which may affect the YMCA of GNY's revenues and thereby payment of principal or redemption price of, and interest on, the Series 2012 Bonds.

MATTERS RELATING TO SECURITY

Neither the facilities nor the revenues of the YMCA of GNY are pledged as security for the Series 2012 Bonds. Upon the occurrence of an Event of Default and the exercise by the Trustee of remedies available to it, the Trustee would be an unsecured creditor with no rights to any specific revenues or facilities of the YMCA of GNY.

MATTERS RELATING TO ENFORCEABILITY OF REMEDIES

The remedies available under the Indenture and the Loan Agreement upon the occurrence of an Event of Default are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including, specifically, Title 11 of the United States Code (the Federal Bankruptcy

Code), the remedies provided in the Indenture and the Loan Agreement may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2012 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by judicial principles of equity.

FUNDING OF DEBT SERVICE RESERVE FUND

There is no assurance that the amount on deposit in the Debt Service Reserve Fund will always be equal to the Debt Service Reserve Fund Requirement because (a) the market value of the securities on deposit therein may fluctuate or (b) the YMCA of GNY may not be able to repay amounts, if any, transferred from the Debt Service Reserve Fund to the Bond Fund or to replenish the Debt Service Reserve Fund in the event that, upon a valuation of the Debt Service Reserve Fund, the amount on deposit therein is determined to be less than the Debt Service Reserve Fund Requirement.

AMENDMENTS TO INDENTURE AND LOAN AGREEMENT

Certain amendments to the Indenture and the Loan Agreement may be made without notice to or the consent of the owners of the Series 2012 Bonds and any Additional Bonds, and other amendments may be made with the consent of the owners of not less than a majority in aggregate principal amount of all Bonds outstanding under the Indenture, including Series 2012 Bonds and any Additional Bonds, and the requisite percentage of outstanding Bonds may be composed wholly or partially of the Beneficial Owners of Bonds other than the Series 2012 Bonds. Such amendments may affect the security for the Series 2012 Bonds and will be binding on all Bondholders, whether or not they have consented to the amendment. See “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE OF TRUST—Supplemental Indentures Without Bondholders’ Consent,” “—Supplemental Indentures With Bondholders’ Consent,” “—Amendments of Related Security Documents Not Requiring Consent of Bondholders” and “—Amendments of Related Security Documents Requiring Consent of Bondholders” in APPENDIX E.

TAX-EXEMPT STATUS OF THE YMCA OF GNY

The Internal Revenue Service (the “IRS”) has determined that the YMCA of GNY is a tax-exempt organization described in Section 501(c)(3) of the Code. In order to maintain its tax-exempt status, the YMCA of GNY must comply with a number of requirements affecting its operations. The possible modification or repeal of certain existing federal income tax laws, a change of IRS policies or positions, a change in the YMCA of GNY’s operations, purposes or other factors could result in the loss of its tax-exempt status. The YMCA of GNY has covenanted in the Loan Agreement that it will maintain its existence as a tax-exempt organization described in Section 501(c)(3) of the Code.

TAX-EXEMPT STATUS OF THE SERIES 2012 BONDS

Because the excludability of interest on the Series 2012 Bonds from gross income for federal income tax purposes is dependent in part upon events occurring after the date of issuance of the Series 2012 Bonds, the opinion of Bond Counsel described under “TAX MATTERS” assumes the compliance by the YMCA of GNY with certain provisions of the Code and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of interest on the Series 2012 Bonds from gross income for federal income tax purposes in the event of noncompliance with such provisions.

The failure of the YMCA of GNY to maintain its existence as an organization described in Section 501(c)(3) of the Code or to comply with certain provisions of the Code and the regulations thereunder may cause interest on the Series 2012 Bonds to become includable in the gross income of the owners thereof for federal income tax purposes as of the date of issue. The Indenture does not provide for the payment of additional interest or a penalty on the Series 2012 Bonds or the mandatory redemption thereof in the event that the interest thereon becomes includable in gross income for federal income tax purposes.

There are or may be pending in the Congress of the U.S. legislative proposals, including some that carry retroactive effective dates, which, if enacted, could alter or amend the federal tax-exempt status, or adversely affect the market value, of the Series 2012 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Series 2012 Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

RISK OF IRS AUDIT

The IRS has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the IRS, interest on such obligations is includable in gross income for federal income tax purposes. It cannot be predicted whether or not the IRS will commence an audit of the Series 2012 Bonds. If an audit is commenced, under current procedures the IRS may treat the Issuer as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market price for, and marketability of, the Series 2012 Bonds until the audit is concluded, regardless of the ultimate outcome.

BOND RATINGS

There is no assurance that the ratings assigned to the Series 2012 Bonds on the date of issue will not be lowered or withdrawn at any time, the effect of which could adversely affect the market price for, and marketability of, the Series 2012 Bonds. See “RATINGS” herein.

SECONDARY MARKET AND PRICES

No assurance can be given that there will be a secondary market for the Series 2012 Bonds. Even if a secondary market exists, there can be no assurance as to the price for which the Series 2012 Bonds may be sold. Such price may be lower than the price paid by the current owner of the Series 2012 Bonds, depending on existing market conditions and other factors.

OTHER CONSIDERATIONS

Dependence on Volunteers

The YMCA of GNY depends on volunteer leaders from the community to serve as board and committee members, activity leaders and coaches. There can be no assurance that current levels of volunteer involvement will continue. If the ability of the YMCA of GNY to recruit volunteer assistance should decline, the YMCA of GNY could be forced to cancel programs and/or increase staffing levels.

Environmental Matters

To the knowledge of the YMCA of GNY, it is currently in compliance with all environmental laws related to its facilities. However, there can be no assurance that additional environmental conditions will not be identified in the future. Furthermore, there can be no assurance that the costs of dealing with the identified problems or any other environmental problems that may be discovered in the future will not be significant.

Insurance

The YMCA of GNY is obligated to obtain insurance providing coverage in the amount required by the Loan Agreement. Insurance premiums may increase significantly, thus reducing the revenues available to satisfy the payment obligations of the YMCA of GNY under the Loan Agreement. An unanticipated volume of claims under these insurance policies, however, could cause the payment of unforeseen amounts as deductibles and increased premiums, thereby adversely affecting the YMCA of GNY's finances.

OTHER RISK FACTORS

In the future, the following factors, among others, may adversely affect the operations of the YMCA of GNY to an extent that cannot be determined at this time:

- Employee strikes and other adverse labor actions that could result in a substantial reduction in revenues without corresponding decreases in costs.
- Increased unemployment or other adverse economic conditions in the service area of the YMCA of GNY.

- Decrease in the availability or receipt of grants or in the receipt of contributions or bequests.
- Inflation or other adverse economic conditions.
- Inability of the YMCA of GNY to meet or continue to comply with legal, regulatory and licensing requirements.
- The attempted imposition of, or the increase in, taxes related to the property and operations of not-for-profit organizations.
- The occurrence of natural disasters, including floods and earthquakes, which may damage the Facilities and other properties of the YMCA of GNY, interrupt utility service to the Facilities and other properties of the YMCA of GNY or otherwise impair the operation and generation of revenues therefrom.

ABSENCE OF LITIGATION

THE ISSUER

There is not now pending any litigation of which the Issuer has notice restraining or enjoining the issuance or delivery of the Series 2012 Bonds or questioning or affecting the validity of the Series 2012 Bonds or the proceedings and authority under which the Series 2012 Bonds are to be issued or the validity or enforceability of the Security Documents. Neither the creation, organization or existence of the Issuer, nor the title of the present directors or other officials of the Issuer to their respective offices, is, to the best knowledge of the Issuer, being contested.

THE YMCA OF GNY

The YMCA of GNY has advised that no litigation, proceeding or investigation is pending or, to its knowledge, threatened against the YMCA of GNY, except (i) litigation, proceedings or investigations for which the probable ultimate recoveries and the estimated costs and expenses of defense will be entirely within applicable insurance policy limits (subject to applicable deductibles) or will not be in excess of the total reserves held under applicable self-insurance programs or otherwise available, or (ii) litigation, proceedings or investigations in which there is no reasonable likelihood that an adverse determination will result or which, if an adverse determination were to result, would not have a materially adverse effect on the financial condition or results of operations of the YMCA of GNY. The YMCA of GNY has also advised that no litigation, proceedings or investigations are pending or, to its knowledge, threatened against the YMCA of GNY that in any manner question the right of the YMCA of GNY to participate in the transactions described in this Official Statement.

LEGAL MATTERS

Legal matters in connection with the authorization, issuance and sale of the Series 2012 Bonds are subject to the approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Issuer, which opinion will be substantially in the form attached hereto as APPENDIX G. Certain legal matters will be passed upon for the Issuer by Richard E. Marshall, Esq., its Vice President for Legal Affairs, and for the YMCA of GNY by its counsel, Goulston & Storrs, P.C., New York, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Chapman and Cutler LLP, Chicago, Illinois.

TAX MATTERS

OPINION OF BOND COUNSEL

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Issuer (“*Bond Counsel*”), under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2012 Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “*Code*”), and (ii) interest on the Series 2012 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Issuer and the YMCA of GNY in connection with the Series 2012 Bonds, and Bond Counsel has assumed compliance by the Issuer and the YMCA of GNY with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2012 Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel, under existing statutes, interest on the Series 2012 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York.

Bond Counsel expresses no opinion regarding any other Federal or state tax consequences with respect to the Series 2012 Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Series 2012 Bonds or under state and local tax law.

Reference is made to APPENDIX G hereto for the proposed form of the approving opinion, in substantially final form, expected to be rendered by Bond Counsel in connection with the issuance of the Series 2012 Bonds.

CERTAIN ONGOING FEDERAL TAX REQUIREMENTS AND COVENANTS

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series 2012 Bonds in order that interest on the Series 2012 Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2012 Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Series 2012 Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Issuer and the YMCA of GNY have covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Series 2012 Bonds from gross income under Section 103 of the Code.

CERTAIN COLLATERAL FEDERAL TAX CONSEQUENCES

The following is a brief discussion of certain collateral Federal income tax matters with respect to the Series 2012 Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Series 2012 Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Series 2012 Bonds.

Prospective owners of the Series 2012 Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for Federal income tax purposes. Interest on the Series 2012 Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

BOND PREMIUM

In general, if an owner acquires a Series 2012 Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Bond (a “*Premium Bond*”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be

determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owners of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

INFORMATION REPORTING AND BACKUP WITHHOLDING

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2012 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2012 Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2012 Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

MISCELLANEOUS

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Series 2012 Bonds under Federal or state law or otherwise prevent beneficial owners of the Series 2012 Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Series 2012 Bonds.

Prospective purchasers of the Series 2012 Bonds should consult their own tax advisors regarding the foregoing matters.

RATINGS

Moody's Investors Service and Standard & Poor's have assigned the Series 2012 Bonds long-term ratings of "Baa1" and "A-", respectively. Such ratings reflect only the views of such rating agencies, and an explanation of the significance of such ratings must be obtained from the rating agency furnishing such rating. Such ratings are not a recommendation to buy, hold or sell the Series 2012 Bonds.

There is no assurance that a particular rating will continue for any given period of time or that any such rating will not be revised downward or withdrawn entirely if, in the judgment of the agency furnishing the rating, circumstances so warrant. A downward revision or withdrawal of such ratings, or either of them, may have an effect on the market price for, and marketability of, the Series 2012 Bonds.

UNDERWRITING

Pursuant to the terms of a Bond Purchase Agreement (the "*Bond Purchase Agreement*") among the Issuer, the YMCA of GNY and J.P. Morgan Securities LLC (the "*Underwriter*"), the Underwriter has agreed to purchase the Series 2012 Bonds at a purchase price of \$54,905,442.35, which is equal to the par amount of the Series 2012 Bonds less an underwriting discount of \$251,833.60, plus a bond premium of \$5,162,275.95. The YMCA of GNY has also agreed to reimburse the Underwriter for its reasonable expenses. The Bond Purchase Agreement provides that the obligations of the Underwriter are subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Series 2012 Bonds if any of the Series 2012 Bonds are purchased. The YMCA of GNY has agreed to indemnify the Underwriter and the Issuer against certain liabilities or to contribute to any payments required to be made by the Underwriter relating to such liabilities, including liabilities under the federal securities laws.

The Series 2012 Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2012 Bonds into investment trusts, accounts or funds) and others at prices lower than the initial public offering price. After the initial public offering, the public offering price of the Series 2012 Bonds may be changed from time to time by the Underwriter.

The Series 2012 Bonds are a new issue of securities with no established trading market. The YMCA of GNY has been advised by the Underwriter that the Underwriter reserves the right to make a market in the Series 2012 Bonds, but is not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Series 2012 Bonds.

The Underwriter has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of UBS Financial Services Inc. ("UBSFS") and Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings to the retail customers of

UBSFS and CS&Co. at the initial public offering prices, including the Series 2012 Bonds. Pursuant to each Dealer Agreement (if applicable to this transaction), each of UBSFS and CS&Co. will purchase Series 2012 Bonds from the Underwriter at the initial public offering prices less a negotiated portion of the selling concession applicable to any Series 2012 Bonds that such firm sells.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and certain of its affiliates have from time to time performed, and may in the future perform, various investment banking services for the YMCA of GNY for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the YMCA of GNY.

RELATIONSHIP OF CERTAIN PARTIES

Ms. Sandie O'Connor, who is a member of the Board of Directors of the YMCA of GNY, is the Treasurer of JPMorgan Chase Bank, N.A., which is an affiliate of the Underwriter.

INDEPENDENT ACCOUNTANTS

The financial statements of the YMCA of GNY as of and for the year ended December 31, 2011, included in APPENDIX B to this Official Statement, have been audited by PricewaterhouseCoopers LLP, independent accountants, as stated in their report appearing in APPENDIX B.

CONTINUING DISCLOSURE

THE ISSUER

The Issuer has determined that no financial or operating data concerning the Issuer is material to an evaluation of the offering of the Series 2012 Bonds or to any decision to purchase, hold or sell the Series 2012 Bonds, and the Issuer will not provide any such information.

THE YMCA OF GNY

The Series 2012 Bonds

On the date of issuance of the Series 2012 Bonds, the YMCA of GNY will enter into the Continuing Disclosure Agreement for the benefit of the beneficial owners of the Series 2012 Bonds. Under the Continuing Disclosure Agreement, the YMCA of GNY is required to file certain information annually with, and to provide notice of certain events to, the Municipal Securities Rulemaking Board (the “MSRB”) using its Electronic Municipal Market Access system (“EMMA”), pursuant to Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission. The information to be provided on an annual basis and the events that are required to be noticed on an occurrence basis are set forth in the Disclosure Dissemination Agent Agreement (the “Continuing Disclosure Agreement”) to be entered into between the YMCA of GNY and Digital Assurance Certification, L.L.C. (“DAC”) in substantially the form attached hereto APPENDIX F.

The Prior Bonds and Series 2006 Bonds

In connection with the issuance of the Prior Bonds and the Series 2006 Bonds, the YMCA of GNY has made filings pursuant to continuing disclosure agreements entered into concurrently with the issuance of the Prior Bonds and the Series 2006 Bonds (the “Prior Disclosure Agreements”). The Prior Disclosure Agreements relating to the Prior Bonds will terminate upon the refunding of the Prior Bonds, as described above under the heading “THE PLAN OF FINANCE.” The YMCA of GNY did not file all of the annual financial and operating information required to be filed pursuant to the Prior Disclosure Agreements for the years ended December 31, 2006 through 2010, and not all of the information that was filed was filed on a timely basis.

On May 17, 2012, the YMCA of GNY filed notice with EMMA relating to these matters, together with the information that was not filed for the years ended December 31, 2006 through 2010, as required by the Prior Disclosure Agreements. Also, on May 17, 2012, the YMCA of GNY filed the annual financial and operating information required to be filed pursuant to the Prior Disclosure Agreements for the year ended December 31, 2011. Additionally, the YMCA of GNY has taken steps internally to assure full compliance in the future with the Continuing Disclosure Agreement for the Series 2012 Bonds and the Prior Disclosure Agreement for the Series 2006 Bonds.

As of the date of this Official Statement, the YMCA of GNY is in full compliance with its obligations under the Prior Disclosure Agreements.

DISSEMINATION AGENT

To better ensure its future compliance with the Prior Disclosure Agreement for the Series 2006 Bonds and the Continuing Disclosure Agreement for the Series 2012 Bonds, the YMCA of GNY has appointed DAC to act as dissemination agent under the Continuing Disclosure Agreement for the Series 2006 Bonds and the Series 2012 Bonds.

MISCELLANEOUS

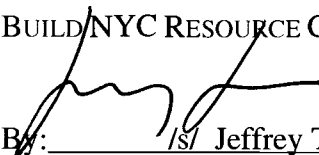
The foregoing summaries or descriptions of provisions in the Indenture, the Loan Agreement, the Promissory Note, the Continuing Disclosure Agreement and the other agreements and documents referred to herein, and all references to other materials not purporting to be quoted in full, are only brief outlines of certain provisions thereof and do not constitute complete statements of such provisions or purport to summarize all of the pertinent provisions thereof. Reference is made to the complete Indenture and the Loan Agreement, copies of which may be obtained prior to the date of issuance of the Series 2012 Bonds from the Underwriter and thereafter from the Trustee.

The information contained in this Official Statement is the responsibility of the YMCA of GNY, except for the information contained under the heading “BOOK-ENTRY ONLY SYSTEM,” which has been provided by DTC to the extent described therein, and the information under the headings “THE ISSUER” and “ABSENCE OF LITIGATION—The Issuer,” which has been provided by the Issuer. The Issuer makes no representation, warranty or certification as to the adequacy or accuracy of the information set forth in this Official Statement, other than the information set forth under the headings “THE ISSUER” and “ABSENCE OF LITIGATION—The Issuer.” This Official Statement is not intended to be construed as a contract or agreement between the Issuer and the purchasers or holders of the Series 2012 Bonds.

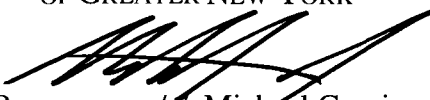
Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly stated, are set forth as such, and not as representations of facts. No representation is made that any of the opinions or estimates will be realized.

The distribution of this Official Statement has been duly authorized by the Issuer and the YMCA of GNY.

BUILD NYC RESOURCE CORPORATION


By: _____ /s/ Jeffrey T. Lee
Executive Director

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF GREATER NEW YORK


By: _____ /s/ Michael Guarino
Executive Vice President

APPENDIX A

**INFORMATION CONCERNING THE YOUNG MEN'S CHRISTIAN ASSOCIATION
OF GREATER NEW YORK**

TABLE OF CONTENTS

| | PAGE |
|---------------------------------------------------------------------|------|
| THE YMCA OF GREATER NEW YORK | A-1 |
| General | A-1 |
| Governance | A-2 |
| ADMINISTRATION..... | A-4 |
| ORGANIZATION..... | A-5 |
| YMCA OF GNY PROGRAMS..... | A-6 |
| Healthy Living | A-6 |
| Youth Development and Social Responsibility | A-7 |
| Residence (Transitional Housing and Guest Rooms)..... | A-9 |
| YMCA OF GNY FACILITIES | A-9 |
| 2012 CAPITAL PROJECTS | A-11 |
| Harlem YMCA..... | A-11 |
| Prospect Park YMCA | A-11 |
| West Side YMCA | A-11 |
| FINANCIAL OPERATIONS | A-11 |
| Summary of Financial Results | A-11 |
| Revision of December 31, 2010 Audited Financial Statements | A-12 |
| Sources of Revenue and Support | A-15 |
| Management’s Discussion and Analysis of Results of Operations | A-18 |
| Long Range Strategic Plan and Annual Budgeting Procedures | A-19 |
| Endowment and Board Designated Investment Funds | A-20 |
| Insurance..... | A-21 |
| Litigation..... | A-21 |

THE YMCA OF GREATER NEW YORK

GENERAL

The Young Men's Christian Association of Greater New York ("YMCA of GNY"), a New York not-for-profit corporation, is a community service organization founded in 1852 which promotes positive values through programs that build spirit, mind and body, welcoming all people, with a focus on youth. New York City's premier youth-service organization, the YMCA of GNY is the largest YMCA in the United States and the biggest and most diverse YMCA in the world. The YMCA of GNY is an open and inclusive organization and welcomes all people without discrimination on the basis of race, ethnicity, color, national origin, citizenship, creed, religion, age, abilities, sexual orientation or income.

The story of the YMCA of GNY is a story 160 years in the making that today reaches nearly a half-million New Yorkers. It is a story of major new initiatives and expansive growth, including the building of new branches in Bedford-Stuyvesant, Coney Island, and the Rockaways and the renovation and refurbishment of existing branches in Chelsea, Chinatown, downtown Brooklyn, Ridgewood, and Flushing. It is a story of exceptional impact, including more than \$50 million in sponsored, free, and subsidized programs provided to nearly 400,000 members and program participants, affording all people an opportunity to benefit from the YMCA's programs and services.

In neighborhoods across New York City, the YMCA of GNY has contributed to lasting and personal social change, resulting in a better future for all New Yorkers. The YMCA of GNY supports New York City's youth, delivering to children and teens programs that promote positive behaviors, better health, and improved educational achievement. The YMCA of GNY fosters the health and well-being of New Yorkers by leveraging its growing capacity and local reach to expand programs that improve community health with proven effectiveness, such as the successful expansion of the YMCA of GNY's Y Diabetes Prevention Program. The YMCA of GNY focuses on New York City's most critical social needs, most vulnerable citizens, and underserved populations.

All YMCA of GNY programs teach the core values of caring, honesty, respect and responsibility, and continue the 160-year tradition of emphasis upon youth development, healthy living and social responsibility, in keeping with the shared mission of YMCAs in the United States and worldwide. The YMCA of GNY gives thousands of young people a place to come after school for safe, productive activities that encourage and support academic performance, help them to build their self-esteem and develop healthy lifestyles. All youth programs are designed to nurture the potential of each child and teen.

The YMCA of GNY is also one of New York City's largest youth employers, currently employing more than 1,800 young people between the ages of 14 and 24 who work mostly in citywide camps and after school programs. More than just providing jobs, the YMCA of GNY offers young people on-the-job training and puts them on a path to gainful adult employment.

The YMCA of GNY has always grown from within its community and is a reflection of the community itself in its diversity and values. At the YMCA of GNY, no one is turned away due to an inability to pay. To offer the broadest possible access to programs, services, and facilities, and to provide for those individuals and community groups that might not be able to afford them, the YMCA of GNY engages in fundraising through the annual Strong Kids Campaign, special events at the branch and corporate levels, grants, bequests, or individual, corporate, or foundation support.

GOVERNANCE

The governing body of the YMCA of GNY is a self-perpetuating Board of Directors (the “Board”) consisting of not more than 45 members, including not more than five members representing the Branches. The remainder of the members are comprised of at-large members who are elected by the General Assembly described below. At-large members serve staggered three-year terms, and Branch members serve one-year terms. The Board, which currently meets at least four times a year, is responsible for managing the property and affairs of the YMCA of GNY and for formulating and carrying out its policies. The Board has established several Committees to meet and advise the Board on specific items. Those Committees include the Executive Committee, Audit Committee, Board Development Committee, Buildings and Property Development Committee, Finance Committee, Fund Development Committee, Human Resources Committee, Investment Committee, Marketing and Communications Committee, Public Policy Committee, Real Estate Committee and Strategic Program Committee.

The following table presents a list of current Board members:

| MEMBERS-AT-LARGE | | TERM EXPIRES |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------|-----------------|
| Ms. Diana L. Taylor, Chair | Managing Director, Wolfensohn & Co. LLC | 2013 |
| Mr. Robert C. Lieber, Vice Chair | Executive Managing Director, Island Capital Group LLC | 2014 |
| Mr. Sal Maglietta, Vice Chair | Executive Vice President, U.S. Bank | 2015 |
| Dr. John Rowe, M.D., Vice Chair | Professor, Department of Health Policy & Management, Columbia University | 2015 |
| Mr. Michael C. Alfano, D.M.D., Ph.D. | Executive Vice President, New York University | 2013 |
| Mr. Joseph P. Benincasa | President & CEO, The Actors Fund | 2013 |
| Mr. Chris Blunt | President, Insurance Group, New York Life Insurance Company | 2014 |
| Ms. Nancy Calderon | Americas Region Chief Administrative Officer & U.S. National Partner in Charge, Operations, KPMG | 2014 |
| Mr. Jay Cross | President, Related Hudson Yards | 2015 |
| Ms. Diane B. Cummings | Trustee, Robert F. Cummings Foundation | 2015 |
| Mr. Robert Garrett, Jr. | President, Arcadia Aviation | 2014 |

| MEMBERS-AT-LARGE | | TERM EXPIRES |
|---------------------------------|-------------------------------------------------------------------------------|-----------------|
| Mr. Eugene Giscombe | President & CEO, Giscombe Realty Group LLC | 2015 |
| Mr. Stanley E. Grayson | Chief Operating Officer, M.R. Beal & Company | 2015 |
| Mr. Scott K. Halliday | Americas Vice Chair, Northeast Managing Partner, Ernst & Young, LLP | 2015 |
| Ms. Marcia Gay Harden | Private Citizen | 2014 |
| Mr. Glenn Lau-Kee | Partner, Kee & Lau-Kee PLLC | 2013 |
| Mr. Steven J. Kimble | Regional Tax Managing Partner-Northeast, Deloitte Tax LLP | 2015 |
| Mr. William H. Lawrence | CEO, Meridian Capital Partners, Inc. | 2014 |
| Ms. Michelle Y. Lee | Executive Vice President, Regional President – NJ, NY, CT, Wells Fargo | 2013 |
| Dr. William K. Lee, M.D. | President, Cardiac Associates of North Jersey | 2014 |
| Mr. Jeffrey M. Levy | President & CEO, RailWorks Corporation | 2015 |
| Ms. Consuelo Mack | Anchor and Managing Editor, WealthTrack, NEP Studios | 2013 |
| Mr. Randy M. Mastro | Partner, Gibson, Dunn & Crutcher LLP | 2014 |
| Rev. Joseph M. McShane, S.J. | President, Fordham University | 2015 |
| Mr. Jonathan Mechanic | Chairman of Real Estate, Fried, Frank, Harris, Shriver & Jacobson LLP | 2014 |
| Mr. Walter Montgomery | CEO, RLM Finsbury | 2014 |
| Ms. Eileen K. Murray | Private Citizen | 2014 |
| Mr. Daniel A. Neff | Co-Chairman, Executive Committee & Partner, Wachtell, Lipton, Rosen & Katz | 2014 |
| Ms. Sandie O'Connor | Treasurer, JPMorgan Chase Bank, N.A.* | 2015 |
| Mr. Robert Scamardella | Managing Partner, Russo, Scamardella & D'Amato | 2015 |
| Mr. Justin Skala | President, Latin America, Colgate Palmolive Company | 2014 |
| Ms. Susan D. Whiting | Vice Chair, The Nielsen Company | 2013 |
| Mr. Raymond H. Yu | President, Yuco Management, Inc. | 2015 |

BRANCH REPRESENTATIVES

| | | |
|--------------------------|--------------------------------------------------------------|------|
| Mr. Martin J. Cottingham | Principal, Avison Young | 2013 |
| Ms. Perri Freeman | Executive Director, IB Marketing & Communications | 2013 |
| Mr. Joshua Heitler | Principal, Lacina Heitler Architects | 2013 |
| Mr. Todd Wyche | Managing Director, Brinson Patrick Securities Corporation | 2013 |

* The Underwriter is an affiliate of JPMorgan Chase Bank, N.A.

HONORARY EMERITUS BOARD MEMBERS

| | |
|---------------------------|-------------------------------------------------------|
| Mr. Barry Salzberg, Chair | Managing Partner, Deloitte & Touche, LLP |
| Mr. Robert Annunziata | Retired Chairman, ATEF |
| Mr. Kevin Burke | Chairman, President & CEO, Consolidated Edison, Inc. |
| Ms. Janice Reals Ellig | Co-Chief Executive Officer, Chadick Ellig, Inc. |
| Mr. Timothy P. Flynn | Chairman, KPMG International |
| Mr. Timothy L. Porter | Chief Client Relationship Counsel, Proskauer Rose LLP |
| Mr. William D. Rueckert | Managing Member, Oyster Management Group LLC |
| Hon. Merryl H. Tisch | Chancellor, NYS Board of Regents |
| Mr. Roger M. Vasey | Managing Partner, Conyers Capital LLC |
| Hon. Myrtle G. Whitmore | Retired Commissioner, NYC Housing Authority |

ADMINISTRATION

The administration of the YMCA of GNY is responsible for the day-to-day operation and implementation of the policies established by the Board. The administration is overseen by the President and implemented by a staff of approximately 3,900 full- and part-time employees. The biographies of senior management personnel are as follows:

JACK LUND, *President and CEO*, has a YMCA career which spans 37 years and includes a rich variety of top leadership roles, as well as hands-on grassroots experience working with teens, families, and communities at seven YMCAs throughout the country, including the YMCA of San Francisco, the YMCA of Metropolitan Chicago, the Central Chester County YMCA and the YMCA of Metropolitan Milwaukee. As head of New York City's largest private youth-serving organization, Jack is dedicated to strengthening the foundations of communities in New York City through programs that nurture the potential of every youth and teen, improve overall health and individual well-being, and give back and provide support to the YMCA of GNY's neighbors. Jack has pioneered development of key new programs aimed at tackling some of New York's most pressing community issues, including youth health and safety, civic engagement for teens and service to new Americans. Jack has spearheaded the Next Century city-wide branch capital renewal program that will build or renovate more than 1.3 million square feet of facility space. In his role as President and CEO, Jack has honored and built upon the organization's venerable, 160-year tradition of volunteerism by fostering opportunities for people to get involved in community service in meaningful ways. During his tenure, Jack has attracted some of the City's finest civic leaders to join the Board of Directors – making the Y board one of the most effective not-for-profit governing bodies in the City.

MICHAEL GUARINO, *Executive Vice President/Chief Financial Officer/Treasurer*, provides administrative and operational leadership to the YMCA of GNY. This is Mr. Guarino's 25th year of YMCA service. Most recently, Michael was the Vice President and Chief Financial Officer at the YMCA of Metropolitan Milwaukee. Michael holds a BS in Financial Accounting and an Executive MBA, both from the University of New Haven.

RENA MCGREEVY, *Senior Vice President and Chief Operating Officer*, assumed this position in 2009. Prior to this appointment, since 1994, Rena was VP of Operations supervising

a number of branches and providing leadership in a variety of areas, including membership, program, government contract and residence operations. A 32-year career YMCA professional, Rena's other YMCA assignments have included Executive Director of the YMCA of Greater New Haven (Conn.) YMCA; and Program Director of both the YMCA of Greater New Haven and Springfield (Mass.) YMCA. Rena holds a BS from Springfield College and a MBA from the University of New Haven.

PAUL CUSTER, *Senior Vice President Government Relations and Corporate Secretary*, provides overall leadership to the YMCA of GNY's Public Affairs and community development activities, including public funding, advocacy activities, private-public projects and capital development. Paul began his YMCA career in Pennsylvania in 1972 and has been with the YMCA of GNY since 1986. Paul served as CEO of the Rockland County YMCA (NY). He graduated from Slippery Rock University with a BA in English.

CONNIE FISHMAN, *Senior Vice President of Real Estate*, joined the YMCA of GNY in February 2011 to provide real estate development, property management, and new YMCA capital expansion leadership. Prior to joining the YMCA of GNY, Connie held a number of positions, including President and CEO of the Hudson River Park Trust, and Director of Planning and Development at the Office of the New York City Deputy Mayor for Economic Development, Planning and Administration. Connie holds a BA in Political Science from the University of California at Los Angeles and a Masters in Latin American Studies from the University of California at Berkeley.

GARY LAERMER, *Senior Vice President and Chief Development Officer*, provides leadership for all annual, capital and endowment giving for the YMCA of GNY. Gary joined the YMCA of GNY in 2010 following a 5 year post as President and CEO of the Community YMCA in Monmouth County, NJ. Prior to his tenure with the YMCA, Gary was the Vice President of Development and External Affairs for Staten Island University Hospital and Chief Operating Officer and Director of Field Services for the Boy Scouts' Greater New York Council. Gary holds a BA in Youth Agency Administration from Pace University and a MS in Information Management from Southeastern University.

ORGANIZATION

The YMCA of GNY is organized into 20 Branches, each charged with carrying out the YMCA of GNY's program objectives within a specified geographic or program area. Each Branch has a volunteer Board of Managers, consisting of not less than 15 and not more than 30 members, to whom the YMCA of GNY's Board of Directors has delegated the responsibility and authority to devise and pursue specific program, membership and fiscal objectives. Each Branch Board of Managers is responsible for operating the programs at a Branch in support of the YMCA of GNY policies.

Each Branch is managed by an Executive Director who is appointed by the President of the YMCA of GNY in consultation with the Board of Managers for that Branch. The employment of staff members at each Branch is the responsibility of the Executive Director of that Branch.

The General Assembly of the YMCA of GNY is the official link between the members and the organization. It is representative of the membership of all the Branches of the YMCA of GNY and members of the Board of Directors. The General Assembly meets annually. Each Branch is represented on the General Assembly by six or more delegates who are members of that Branch. Delegates to the General Assembly representing a Branch are elected annually by the Board of Managers of that Branch, with the number of delegates from each Branch determined by Branch membership. All members of the Board of Directors of the YMCA of GNY are members of the General Assembly. The General Assembly has the responsibility and authority to elect a Chairman of the General Assembly and members-at-large of the Board of Directors of the YMCA of GNY, to review the work of the YMCA of GNY, to advise the Board of Directors regarding YMCA of GNY affairs and to approve amendments to the Constitution of the YMCA of GNY.

YMCA OF GNY PROGRAMS

The YMCA of GNY's programs are organized into the following principal areas:

HEALTHY LIVING

A wide variety of programs are offered throughout the YMCA of GNY which are designed to make a positive impact on community health and encourage healthy lifestyles for children, adults and families. Fitness programs include activities designed to promote physical fitness and health in a variety of ways. Cardiovascular and strength training, along with a wide range of innovative and traditional exercise classes, are offered. Personal training is available to help individuals meet fitness goals. Sports activities are offered to groups and individuals and include basketball, squash, lap swimming, volleyball, soccer, martial arts and gymnastics. Aquatic classes are offered to people of all ages and abilities, including Swim for Life – Second Grade Swim Program which serves public school students. The YMCA of GNY's Counseling Services Branch on Staten Island provides a range of counseling and support services for individuals, children and families affected by drug and alcohol abuse.

During fiscal year 2011, 359,306 participants were enrolled in healthy living programs. Core and priority healthy living programs include the following:

| | |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Adult Health and Wellness | A wide range of services and programs developed to meet the fitness needs of New Yorkers. |
| Strong Kids Card/MVP | Provides young people with free access to all YMCA of GNY branches for involvement in physical activity with a unique opportunity to earn digital badges. |
| Aquatics Programs | Aquatics classes for people of all ages with a focus on youth. |
| Swim for Life – Second Grade Swim | Offers second graders in public schools across New York City free swimming lessons and aquatic safety programs. |
| Y Diabetes Prevention Program | A program to provide support and coaching to help people at risk of diabetes build healthy eating and fitness habits. |

YOUTH DEVELOPMENT AND SOCIAL RESPONSIBILITY

The YMCA of GNY’s early childhood programs are designed to help children up to five years of age gain self-confidence and social skills while developing positive attitudes about school and learning. The curriculum includes art, music, field trips, and the development of both large and fine motor skills, language and cognitive development. The Y After School Academy program focuses on providing academic, social and emotional support for school-aged children during after school hours. The Y Scholars program provides young people starting in middle school with the support and guidance needed to achieve academically and enter college. Through the YMCA of GNY’s civic engagement programs such as Youth and Government and Teens Take the City, young people build leadership and academic skills.

During fiscal year 2011, 31,197 children were enrolled in youth development and social responsibility programs. Core and priority youth development programs include the following:

| | |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Y After School Academy | Y After School Academy programs provide high-quality afterschool services to thousands of public school children throughout New York City with a focus on academic enrichment and fitness. |
| Early Childhood | 9 licensed preschool child care facilities. |
| Y Day Camp | Summer camp programs offer educational and recreational experiences for children with a focus on preventing summer learning loss and teaching healthy behaviors. |
| Y Summer Resident Camp | Resident camp provides exciting and educational outdoor experience emphasizing character building and healthy living. |
| Y Schools | A new program which establishes a full-time YMCA presence in New York City public schools fostering academic achievement and providing support for children and families. |
| Family Programs | A wide range of programs for families, including family fitness and classes for parents and children together. |

Core and priority social responsibility programs include the following:

| | |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| New America Welcome Centers | Each center provides services for immigrants, including employment skills, citizenship classes and literacy skills. |
| Y Scholars | A program for middle and high school students in New York City to build the skills necessary to graduate from high school and attend college. |
| Y Roads | A new program focused on providing career and educational programs for disengaged youth. |
| Teens Take the City | A civic engagement program focused on teaching New York City teens about city government and developing creative policy proposals and service learning projects. |
| International Partnerships | Through a number of programs, including Global Teens and Youth Ambassadors, the International Branch facilitates Y to Y international exchanges. |

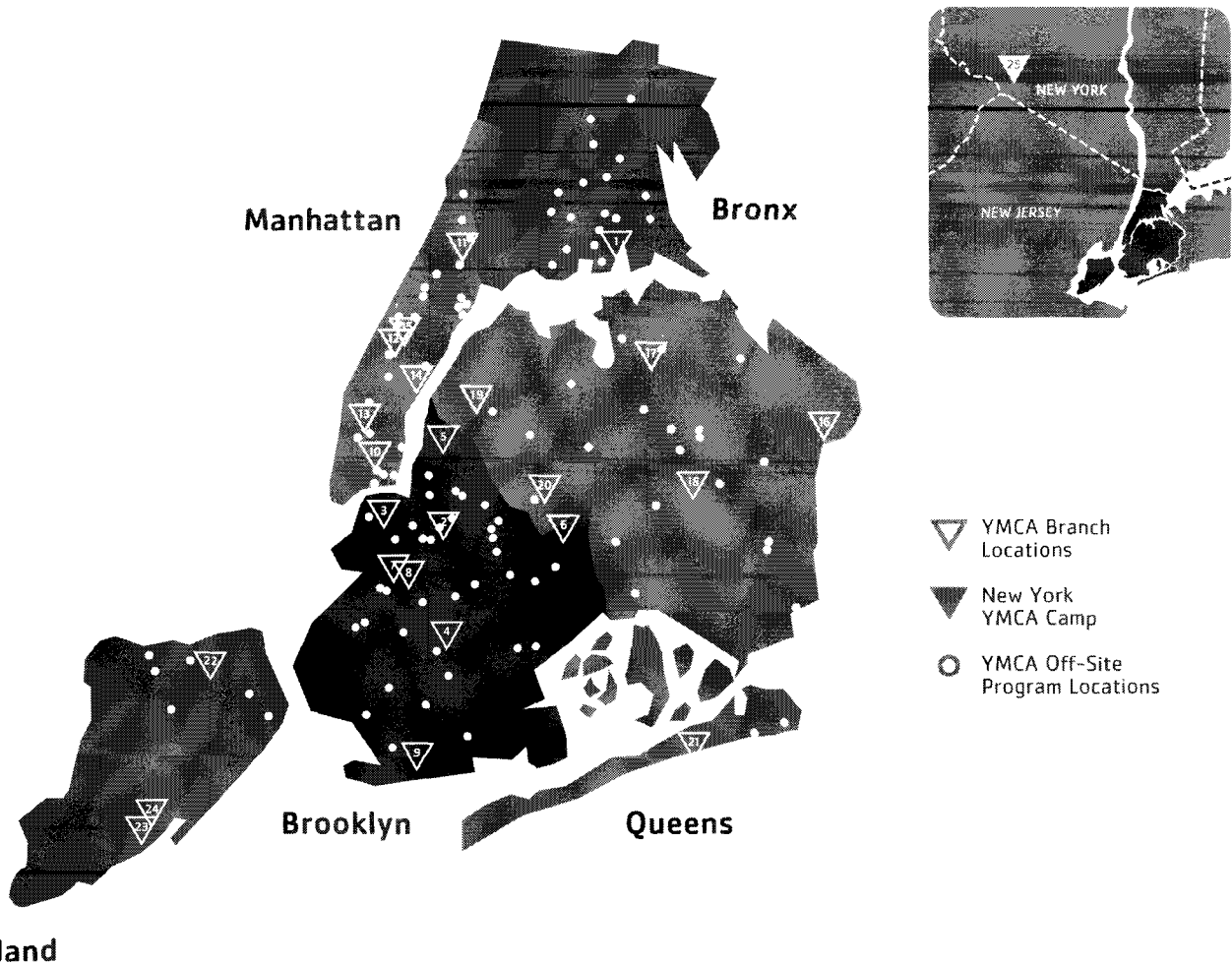
RESIDENCE (TRANSITIONAL HOUSING AND GUEST ROOMS)




The YMCA of GNY offers overnight accommodations at seven of its Branches, and includes access to Branch facilities such as pools, fitness rooms and exercise classes. The YMCA of GNY currently has 1,640 guest rooms that accommodate out-of-town visitors, adults in transition and students. During fiscal year, 2011, 54,166 participants were enrolled in the residence programs.

YMCA OF GNY FACILITIES

The YMCA of GNY operates programs in 20 Branches and over 180 locations in the five boroughs of New York City and an approximately 1,000 acre summer camp and meeting center in Huguenot, NY. Below is a list of the YMCA of GNY's 20 Branches. These Branches, excluding the Chinatown Branch which is not owned by the YMCA of GNY, represent the principal real estate assets of the YMCA of GNY. The 20 Branches contain over 1.2 million square feet and have an insured value of approximately \$550 million.

| NAME | LOCATION | APPROXIMATE SQUARE FOOTAGE |
|-------------------------|---------------|----------------------------|
| Bedford Stuyvesant YMCA | Brooklyn | 44,000 |
| Broadway YMCA | Staten Island | 46,000 |
| Bronx YMCA | Bronx | 32,000 |
| Chinatown YMCA | Manhattan | 44,000 |
| Cross Island YMCA | Queens | 55,000 |
| Dodge YMCA | Brooklyn | 42,000 |
| Flatbush YMCA | Brooklyn | 27,000 |
| Flushing YMCA | Queens | 99,000 |
| Greenpoint YMCA | Brooklyn | 40,000 |
| Harlem YMCA | Manhattan | 70,000 |
| Jamaica YMCA | Queens | 104,000 |
| Long Island City YMCA | Queens | 54,000 |
| McBurney YMCA | Manhattan | 67,000 |
| North Brooklyn YMCA | Brooklyn | 50,000 |
| Prospect Park YMCA | Brooklyn | 41,000 |
| Ridgewood YMCA | Queens | 23,000 |
| South Shore YMCA | Staten Island | 50,000 |
| Vanderbilt YMCA | Manhattan | 157,000 |
| West Side YMCA | Manhattan | 220,000 |
| YMCA Counseling Service | Staten Island | <u>8,000</u> |
| | TOTAL | <u>1,273,000</u> |



-  YMCA Branch Locations
-  New York YMCA Camp
-  YMCA Off-Site Program Locations

Staten Island

The YMCA of greater new york is a community service organization which promotes positive values through programs that build spirit, mind and body, welcoming all people, with a focus on youth.

ASSOCIATION

YMCA of Greater New York
Association Offices
5 West 63rd Street, 6th Fl
New York, New York 10023
(212) 630-9600

BRONX

1 Bronx YMCA
2 Castle Hill Avenue
Bronx, NY 10473
(718) 792-9736
ymcanyc.org/bronx

BROOKLYN

2 Bedford-Stuyvesant YMCA
1121 Bedford Avenue
Brooklyn, NY 11216
(718) 789-1497
ymcanyc.org/bed-stuy

3 Dodge YMCA

225 Atlantic Avenue
Brooklyn, NY 11201
(718) 625-3136
ymcanyc.org/dodge

4 Flatbush YMCA

1401 Flatbush Avenue
Brooklyn, NY 11210
(718) 469-8100
ymcanyc.org/flatbush

5 Greenpoint YMCA

99 Meserole Avenue
Brooklyn, NY 11222
(718) 389-3700
ymcanyc.org/greenpoint

6 North Brooklyn YMCA

570 Jamaica Avenue
Brooklyn, NY 11208
(718) 277-1600
ymcanyc.org/north

7 Prospect Park YMCA

357 Ninth Street
Brooklyn, NY 11215
(718) 768-7100
ymcanyc.org/prospect

8 Park Slope Armory YMCA

Park Slope Armory
361 15th Street
Brooklyn, NY 11215
(212) 912-2580
ymcanyc.org/armory

9 Coney Island YMCA (2013)

2980 West 29th Street
Brooklyn, NY 11224
ymcanyc.org/coneyisland

MANHATTAN

10 Chinatown YMCA
273 Bowery
New York, NY 10002
(212) 912-2460
ymcanyc.org/chinatown

11 Harlem YMCA

180 West 135th Street
New York, NY 10030
(212) 912-2100
ymcanyc.org/harlem

12 International YMCA

5 West 63rd Street,
2nd Floor
New York, NY 10023
(212) 727-8800
ymcainternational.org

13 McBurney YMCA

125 West 14th Street
New York, NY 10011
(212) 912-2300
ymcanyc.org/mcburney

14 Vanderbilt YMCA

224 East 47th Street
New York, NY 10017
(212) 756-9600
ymcanyc.org/vanderbilt

15 West Side YMCA

5 West 63rd Street
New York, NY 10023
(212) 912-2600
ymcanyc.org/westside

QUEENS

16 Cross Island YMCA
238-10 Hillside Avenue
Bellerose, NY 11426
(718) 479-0505
ymcanyc.org/crossisland

17 Flushing YMCA

138-46 Northern Blvd.
Flushing, NY 11354
(718) 961-6880
ymcanyc.org/flushing

18 Jamaica YMCA

89-25 Parsons Blvd
Jamaica, NY 11432
(718) 739-6600
ymcanyc.org/jamaica

19 Long Island City YMCA

32-23 Queens Blvd
Long Island City, NY
11101
(718) 392-7932
ymcanyc.org/lic20

20 Ridgewood YMCA

69-02 64th Street
Ridgewood, NY 11385
(212) 912-2180
ymcanyc.org/ridgewood

21 Rockaways YMCA (2013)

Beach 73rd Street &
Rockaway Beach Blvd
Queens, NY 11692
ymcanyc.org/rockaways

STATEN ISLAND

22 Broadway Center
651 Broadway
Staten Island, NY 10310
(718) 981-4933
ymcanyc.org/sibroadway

23 South Shore Center

3939 Richmond Avenue
Staten Island, NY 10312
(718) 227-3200
ymcanyc.org/sisouthshore

24 YMCA Counseling Services

3911 Richmond Avenue
Staten Island, NY 10312
(718) 948-3232
ymcanyc.org/counseling

NEW YORK YMCA CAMP

25 300 Big Pond Road
Huguenot, NY 12746
(845) 858-2200

2012 CAPITAL PROJECTS

The following is a brief description of the 2012 Capital Projects to be financed with a portion of the proceeds from the sale of the Series 2012 Bonds and other available funds.

HARLEM YMCA

The YMCA of GNY will renovate the exterior of the existing facility to bring it up to current standards. The total cost of this 2012 Capital Project is estimated to be approximately \$1,000,000, which will be funded by the Series 2012 Bonds.

PROSPECT PARK YMCA

The YMCA of GNY is constructing a new aquatics center which adds a pool with lap lanes for fitness swimming and lessons. This will help meet the growing demand for family activities in the Park Slope area. The YMCA of GNY will also renovate the existing facility to bring it up to current standards. The total cost of this 2012 Capital Project is estimated to be approximately \$14,564,000, of which \$4,400,000 will be funded by the Series 2012 Bonds.

WEST SIDE YMCA

The YMCA of GNY will renovate the exterior of the existing facility and replace infrastructure to bring it up to current standards. The total cost of this 2012 Capital Project is estimated to be approximately \$2,300,000, of which \$2,000,000 will be funded by the Series 2012 Bonds.

FINANCIAL OPERATIONS

SUMMARY OF FINANCIAL RESULTS

The tables set forth below present the YMCA of GNY's condensed statements of financial position and condensed statements of activities and changes in net assets as of December 31, 2007 through December 31, 2011 and for the years then ended. The tables were developed from the YMCA of GNY's audited financial statements as of and for the five years ended December 31, 2011. The information in the tables set forth below should be read in conjunction with such audited financial statements and the notes hereto.

REVISION OF DECEMBER 31, 2010 AUDITED FINANCIAL STATEMENTS

In 2011, the YMCA of GNY identified a misclassification of net assets related to the implementation, in 2010, of the New York State version of the Uniform Prudent Management of Institutional Funds Act. As a result, temporarily restricted net assets were understated by \$6,847,489 and unrestricted net assets were overstated by \$6,847,489. Total net assets were not affected. This revision did not affect the YMCA of GNY's compliance with the financial covenant ratios. The December 31, 2011 audited financial statements reflect the revised 2010 balances and include a note explaining the revision to the December 31, 2010 balances. See APPENDIX B—"AUDITED FINANCIAL STATEMENTS OF YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER NEW YORK AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011."

CONDENSED STATEMENTS OF FINANCIAL POSITION

| | FOR THE FISCAL YEARS ENDED DECEMBER 31, | | | | |
|----------------------------------------------------|-----------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 |
| ASSETS: | | | | | |
| Cash and Cash Equivalents | \$ 7,741,934 | \$ 5,839,066 | \$ 7,210,167 | \$ 11,207,846 | \$ 17,660,105 |
| Cash Restricted for Use | 9,790,350 | 6,330,031 | 5,122,909 | 3,439,455 | 1,608,293 |
| Receivables (less allowance for doubtful accounts) | 27,265,010 | 26,735,023 | 24,815,436 | 23,056,723 | 19,548,794 |
| Investments | 39,295,056 | 26,901,978 | 33,485,942 | 37,547,171 | 36,695,210 |
| Debt Service Reserve | 7,476,091 | 7,508,058 | 7,508,736 | 7,510,381 | 7,511,085 |
| Property and Equipment, net | 183,969,075 | 189,161,347 | 188,573,134 | 188,108,056 | 188,416,633 |
| Deferred Charges | 2,882,866 | 2,550,530 | 2,313,832 | 2,190,647 | 4,144,293 |
| Other Assets | 411,969 | 299,372 | 319,861 | 151,744 | 199,947 |
| Beneficial Interest in a Perpetual Trust | <u>7,663,650</u> | <u>6,198,105</u> | <u>6,942,375</u> | <u>7,501,749</u> | <u>7,239,335</u> |
| TOTAL ASSETS | <u>\$286,496,001</u> | <u>\$271,523,510</u> | <u>\$276,292,392</u> | <u>\$280,713,772</u> | <u>\$283,023,695</u> |
| LIABILITIES AND NET ASSETS | | | | | |
| LIABILITIES: | | | | | |
| Accounts Payable and Accrued Expenses | \$ 19,508,102 | \$ 16,162,739 | \$ 13,804,048 | \$ 15,514,118 | \$ 17,951,059 |
| Accrued Salaries and Related Expenses | 4,040,785 | 4,770,649 | 4,792,968 | 4,934,996 | 5,100,957 |
| Accrued Liability for self-insured losses | 4,962,433 | 2,888,642 | 2,984,395 | 2,230,773 | 3,498,566 |
| Deferred Revenue | 10,102,875 | 9,369,791 | 10,037,371 | 8,562,530 | 7,755,962 |
| Debt Obligations | <u>79,385,129</u> | <u>82,406,536</u> | <u>80,363,853</u> | <u>81,533,253</u> | <u>81,617,756</u> |
| TOTAL LIABILITIES | \$117,999,324 | \$115,598,357 | \$111,982,635 | \$112,775,670 | \$115,924,300 |
| NET ASSETS: | | | | | |
| Unrestricted: | | | | | |
| Board Designated for Investment and Other Purposes | 27,887,335 | 16,482,388 | 22,140,542 | 21,564,702 | 20,847,814 |
| Undesignated | <u>108,628,402</u> | <u>108,837,902</u> | <u>113,601,300</u> | <u>109,111,966</u> | <u>109,465,180</u> |
| Total Unrestricted | 136,515,737 | 125,320,290 | 135,741,842 | 130,676,668 | 130,312,994 |
| Temporarily Restricted | 16,071,123 | 16,395,983 | 12,878,481 | 20,764,663 | 20,042,839 |
| Permanently Restricted | <u>15,909,817</u> | <u>14,208,880</u> | <u>15,689,434</u> | <u>16,496,771</u> | <u>16,743,562</u> |
| TOTAL NET ASSETS | <u>168,496,677</u> | <u>155,925,153</u> | <u>164,309,757</u> | <u>167,938,102</u> | <u>167,099,395</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$286,496,001</u> | <u>\$271,523,510</u> | <u>\$276,292,392</u> | <u>\$280,713,772</u> | <u>\$283,023,695</u> |

CONDENSED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

| | FOR THE FISCAL YEARS ENDED DECEMBER 31, | | | | |
|---------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 |
| OPERATING REVENUES AND PUBLIC SUPPORT: | | | | | |
| Contributions | \$ 16,587,012 | \$ 13,351,396 | \$ 10,900,124 | \$ 10,191,306 | \$ 10,212,126 |
| Special Events Gross Income | 2,649,454 | 2,129,881 | 1,750,207 | 1,605,829 | 1,519,562 |
| Less Expenses | (846,919) | (808,511) | (519,518) | (612,592) | (642,047) |
| Membership Dues and Program Fees | 85,433,876 | 89,831,712 | 87,593,474 | 89,456,681 | 91,718,202 |
| Residence and Related Services | 22,791,647 | 23,804,734 | 21,841,490 | 24,807,848 | 27,461,441 |
| Government Contract Revenues | 16,237,840 | 20,354,155 | 21,063,582 | 20,632,305 | 21,449,695 |
| Investment Income | 2,741,947 | 1,076,861 | 917,559 | 956,813 | 1,097,706 |
| Endowment Support for Current Activities | 1,222,573 | 1,279,467 | 1,268,356 | 1,277,729 | 1,317,350 |
| Other Fees | <u>2,433,746</u> | <u>464,626</u> | <u>1,031,400</u> | <u>341,383</u> | <u>342,760</u> |
| TOTAL OPERATING REVENUES AND PUBLIC SUPPORT | <u>\$149,251,176</u> | <u>\$151,484,321</u> | <u>\$145,846,674</u> | <u>\$148,657,302</u> | <u>\$154,476,795</u> |
| OPERATING EXPENSES: | | | | | |
| Salaries and Related Expenses | 81,217,184 | 83,711,645 | 81,146,277 | 80,185,612 | 81,171,965 |
| Staff Training and Conferences | 2,398,757 | 2,170,971 | 1,485,788 | 1,775,849 | 2,170,857 |
| Professional Fees and Contract Services | 11,230,360 | 13,315,475 | 13,653,532 | 15,091,005 | 15,642,082 |
| Facility Occupancy | 9,653,858 | 10,877,008 | 10,020,504 | 11,488,696 | 11,861,281 |
| Supplies | 10,898,874 | 10,957,698 | 10,111,749 | 10,596,533 | 11,282,698 |
| Repairs and Maintenance | 2,329,740 | 3,167,021 | 3,124,036 | 4,498,200 | 3,091,114 |
| Telephone and Postage | 1,460,136 | 1,248,913 | 1,100,800 | 915,003 | 948,529 |
| Insurance | 5,012,731 | 3,235,943 | 5,017,399 | 3,707,159 | 6,099,670 |
| Promotion and Advertising | 3,429,330 | 3,691,847 | 3,031,766 | 2,865,252 | 2,832,404 |
| Transportation | 1,197,055 | 1,396,347 | 1,068,736 | 1,080,625 | 1,070,959 |
| Support of Affiliated Organizations | 235,092 | 248,296 | 250,793 | 253,976 | 260,371 |
| Bad Debts | 2,758,958 | 141,878 | 434,547 | 915,807 | 887,385 |
| Interest | 4,098,884 | 3,946,985 | 3,694,607 | 3,691,516 | 3,547,331 |
| Depreciation and Amortization | <u>9,226,486</u> | <u>10,209,559</u> | <u>11,068,077</u> | <u>11,607,273</u> | <u>12,192,836</u> |
| TOTAL OPERATING EXPENSES | <u>145,147,445</u> | <u>148,319,586</u> | <u>145,208,611</u> | <u>148,672,506</u> | <u>153,059,482</u> |
| EXCESS (DEFICIENCY) OF OPERATING REVENUES AND PUBLIC SUPPORT OVER OPERATING EXPENSES | \$ 4,103,731 | \$ 3,164,735 | \$ 638,063 | \$ (15,204) | \$ 1,417,313 |
| Investment Return in Excess of (Less Than) Current Support for Operating Activities | (648,067) | (14,397,307) | 7,187,910 | 3,388,241 | (1,918,673) |
| Pension – Related Changes Other Than Net Periodic Pension Cost | - | (1,338,952) | 558,631 | 255,308 | (337,347) |
| Cumulative Effect of Change in Accounting Principle | (1,118,271) | - | - | - | - |
| CHANGE IN NET ASSETS | <u>2,337,393</u> | <u>(12,571,524)</u> | <u>8,384,604</u> | <u>3,628,345</u> | <u>(838,707)</u> |
| NET ASSETS, BEGINNING OF YEAR | <u>166,159,284</u> | <u>168,496,677</u> | <u>155,925,153</u> | <u>164,309,757</u> | <u>167,938,102</u> |
| NET ASSETS, END OF YEAR | <u>\$168,496,677</u> | <u>\$155,925,153</u> | <u>\$164,309,757</u> | <u>\$167,938,102</u> | <u>\$167,099,395</u> |

SOURCES OF REVENUE AND SUPPORT

Membership Dues and Program Fees: Membership dues and programs fees represent the YMCA of GNY’s largest source of revenues and are set forth below for the years ended December 31, 2007 through 2011:

| | TOTAL MEMBERSHIP DUES AND PROGRAM FEES | MEMBERSHIP DUES | PROGRAM FEES |
|------|-------------------------------------------|-----------------|--------------|
| 2007 | \$85,433,876 | \$52,520,585 | \$32,913,291 |
| 2008 | 89,831,712 | 56,509,317 | 33,322,395 |
| 2009 | 87,593,474 | 56,474,628 | 31,118,846 |
| 2010 | 89,456,681 | 58,420,144 | 31,036,537 |
| 2011 | 91,718,202 | 60,971,243 | 30,746,959 |

Families and individuals pay dues to join the YMCA of GNY for health, fitness and recreation programs, although financial assistance is available in appropriate circumstances. Membership units, which represent the number of family, adult individual, youth individual and other memberships, are as set forth below as of December 31, 2007 through 2011:

| MEMBERSHIP UNITS | |
|------------------|--------|
| 2007 | 66,853 |
| 2008 | 68,892 |
| 2009 | 71,803 |
| 2010 | 73,152 |
| 2011 | 74,876 |

The YMCA of GNY uses membership retention as management metric. Retention has averaged about 61.5% for the past five years and was 61.7% during the year ended December 31, 2011.

The YMCA of GNY offers a variety of programs that are organized into the principal areas of the “Health Living” programs and the “Youth Development and Social Responsibility” programs described above. Participants pay fees to enroll in these programs, although a significant percentage participate for free or benefit from subsidies provided by the YMCA of GNY.

Residence and Related Services: The residence facilities of the YMCA of GNY provide the second largest source of revenues to the YMCA of GNY after membership dues and program fees and are set forth below for the years ended December 31, 2007 through 2011:

| BRANCH | NUMBER OF ROOMS | RESIDENCE REVENUE | | | | |
|---------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | 2007 | 2008 | 2009 | 2010 | 2011 |
| West Side 5 West 63rd St NY, NY | 452 | \$ 7,868,841 | \$ 8,175,929 | \$ 7,087,191 | \$ 7,394,067 | \$ 7,909,815 |
| Vanderbilt 229 E 47th St NY, NY | 379 | 5,856,869 | 6,055,388 | 5,214,876 | 5,843,799 | 6,960,252 |
| Harlem 180 W 135th St NY, NY | 219 | 1,204,001 | 1,341,033 | 1,413,204 | 1,940,116 | 2,521,949 |
| Greenpoint 99 Meserole Ave Brooklyn, NY | 97 | 1,148,796 | 1,041,666 | 962,596 | 1,256,563 | 1,363,969 |
| North Brooklyn 570 Jamaica Ave Brooklyn, NY | 97 | 835,106 | 880,221 | 856,684 | 958,924 | 1,020,466 |
| Jamaica 89-25 Parsons Blvd Jamaica, NY | 269 | 2,698,450 | 2,895,834 | 2,943,650 | 3,332,581 | 3,117,942 |
| Flushing 138-46 Northern Blvd Flushing, NY | 127 | 1,271,638 | 1,376,200 | 1,058,139 | 1,608,471 | 1,750,661 |
| Space Rental (Other) | — | <u>1,907,944</u> | <u>2,038,463</u> | <u>2,305,150</u> | <u>2,473,327</u> | <u>2,816,387</u> |
| Total | <u>1,640</u> | <u>\$22,791,647</u> | <u>\$23,804,734</u> | <u>\$21,841,490</u> | <u>\$24,807,848</u> | <u>\$27,461,441</u> |

Occupancy rates and daily room rates for the YMCA of GNY's 1,640 available rooms are as set forth below for the years ended December 31, 2007 through 2011:

| | OCCUPANCY RATE | AVERAGE DAILY ROOM RATE |
|------|----------------|----------------------------|
| 2007 | 73.0% | \$47.79 |
| 2008 | 72.7 | 49.96 |
| 2009 | 63.2 | 51.36 |
| 2010 | 69.9 | 53.41 |
| 2011 | 73.5 | 55.73 |

Contributions and Special Events. A portion of the YMCA of GNY's funding is derived from charitable contributions, donations and grants from a variety of individuals and organizations (referred to herein as "Donors"). The YMCA of GNY raises money from Donors through several ongoing campaigns, including the Next Century Capital Campaign for revitalization of facilities, the Strong Kids Campaign to strengthen programs for young people and the Heritage Society to grow the endowment. The uses that the YMCA of GNY makes of

funding derived from Donors may be limited by a variety of stipulations, agreements or legal requirements, and therefore such funding may not be available to pay debt service on the YMCA of GNY's indebtedness, including the Series 2012 Bonds. Contributions and special events income (net of direct expenses) are set forth below for the years ended December 31, 2007 through 2011:

| | TOTAL CONTRIBUTIONS AND SPECIAL EVENTS INCOME (NET) | CONTRIBUTIONS | SPECIAL EVENTS INCOME (NET) |
|------|--------------------------------------------------------------|---------------|--------------------------------|
| 2007 | \$18,389,547 | \$16,587,012 | \$1,802,535 |
| 2008 | 14,672,766 | 13,351,396 | 1,321,370 |
| 2009 | 12,130,813 | 10,900,124 | 1,230,689 |
| 2010 | 11,184,543 | 10,191,306 | 993,237 |
| 2011 | 11,089,641 | 10,212,126 | 877,515 |

Government Contract Revenues. The YMCA of GNY operates programs funded through approximately 120 contracts with a variety of federal, state or local governmental agencies and departments which produced the revenues as set forth below for the years ended December 31, 2007 through 2011:

| | TOTAL GOVERNMENT CONTRACT REVENUES | FEDERAL | STATE AND CITY |
|------|---------------------------------------|-------------|-------------------|
| 2007 | \$16,237,840 | \$7,246,866 | \$ 8,990,974 |
| 2008 | 20,354,155 | 4,858,500 | 15,495,655 |
| 2009 | 21,063,582 | 4,411,081 | 16,652,501 |
| 2010 | 20,632,305 | 5,025,606 | 15,606,699 |
| 2011 | 21,449,695 | 5,000,942 | 16,448,753 |

The majority of the contracts are with New York State and City agencies, with a small number from federal agencies. Currently most contracts are for a single year, although some contracts span several years. The YMCA of GNY has adopted a policy that government contracts should be undertaken or entered into only if and to the extent that the revenues generated by such contracts reimburse the YMCA of GNY for all of its costs, including the allocation of overhead expenses.

Most state contracts pay the YMCA of GNY on a cost reimbursement basis, including related overhead expenses. However, several contracts are performance-based, with reimbursement occurring as programmatic milestones are achieved. To date, the YMCA of GNY has met such performance targets.

New York City programs primarily include contracts with the Department of Youth Services. Additional contracts are with a variety of other New York City agencies and

departments. City contracts also pay the YMCA of GNY on a cost reimbursement basis, but typically limit allowable amounts of reimbursement for related overhead expenses.

The continued receipt of government contract revenues depends on a wide variety of factors, including continuing government appropriations for those programs and the ability of the YMCA of GNY to qualify, and to successfully compete, for the contracts.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

Over the past five years, the YMCA of GNY's finances have benefited from a diverse revenue base and careful expense management. The primary operating revenue generating programs and services are membership dues and program fees, residence and related services and government contract revenue, which accounted for approximately 90% of total operating revenues and public support in 2011. Contributions provided about 7% of total operating revenues and public support in 2011. While each of these areas was challenged during the 2008-2009 financial crisis, a strategic approach to programs resulted in resumed revenue growth following this period.

Membership dues of \$61.0 million in 2011 represented approximately 39% of total operating revenues and public support as compared to \$52.5 million or 35% of total operating revenues and public support in 2007. Program fees of \$30.7 million in 2011 represented approximately 20% of total operating revenues and public support as compared to \$32.9 million or 22% in 2007. The YMCA of GNY has benefited from the ability to offer family memberships and a continuum of program services at reasonable prices. Residence and related services of \$27.5 million in 2011 represented 18% of total operating revenues and public support, up from \$22.8 million or 15% of total operating revenues and public support in 2007. Demand for low cost overnight and transitional housing has provided the opportunity to increase room rates and occupancy during this period. Government contract revenue was \$21.4 million in 2011 or 14% of total operating revenues and public support as compared to \$16.2 million or 11% of total operating revenues and public support in 2007. The majority of growth in governmental contract revenue has come from New York State and City sources and the YMCA of GNY continues to be an important partner with governmental agencies to deliver these services. The YMCA of GNY has used flexible management approaches, such as expense reduction or reallocation of other revenues, to be in a position to address potential funding challenges that may arise in the future.

In 2011, contributions were \$10.2 million or 7% of total operating revenue and public support. Contributions represented 11% percent of total operating revenues and public support in 2007. While the 2008-2009 financial crisis affected contributions to most non-profit organizations, its diversity of revenues has enabled the YMCA of GNY to continue to deliver services on a city-wide basis.

Salaries and related expenses were \$81.2 million or 53% of total operating expenses in 2011. Salaries and related expenses have been flat over the past five years. As part of its plan to manage long-term expense growth and maintain flexibility, professional fees and contract services have been used to maintain and increase services and were 10% of total operating

expenses in 2011 as compared to 8% in 2007. As part of its conservative approach to budgeting, the YMCA of GNY treats depreciation and interest as an operating expense. Depreciation and amortization was \$12.2 million in 2011 or 8% of total operating expenses, up from \$9.2 million or 6.3% of total operating expenses in 2007.

One key to long-term success for the YMCA of GNY is maintenance of its existing facilities and investment in new facilities. The YMCA of GNY partners with private developers and the City of New York to provide new and upgraded branch facilities as part of larger mixed use developments. Private developers are often required to provide community space within their developments and the YMCA of GNY uses capital grants from the City of New York, contributions, and bank term loans to construct and equip branches. The YMCA of GNY is currently partnering with developers to build two new Branches in the Rockaways and Coney Island which are expected to open in 2013. In the Rockaways, construction is underway for a 44,000 square-foot facility to be owned by the YMCA of GNY. The YMCA of GNY expects to pay approximately \$3 million for capital improvements and equipment. The YMCA of GNY has entered into an agreement to lease the 44,000 square-foot Coney Island YMCA facility, which is under construction, for 40 years for \$2.2 million. The YMCA of GNY has pre-paid the rent and expects to also pay approximately \$2 million for additional capital improvements and equipment.

The 2008-2009 financial crisis, which affected non-profits nationwide, had an impact on the YMCA of GNY's investment portfolio and its financial covenants. In 2008, economic conditions resulted in unrealized net losses in the YMCA of GNY's investment portfolio of approximately \$8.5 million. The calculation of the debt service coverage ratio contained in the financial covenants for the Series 2006 Bonds does not include an adjustment for the impact of these unrealized losses in the calculation. Consequently, the YMCA of GNY did not meet its debt service coverage ratio for the year ended December 31, 2008 with respect to the Series 2006 Bonds. The calculation of debt service coverage contained in the financial covenants for the Series 1997 Bonds and Series 2002 Bonds is similar to the calculation for the Series 2006 Bonds, except that it includes an adjustment for unrealized net losses. Using the calculation for the Series 1997 Bonds and Series 2002 Bonds, the YMCA of GNY would have met the required debt service coverage ratio the year ended December 31, 2008 for the Series 2006 Bonds.

LONG RANGE STRATEGIC PLAN AND ANNUAL BUDGETING PROCEDURES

YMCA of GNY management has developed a three-year strategic development plan which calls for an analysis of each Branch's future capability to meet the following YMCA of GNY strategic objectives: (1) to strengthen the YMCA of GNY's position as New York City's leading youth-serving organization, (2) to strengthen the YMCA of GNY's presence in New York City's neighborhoods, and (3) to encourage civic leaders and major funders to become involved in its programs. Each summer, the plan is updated based on changing conditions and assumptions.

Each September, detailed budgets outlining anticipated revenues and expenditures for the coming year are prepared for each Branch of the YMCA of GNY in accordance with guidelines established by the Chief Financial Officer. These guidelines include, among other items, proper provisions for debt service, insurance and wage adjustments. Each Branch Executive Director

then obtains approval for the Branch budget from the Branch Board of Managers. Aggregated Branch budgets, which are incorporated into the overall YMCA of GNY budget, are presented to the Board of Directors in December of each year for approval. The annual budget is regarded as the current portion of the long range strategic plan.

ENDOWMENT AND BOARD DESIGNATED INVESTMENT FUNDS

The YMCA of GNY’s Endowment and Board Designated Investment Funds are comprised of the following:

Endowment Funds: Any contribution which contains donor-specified restrictions against the spending of the contribution’s principal is added to the Endowment Fund. The investment proceeds of a donor’s restricted contribution are directed toward specific Branches or programs, or toward general YMCA of GNY operating purposes in accordance with the donor’s wishes. The Endowment Fund’s principal and accumulated undistributed earnings may not be used to pay principal of or interest on the Series 2012 Bonds. The fair value of the Endowment Fund at December 31, 2011 was \$15,713,760.

Board Designated Investment Fund: This fund functions in a manner similar to the Endowment Fund (for investment and spending purposes), but does not contain legal restrictions against the spending of its principal. It is the policy of the Board of Directors to add the principal of any unrestricted bequest to the Board Designated Investment Fund. Principal and accumulated undistributed earnings of the Board Designated Investment Fund are available to pay debt service on the YMCA of GNY’s indebtedness, including the Series 2012 Bonds. The fair value of the Board Designated Investment Fund at December 31, 2011 was \$20,806,310.

The fair value of the YMCA of GNY Endowment Fund and Board Designated Investment Fund is as set forth below for the years ended December 31, 2007 through 2011:

| | FAIR VALUE OF ENDOWMENT AND BOARD DESIGNATED INVESTMENT FUND | ANNUAL RETURN ON INVESTMENTS |
|------|--------------------------------------------------------------------|---------------------------------|
| 2007 | \$39,295,049 | 12.01 % |
| 2008 | 26,743,461 | (31.23) |
| 2009 | 33,326,165 | 32.38 |
| 2010 | 37,319,214 | 15.19 |
| 2011 | 36,520,070 | (0.17) |

The primary objective of the YMCA of GNY endowment funds is to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

The secondary objective is to provide a sufficient degree of flexibility in order to meet changing environments and to offset future inflation. Assets are diversified to ensure that

adverse or unexpected results from one security or security class will not have a detrimental impact on the entire portfolio. Within certain limitations, a portfolio manager may invest in equity securities, fixed income securities, alternative investments and cash. Regardless of those limitations, however, all investments by the YMCA of GNY are subject to significant market driven uncertainties and there can be no assurance that such investments will provide returns sufficient for the YMCA of GNY's obligations. The Endowment Fund and Board Designated Investment Fund are invested as set forth below at December 31, 2011:

INVESTMENT ALLOCATION

| | |
|---------------------------|-----|
| Domestic Equity | 64% |
| International Equity | 11 |
| Fixed Income | 22 |
| Cash and Cash Equivalents | 3 |

Each year, annual spending or distribution from the Endowment Fund and the Board Designated Investment Fund is generally calculated as 5% of the average market value of the combined funds from the prior five-year period. Consideration is given to a number of factors when determining the actual amount to be distributed, including the duration and preservation of the Funds, the purposes of the Funds, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, other resources of the YMCA of GNY, alternatives to expenditure of the Funds, and the investment policy. The amount to be spent (net of management and custodian fees) is then transferred to operations each January.

The YMCA of GNY has a beneficial interest in perpetual trust whereby a third party trustee holds assets in perpetuity and distributes interest annually to the YMCA of GNY to be used in accordance with the donor's wishes. The beneficial interest in perpetual trust assets may not be used to pay principal of or interest on the Series 2012 Bonds. The fair value of the beneficial interest in perpetual trust at December 31, 2011 was \$7,239,335.

INSURANCE

The YMCA of GNY has an insurance program which includes policies from various carriers covering property, boiler, casualty, general liability, directors and officer's liability and other risks. The YMCA of GNY's current insurance policies are subject to deductible amounts. The YMCA of GNY employs an in-house corporate level risk manager who heads an organization-wide loss control program.

LITIGATION

The YMCA of GNY is involved in various litigation arising in the ordinary course of business. In the opinion of YMCA of GNY management, the probable ultimate recoveries and the estimated costs and expenses of defense (i) will be entirely within applicable commercial insurance policy limits (subject to applicable deductibles), (ii) will not be in excess of the total

reserves held under applicable self-insurance programs or otherwise available, (iii) will not result in an adverse determination or (iv), if an adverse determination were to result, will not have a materially adverse effect on the financial condition or results of operations of the YMCA of GNY.

**Young Men's Christian
Association of Greater
New York**
Financial Statements
December 31, 2011

Young Men's Christian Association of Greater New York

Index

December 31, 2011

Page(s)

Report of Independent Auditors 1

Financial Statements

Statement of Financial Position..... 2

Statement of Activities..... 3

Statement of Cash Flows 4

Statement of Functional Expenses 5

Notes to Financial Statements 6–26



Report of Independent Auditors

The Board of Directors of
Young Men's Christian Association of Greater New York

In our opinion, the accompanying statement of financial position and the related statements of activities and changes in net assets, cash flows, and expenses by function present fairly, in all material respects, the financial position of Young Men's Christian Association of Greater New York ("the Association") at December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Association's 2010 financial statements, and in our report dated May 11, 2011, we expressed an unqualified opinion on those financial statements. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

May 15, 2012

Young Men's Christian Association of Greater New York
Statement of Financial Position
December 31, 2011 and 2010

| | 2011 | 2010 |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Assets | | |
| Cash and cash equivalents | \$ 17,660,105 | \$ 11,207,846 |
| Cash restricted for use for capital acquisitions | 1,608,293 | 3,439,455 |
| Contributions receivable, net | 1,922,518 | 2,461,901 |
| Government receivables, net | 11,990,675 | 14,779,323 |
| Other receivables, net of allowance for uncollectible accounts of \$214,370 and \$246,000 in 2011 and 2010, respectively | 5,635,601 | 5,815,499 |
| Investments | 36,695,210 | 37,547,171 |
| Debt service reserve | 7,511,085 | 7,510,381 |
| Property and equipment, net | 188,416,633 | 188,108,056 |
| Deferred charges | 4,144,293 | 2,190,647 |
| Other assets | 199,947 | 151,744 |
| Beneficial interest in perpetual trust | 7,239,335 | 7,501,749 |
| Total assets | <u>\$ 283,023,695</u> | <u>\$ 280,713,772</u> |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Accounts payable and accrued expenses | 17,951,059 | \$ 15,514,118 |
| Accrued salaries and related expenses | 5,100,957 | 4,934,996 |
| Accrued liability for self-insured losses | 3,498,566 | 2,230,773 |
| Deferred revenue | 7,755,962 | 8,562,530 |
| Debt obligations | 81,617,756 | 81,533,253 |
| Total liabilities | <u>115,924,300</u> | <u>112,775,670</u> |
| Net assets | | |
| Unrestricted | | |
| Board designated | 20,847,814 | 21,564,702 |
| Undesignated | 109,465,180 | 109,111,966 |
| Total unrestricted | <u>130,312,994</u> | <u>130,676,668</u> |
| Temporarily restricted | 20,042,839 | 20,764,663 |
| Permanently restricted | 16,743,562 | 16,496,771 |
| Total net assets | <u>167,099,395</u> | <u>167,938,102</u> |
| Total liabilities and net assets | <u>\$ 283,023,695</u> | <u>\$ 280,713,772</u> |

The accompanying notes are an integral part of these financial statements.

Young Men's Christian Association of Greater New York
Statement of Activities
Year Ended December 31, 2011 with Summarized Comparative Information for the
Year Ended December 31, 2010

| | Unrestricted | Temporarily Restricted | Permanently Restricted | 2011 Total | 2010 Total |
|-------------------------------------------------------------------------------------|-----------------------|---------------------------|---------------------------|-----------------------|-----------------------|
| Operating revenues and public support | | | | | |
| Contributions | \$ 7,736,869 | \$ 2,475,257 | \$ - | \$ 10,212,126 | \$ 10,191,306 |
| Special events gross income | 1,519,562 | - | - | 1,519,562 | 1,605,829 |
| Less: Direct cost of special events | (642,047) | - | - | (642,047) | (612,592) |
| | <u>877,515</u> | <u>-</u> | <u>-</u> | <u>877,515</u> | <u>993,237</u> |
| Membership dues and program fees | 91,718,202 | - | - | 91,718,202 | 89,456,681 |
| Residence and related services | 27,461,441 | - | - | 27,461,441 | 24,807,848 |
| Government contract revenues | 21,449,695 | - | - | 21,449,695 | 20,632,305 |
| Investment income | 577,940 | 518,560 | 1,206 | 1,097,706 | 956,813 |
| Endowment support for current activities | 1,317,350 | - | - | 1,317,350 | 1,277,729 |
| Other fees | 342,760 | - | - | 342,760 | 341,383 |
| Net assets released from restrictions | 3,414,421 | (3,414,421) | - | - | - |
| Total operating revenues and public support | <u>154,896,193</u> | <u>(420,604)</u> | <u>1,206</u> | <u>154,476,795</u> | <u>148,657,302</u> |
| Operating expenses | | | | | |
| Salaries and related expenses | 81,171,965 | - | - | 81,171,965 | 80,185,612 |
| Staff training and conferences | 2,170,857 | - | - | 2,170,857 | 1,775,849 |
| Professional fees and contract services | 15,642,082 | - | - | 15,642,082 | 15,091,005 |
| Facility occupancy | 11,861,281 | - | - | 11,861,281 | 11,488,696 |
| Supplies | 11,282,698 | - | - | 11,282,698 | 10,596,533 |
| Repairs and maintenance | 3,091,114 | - | - | 3,091,114 | 4,498,200 |
| Telephone and postage | 948,529 | - | - | 948,529 | 915,003 |
| Insurance | 6,099,670 | - | - | 6,099,670 | 3,707,159 |
| Promotion and advertising | 2,832,404 | - | - | 2,832,404 | 2,865,252 |
| Transportation | 1,070,959 | - | - | 1,070,959 | 1,080,625 |
| Support of affiliated organizations | 260,371 | - | - | 260,371 | 253,976 |
| Bad debts | 887,385 | - | - | 887,385 | 915,807 |
| Interest | 3,547,331 | - | - | 3,547,331 | 3,691,516 |
| Depreciation and amortization | 12,192,836 | - | - | 12,192,836 | 11,607,273 |
| Total operating expenses | <u>153,059,482</u> | <u>-</u> | <u>-</u> | <u>153,059,482</u> | <u>148,672,506</u> |
| Excess of operating revenues and public support over operating expenses | 1,836,711 | (420,604) | 1,206 | 1,417,313 | (15,204) |
| Nonoperating changes | | | | | |
| Investment return in excess of (less than) current support for operating activities | (1,863,038) | (301,220) | 245,585 | (1,918,673) | 3,388,241 |
| Pension - related changes other than net periodic pension cost | (337,347) | - | - | (337,347) | 255,308 |
| Changes in net assets | <u>(363,674)</u> | <u>(721,824)</u> | <u>246,791</u> | <u>(838,707)</u> | <u>3,628,345</u> |
| Net assets at beginning of year, as revised (note 2) | <u>130,676,668</u> | <u>20,764,663</u> | <u>16,496,771</u> | <u>167,938,102</u> | <u>164,309,757</u> |
| Net assets at end of year | <u>\$ 130,312,994</u> | <u>\$ 20,042,839</u> | <u>\$ 16,743,562</u> | <u>\$ 167,099,395</u> | <u>\$ 167,938,102</u> |

The accompanying notes are an integral part of these financial statements.

Young Men's Christian Association of Greater New York
Statement of Cash Flows
Years Ended December 31, 2011 and 2010

| | 2011 | 2010 |
|--------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ (838,707) | \$ 3,628,345 |
| Adjustments to reconcile change in net assets to cash provided by operating activities | | |
| Realized and unrealized (gain) loss on investments | 335,782 | (4,123,921) |
| Unrealized (gain) loss on beneficial interest in perpetual trust | 265,541 | (543,236) |
| Depreciation and amortization | 12,192,835 | 11,607,273 |
| Contributions restricted for long-term investment | (813,963) | (2,444,933) |
| Change in | | |
| Contributions receivable, net | (859,788) | (193,718) |
| Government receivables, net | 2,788,648 | 790,779 |
| Other receivables, net | 179,898 | 15,435 |
| Debt service reserve | (704) | (1,645) |
| Deferred charges | (2,122,703) | (45,851) |
| Other assets | (48,203) | 168,117 |
| Accounts payable and accrued expenses, accrued salaries and related expenses, accrued liability for self-incurred losses | 3,870,695 | 1,098,476 |
| Deferred revenue | <u>(806,568)</u> | <u>(528,655)</u> |
| Net cash provided by operating activities | <u>14,142,763</u> | <u>9,426,466</u> |
| Cash flows from investing activities | | |
| Purchase of fixed assets | (11,415,597) | (10,087,074) |
| Proceeds from the sale of investments | 13,529,810 | 16,881,123 |
| Purchase of investments | <u>(12,204,001)</u> | <u>(16,834,568)</u> |
| Net cash used in investing activities | <u>(10,089,788)</u> | <u>(10,040,519)</u> |
| Cash flows from financing activities | | |
| Receipts from contributions restricted for long-term investment | 1,400,377 | 2,644,964 |
| Repayment of debt obligations | (2,619,254) | (2,314,684) |
| Proceeds from debt obligations | <u>1,786,999</u> | <u>2,597,998</u> |
| Net cash provided by financing activities | <u>568,122</u> | <u>2,928,278</u> |
| Net change in cash and cash equivalents | 4,621,097 | 2,314,225 |
| Cash and cash equivalents | | |
| Beginning of year | <u>14,647,301</u> | <u>12,333,076</u> |
| End of year | <u>\$ 19,268,398</u> | <u>\$ 14,647,301</u> |
| Supplemental information | | |
| Interest paid during the year | \$ 3,548,185 | \$ 3,691,516 |

Significant Noncash Items

- 1) The Association received \$1,050,000 in free rent from Avalon Bay. The free rent was included in the Statement of Activities as revenue in contributions and expensed in facility occupancy.
- 2) Assets acquired under capital leases with principal payments of \$135,302 made. Total assets acquired under capital leases were \$919,349.

The accompanying notes are an integral part of these financial statements.

Young Men's Christian Association of Greater New York
Statement of Functional Expenses
Year Ended December 31, 2011 with Summarized Financial Information for the Year Ended December 31, 2010

| | Program | | | | | | | | Supporting Services | | 2011 Total | 2010 Total |
|--------------------------------------------|----------------------|-----------------------------|----------------------|----------------------|-----------------------|--------------------------|---------------------------------|-----------------------|---------------------------|---------------------|-----------------------|-----------------------|
| | Child Development | Camping and Outdoor Life | Teen Work | Housing | Healthy Lifestyles | Community Development | International/ New Americans | Subtotal | Management and General | Fund- raising | | |
| Salaries and wages | \$ 16,264,131 | \$ 4,098,762 | \$ 3,925,569 | \$ 3,749,092 | \$ 21,886,751 | \$ 4,856,002 | \$ 1,483,325 | \$ 56,263,632 | \$ 7,902,266 | \$ 1,106,941 | \$ 65,272,839 | \$ 64,481,857 |
| Payroll taxes | 1,870,031 | 448,579 | 432,879 | 357,333 | 2,416,921 | 577,934 | 153,353 | 6,257,030 | 567,475 | 97,044 | 6,921,549 | 7,127,525 |
| Employee benefits | 2,124,367 | 268,930 | 520,234 | 842,404 | 2,750,253 | 714,400 | 316,951 | 7,537,539 | 1,278,896 | 161,142 | 8,977,577 | 8,576,230 |
| Staff training and conferences | 52,074 | 87,079 | 321,933 | 73,043 | 136,604 | 91,583 | 119,143 | 881,459 | 1,233,402 | 55,996 | 2,170,857 | 1,775,849 |
| Professional fees and contract services | 3,664,809 | 1,042,442 | 1,395,748 | 2,686,942 | 2,662,243 | 1,198,938 | 567,923 | 13,219,045 | 1,763,322 | 659,715 | 15,642,082 | 15,091,005 |
| Facility occupancy | 1,375,926 | 1,904,281 | 1,434,459 | 3,631,965 | 2,883,016 | 215,999 | 343,635 | 11,789,281 | 72,000 | - | 11,861,281 | 11,488,696 |
| Supplies | 2,001,759 | 1,683,651 | 1,207,153 | 2,179,832 | 2,381,052 | 722,705 | 285,602 | 10,461,754 | 693,163 | 127,781 | 11,282,698 | 10,596,533 |
| Repairs and maintenance | 223,021 | 138,500 | - | 1,034,631 | 1,142,203 | 308,912 | 129,452 | 2,976,719 | 110,165 | 4,230 | 3,091,114 | 4,498,200 |
| Telephone and postage | 200,614 | 36,815 | 24,410 | 43,258 | 262,391 | 89,574 | 174,751 | 831,813 | 97,466 | 19,250 | 948,529 | 915,003 |
| Insurance | 1,502,270 | 381,336 | 367,369 | 515,468 | 1,753,584 | 451,844 | 692,662 | 5,664,533 | 435,137 | - | 6,099,670 | 3,707,159 |
| Promotions and advertising | 338,462 | 170,700 | 171,813 | 323,026 | 994,340 | 33,414 | 54,054 | 2,085,809 | 481,509 | 265,086 | 2,832,404 | 2,865,252 |
| Transportation | 327,230 | 335,930 | 185,675 | 480 | 12,141 | 42,106 | 164,145 | 1,067,707 | 3,252 | - | 1,070,959 | 1,080,625 |
| Support of affiliated organizations | 74,286 | 19,150 | 18,341 | 17,516 | 101,460 | 22,688 | 6,930 | 260,371 | - | - | 260,371 | 253,976 |
| Bad debts | 122,749 | 123,342 | 35,408 | 47,784 | 177,171 | 42,945 | 81,751 | 631,150 | - | 256,235 | 887,385 | 915,807 |
| Interest | 943,696 | 324,313 | 301,152 | 322,806 | 914,171 | 151,200 | 129,952 | 3,087,290 | 460,041 | - | 3,547,331 | 3,691,516 |
| Depreciation and amortization | 1,599,337 | 1,596,651 | 1,519,258 | 1,769,209 | 3,054,832 | 515,538 | 434,254 | 10,489,079 | 1,489,367 | 214,390 | 12,192,836 | 11,607,273 |
| Total program expenses | \$ 32,684,762 | \$ 12,660,461 | \$ 11,861,401 | \$ 17,594,789 | \$ 43,529,133 | \$ 10,035,782 | \$ 5,137,883 | \$ 133,504,211 | \$ 16,587,461 | \$ 2,967,810 | \$ 153,059,482 | \$ 148,672,506 |

The accompanying notes are an integral part of these financial statements.

Young Men's Christian Association of Greater New York
Notes to Financial Statements
December 31, 2011, with Comparative Totals for December 31, 2010

1. Organization

Background

The financial statements of the Young Men's Christian Association (YMCA) of Greater New York (the "Association") include the accounts of the Association Office and all of its branches.

Since 1852, the Association has served New Yorkers through programs that build spirit, mind and body, welcoming all people, with a focus on youth. The Association serves 200,000 girls and boys and 200,000 adults each year at 21 full-service branches and more than 180 public schools, parks and community centers throughout the five boroughs. All Association programs teach the core values of caring, honesty, respect and responsibility and continue our 159-year tradition of emphasis upon youth, healthy lifestyles, adult education, community collaboration and problem solving. The Association is an open and inclusive organization and welcomes all without discrimination to race, ethnicity, color, national origin, citizenship, creed, religion, age, abilities, sexual orientation or income.

The Association is supported primarily by membership dues and program fees, residence and related services, and government contract revenues.

Tax Exempt Status

The Association qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined not to be a private foundation under Section 509(a)(1) of the Code.

2. Revision

In 2011, the Association identified an error related to its 2010 implementation of the New York State version of the Uniform Prudent Management of Institutional Funds Act ("NYPMIFA"). As a result of this implementation, temporarily restricted net assets were understated by \$6,847,489 and unrestricted net assets were overstated by \$6,847,489. Total net assets were not impacted. The revised line items within the 2010 statement of financial position and statement of activities are as follows:

| Net Assets | As Previously Reported 12/31/2010 | As Revised 12/31/2010 |
|------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------|
| Unrestricted net assets | \$ 137,524,157 | \$ 130,676,668 |
| Temporarily restricted net assets | \$ 13,917,174 | \$ 20,764,663 |
| | | |
| Change in net assets as a result of the implementation of NYPMIFA | As Previously Reported 12/31/2010 | As Revised 12/31/2010 |
| Unrestricted net assets | \$ 1,782,315 | \$ (5,065,174) |
| Temporarily restricted net assets | \$ 1,038,693 | \$ 7,886,182 |

Young Men's Christian Association of Greater New York
Notes to Financial Statements
December 31, 2011, with Comparative Totals for December 31, 2010

3. Accounting Policies

Basis of Accounting and Presentation

The financial statements of the Association are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Such statements of financial position are presented in order of liquidity.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates relate to the collectability and carrying value of receivables, self-insurance loss accruals and the assumptions associated with calculating the defined benefit, pension plan obligation.

Net Asset Accounting

The Association classifies operating revenues and public support, operating expenses and non-operating changes into three net asset categories according to the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein, are classified and reported as follows:

Permanently restricted net assets consist primarily of contributions received subject to donor-imposed stipulations that they must be maintained in perpetuity. Generally the donors of these assets permit the Association to use all or part of the income earned on the related investments for general or specific purposes. In certain cases donors require, and the Association records, appreciation and/or income on the donor-restricted endowment funds as permanently restricted net assets.

Temporarily restricted net assets include contributions subject to donor-imposed stipulations that expire with the passage of time, payment of receivables, or specific actions to be undertaken by the Association. In addition, appreciation and income on certain donor-restricted endowment funds are classified as temporarily restricted net assets until appropriated for spending. Donor-restricted resources intended for capital projects are initially recorded as temporarily restricted and released from their temporary restrictions and reclassified as unrestricted support when the asset is placed in service. When a time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the year of contribution are reported as unrestricted support. Investment income earned on restricted contributions whose restrictions are met within the same year as received is reported as unrestricted investment income.

Unrestricted net assets include public support and revenues that are not subject to donor-imposed stipulations. All expenses are reported as decreases in unrestricted net assets.

Both income and principal of the board designated funds, which are included in unrestricted net assets, may be used by the Association with the Board of Director's approval.

Young Men's Christian Association of Greater New York
Notes to Financial Statements
December 31, 2011, with Comparative Totals for December 31, 2010

Cash and Cash Equivalents

Cash and cash equivalents are short-term highly liquid investments with original maturities of three months or less at the time of purchase, except for those investments to be applied to specific purposes or included in the Association's long-term investment strategies. The carrying amount of the Association's cash equivalents approximates fair value because of the short maturity of these instruments. Included in cash and cash equivalents are amounts in excess of FDIC limits. Management believes the credit risk related to these amounts is minimal.

The change in cash and cash equivalents on the cash flow statement includes cash restricted for use for capital acquisitions and for payment of interest.

Contributions Receivable

The Association records contributions receivable, net of allowances for estimated uncollectible amounts, when there is sufficient evidence in the form of verifiable documentation that an unconditional promise was received. The Association discounts multi-year pledges that are expected to be collected after one year using a risk free discount rate. Multi-year pledges are recorded at fair value at the date of the pledge. The allowance for doubtful accounts is determined by the age of the balance, historical collection rates, and specific identification of uncollectible accounts. Uncollectible contributions receivable are charged to the allowance. An expense is recorded at the time the allowance is adjusted. Conditional promises to give are recognized only when the conditions on which they depend are substantially met.

Government Receivables

The Association records government receivables, net of allowances for estimated uncollectible amounts, as the related costs are incurred under the grant or contract and after all conditions are met. The allowance for doubtful accounts is determined by a monthly and semi-annual review of account balances, including the age of the balance, historical collection experience and specific identification of uncollectible accounts. Uncollectible receivables are charged to the allowance. An expense is recorded at the time the allowance is adjusted.

Other Receivables

The Association extends credit to third party payers of child development and other programs in the normal course of operations which are due within 90 days of the date of service. The Association also extends credit to its members enrolling in certain programs, such as summer and day camp, which are due in full prior to the start of the program. Receivables are recorded at estimated fair value at the time of origination, and are reflected in the statement of financial position net of allowances for doubtful accounts. The allowance for doubtful accounts is determined by a monthly and semi-annual review of account balances, including the age of the balance and historical collection experience. Uncollectible receivables are charged to the allowance. An expense is recorded at the time the allowance is adjusted.

Investments

The fair value of investments in securities traded on national securities exchanges are valued at the closing price on the last business day of the year; securities traded on the over-the-counter market are valued at the last reported bid price. Investment transactions are accounted for on the dates the purchases or sales are executed (trade date). Realized gains and losses are computed on the average-cost basis for investments sold. Unrealized gains and losses are recorded on an annual basis. Dividend income is recorded on the ex-dividend date; interest income is recorded as earned.

Young Men's Christian Association of Greater New York
Notes to Financial Statements
December 31, 2011, with Comparative Totals for December 31, 2010

Fair Value Accounting

The Association measures the fair value of its financial assets and liabilities as the price that would be received to sell an asset or paid to transfer a liability in the principal market for the asset or liability. In the absence of a principal market, the Association would use the most advantageous market for the asset or liability, in an orderly transaction between market participants at the measurement date.

The Association categorizes the financial assets and liabilities, based on the priority of inputs to the valuation technique, into a three tiered hierarchy which maximizes the use of observable inputs, and minimizes the use of unobservable inputs as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities. Included in Level 1 are common stocks and money market funds.

Level 2 – Observable inputs other than those included in Level 1, such as quoted prices for similar assets and liabilities, quoted prices in markets that are not active. Included in Level 2 are debt securities. The fair value was derived from investment statements.

Level 3 - Unobservable inputs developed using estimates and assumptions developed by the Association, which reflect those a market participant would use. Included in Level 3 is the beneficial interest in perpetual trust. The fair value was derived from investment statements.

Property and Equipment

The Association capitalizes the cost of improvements and new acquisitions of property and equipment, and depreciates and amortizes these costs using the straight-line method over the estimated remaining useful lives of the related assets as follows:

| | Range of Estimated Useful Lives |
|--------------------------------------|--------------------------------------------|
| Buildings and leasehold improvements | 15 - 30 |
| Furniture and fixtures | 7 - 10 |
| Equipment | 3 - 7 |

Donated assets are recorded at their estimated fair value on the date of donation. Property and equipment under capital lease obligations and leasehold improvements are amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the asset.

Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of

The Association reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of the property and equipment may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to future net cash flows, undiscounted and without interest, expected to be generated by the asset. If assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the asset. During the years ending December 31, 2011 and 2010, there were no events or changes in circumstances indicating that the carrying amount of the fixed assets may not be recoverable.

Young Men's Christian Association of Greater New York

Notes to Financial Statements

December 31, 2011, with Comparative Totals for December 31, 2010

Split-Interest Agreements

The Association receives other contributions in the form of charitable gift annuities, under which the Association agrees to pay the donor or the donor's designee a fixed amount for a period of time. The obligation is recorded at its present value (discounted by approximately 5% per year) in other liabilities. The difference between the assets received and the obligation is reported as unrestricted or permanently restricted contribution revenue.

The Association has a beneficial interest in a trust whereby the assets are held in perpetuity by a third party trustee. Interest received annually is recorded in unrestricted net assets. Changes in the annual fair market valuation are recorded in permanently restricted net assets because the asset is not available to the Association.

Defined Benefit Pensions

The Association follows pension accounting which requires plan sponsors of defined benefit pension plans to recognize the overfunded or underfunded status of its plans in the statement of financial position, measure the fair value of plan assets and benefit obligations as of the fiscal year ends, and provide additional disclosures. The guidance also requires that changes that occur in the funded status of the plans be recognized by the Association in the year in which the changes occur as a change in unrestricted net assets presented below excess (deficiency) of revenues and public support over expenses in the statement of activities and changes in net assets.

Measure of Operations

The Association includes in its definition of measure of operations, excess of operating revenues and public support over operating expenses, all support and revenues that are an integral part of its programs and supporting activities. Included in investment income, included in operating revenues and public support, is an amount earned on the Association's investment portfolio developed from the endowment spending formula, income from beneficial interests in perpetual trust and interest income. Excluded from operating revenues and expenses are investment returns in excess of or less than the endowment spending formula amount and changes in pension other than net periodic pension cost. The endowment spending rate formula amount included in current operations is the trailing average fair value of the endowment investment portfolio for the 20 quarters ended the prior June 30th multiplied by five percent.

Donated Services

A substantial number of corporations and volunteers have donated significant amounts of time and services in the Association's program operations and in its fund-raising campaigns. However, such contributed services do not meet the criteria for recognition of contributed services contained in accounting principles generally accepted in the United States of America and, accordingly, are not reflected in the accompanying financial statements. Other donated services are recorded in the financial statements if they enhance nonfinancial assets, are provided by a person possessing a specific skill and the Association would need to purchase these services if not donated.

Functional Expenses

The Association records expenses on a functional basis among its various program activities and supporting services. Expenses that can be identified with a specific program or supporting service are charged directly. Other expenses that are common to several functions are allocated by various statistical bases. Program activities represent the costs associated with the delivery of programs relating to child development, camping and outdoor life, teen work, housing, healthy lifestyles, community development and international/new Americans.

Young Men's Christian Association of Greater New York
Notes to Financial Statements
December 31, 2011, with Comparative Totals for December 31, 2010

Recent Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board ("FASB") issued new accounting standards on fair value by providing additional guidance requiring new disclosures about fair value measurements. Specifically, guidance requires the disclosure of transfers between Level 1 and Level 2 and into or out of Level 3, a description of the Association's policy as to when it recognizes the transfers between levels, and a gross presentation of activity within the Level 3 roll forward. This guidance also clarifies that the information should be presented by class of financial asset or liability and that a discussion of valuation techniques and inputs is required for Level 2 and Level 3 recurring and nonrecurring fair value measurements. This guidance was effective and was adopted by the Association for the year ended December 31, 2010, except for the gross presentation within the Level 3 roll forward, which was effective and was adopted for the Association for the year ended December 31, 2011. The adoption of this guidance did not have a material impact on the Association's financial condition or its operations. The additional disclosures required under this guidance are detailed in Notes 6 and 7.

In May 2011, FASB issued new accounting standards on fair value by providing additional guidance about fair value measurements and disclosures. The guidance will be effective for the year ending December 31, 2012. The adoption of this guidance is not expected to have a material impact on the Association's financial condition or its operations.

Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

Reclassifications

Certain reclassifications have been made to amounts previously reported to conform to the current year's presentation. Such reclassifications had no effect on changes in net assets.

4. Contributions Receivable

Contributions receivable comprised the following at December 31:

| | 2011 | 2010 |
|--------------------------------------------|---------------------|---------------------|
| Amounts due in | | |
| Less than one year | \$ 907,406 | \$ 1,510,222 |
| One to five years | 1,128,000 | 1,240,000 |
| | <u>2,035,406</u> | <u>2,750,222</u> |
| Less: Allowance for uncollectible accounts | 110,241 | 269,000 |
| Less: Unamortized discount | 2,647 | 19,321 |
| Contributions receivable, net | <u>\$ 1,922,518</u> | <u>\$ 2,461,901</u> |

Included in contributions above were \$1.9 million and \$2.6 million in various capital campaign pledges and \$0.1 million and \$0.1 million in Virtual Y pledges as of December 31, 2011 and 2010, respectively.

Young Men's Christian Association of Greater New York
Notes to Financial Statements
December 31, 2011, with Comparative Totals for December 31, 2010

5. Government Receivables

The Association receives grants from various government entities for human services and capital improvements. Government receivables comprised the following at December 31:

| | 2011 | 2010 |
|---------------------------------------------|----------------------|----------------------|
| Construction or acquisition of fixed assets | \$ 8,119,536 | \$ 8,030,440 |
| Program services | 4,171,139 | 7,248,883 |
| | <u>12,290,675</u> | <u>15,279,323</u> |
| Less: Allowance for uncollectible accounts | 300,000 | 500,000 |
| Government receivables, net | <u>\$ 11,990,675</u> | <u>\$ 14,779,323</u> |

6. Investments and Beneficial Interest in Perpetual Trust

Components of investment income and loss included in operating revenues and public support and non-operating changes were as follows:

| | 2011 | | | 2010 | |
|----------------------------------------------------------------------------------------------------|-----------------------|-------------------------------|-------------------------------|-----------------------|---------------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total | Total |
| Investment income, net of management fees of \$217,500 in 2011 and \$168,214 in 2010, respectively | \$ 577,940 | \$ 518,560 | \$ 1,206 | \$ 1,097,706 | \$ 956,813 |
| Unrealized and realized appreciation, (depreciation), net | (545,689) | (301,220) | 245,585 | (601,324) | 4,665,970 |
| Total return on investments | 32,251 | 217,340 | 246,791 | 496,382 | 5,622,783 |
| Return allocated for current activities | (577,939) | (518,560) | (1,206) | (1,097,705) | (956,813) |
| Endowment support for current activities | (1,317,350) | - | - | (1,317,350) | (1,277,729) |
| Investment return (less than) current support for operating activities | <u>\$ (1,863,038)</u> | <u>\$ (301,220)</u> | <u>\$ 245,585</u> | <u>\$ (1,918,673)</u> | <u>\$ 3,388,241</u> |

Young Men's Christian Association of Greater New York
Notes to Financial Statements
December 31, 2011, with Comparative Totals for December 31, 2010

7. Fair Value Measurements

The following table summarizes the valuation of investments and beneficial interest in a perpetual trust at December 2011:

| | Total | Quoted Prices in Active Markets for Identical Assets Level 1 | Significant Other Observable Inputs Level 2 | Significant Unobservable Inputs Level 3 |
|----------------------------------------|----------------------|--------------------------------------------------------------------------------|---------------------------------------------------------|--------------------------------------------------|
| Investments | | | | |
| Common stocks | | | | |
| US Large | \$ 15,689,474 | \$ 15,689,474 | \$ - | \$ - |
| US Mid | 5,809,903 | 5,809,903 | - | - |
| US Small | 1,700,238 | 1,700,238 | - | - |
| Non US | 4,071,418 | 4,071,418 | - | - |
| | <u>27,271,033</u> | <u>27,271,033</u> | <u>-</u> | <u>-</u> |
| Debt securities | | | | |
| Corporate | 5,934,980 | - | 5,934,980 | - |
| Short-term bond fund | | | | |
| Mutual Funds | <u>2,147,278</u> | <u>-</u> | <u>2,147,278</u> | <u>-</u> |
| | <u>2,147,278</u> | <u>-</u> | <u>2,147,278</u> | <u>-</u> |
| | <u>8,082,258</u> | <u>-</u> | <u>8,082,258</u> | <u>-</u> |
| Money market fund | 1,103,607 | 1,103,607 | - | - |
| Beneficial Interest in Perpetual Trust | 7,239,335 | - | - | 7,239,335 |
| | <u>43,696,233</u> | <u>28,374,640</u> | <u>8,082,258</u> | <u>7,239,335</u> |
| Charitable Gift Annuity Related | | | | |
| Investments | | | | |
| Common stocks | | | | |
| US Large | 40,962 | 40,962 | - | - |
| US Mid | 4,679 | 4,679 | - | - |
| Non US | 16,847 | 16,847 | - | - |
| Other | 9,716 | 9,716 | - | - |
| | <u>72,204</u> | <u>72,204</u> | <u>-</u> | <u>-</u> |
| Short-term bond fund | | | | |
| Mutual Funds | 124,407 | - | 124,407 | - |
| International Bond | 8,733 | - | 8,733 | - |
| Other | 12,030 | - | 12,030 | - |
| | <u>145,170</u> | <u>-</u> | <u>145,170</u> | <u>-</u> |
| Money market fund | | | | |
| | 20,938 | 20,938 | - | - |
| | <u>238,312</u> | <u>93,142</u> | <u>145,170</u> | <u>-</u> |
| | <u>\$ 43,934,545</u> | <u>\$ 28,467,782</u> | <u>\$ 8,227,428</u> | <u>\$ 7,239,335</u> |

Young Men's Christian Association of Greater New York
Notes to Financial Statements
December 31, 2011, with Comparative Totals for December 31, 2010

The following table summarizes the valuation of investments and beneficial interest in a perpetual trust at December 2010:

| | Total | Quoted Prices in Active Markets for Identical Assets Level 1 | Significant Other Observable Inputs Level 2 | Significant Unobservable Inputs Level 3 |
|----------------------------------------------------|----------------------|--------------------------------------------------------------------------------|---------------------------------------------------------|--------------------------------------------------|
| Investments | | | | |
| Common stocks | | | | |
| US Large | \$ 12,118,135 | \$ 12,118,135 | \$ - | \$ - |
| US Mid | 6,125,397 | 6,125,397 | - | - |
| US Small | 1,909,445 | 1,909,445 | - | - |
| Non US | 3,862,382 | 3,862,382 | - | - |
| Other | 4,226,566 | 4,226,566 | - | - |
| | <u>28,241,925</u> | <u>28,241,925</u> | <u>-</u> | <u>-</u> |
| Debt securities | | | | |
| Corporate | 5,548,376 | - | 5,548,376 | - |
| Short-term bond fund | | | | |
| Mutual Funds | 2,925,499 | - | 2,925,499 | - |
| | <u>2,925,499</u> | <u>-</u> | <u>2,925,499</u> | <u>-</u> |
| | <u>8,473,875</u> | <u>-</u> | <u>8,473,875</u> | <u>-</u> |
| Money market fund | 600,514 | 600,514 | - | - |
| Beneficial Interest in Perpetual Trust | 7,501,749 | - | - | 7,501,749 |
| | <u>44,818,063</u> | <u>28,842,439</u> | <u>8,473,875</u> | <u>7,501,749</u> |
| Charitable Gift Annuity Related Investments | | | | |
| Common stocks | | | | |
| US Large | 28,651 | 28,651 | - | - |
| US Mid | 12,105 | 12,105 | - | - |
| Non US | 23,214 | 23,214 | - | - |
| Other | 10,675 | 10,675 | - | - |
| | <u>74,645</u> | <u>74,645</u> | <u>-</u> | <u>-</u> |
| Short-term bond fund | | | | |
| Mutual Funds | 121,493 | - | 121,493 | - |
| International Bond | 4,662 | - | 4,662 | - |
| Other | 11,463 | - | 11,463 | - |
| | <u>137,618</u> | <u>-</u> | <u>137,618</u> | <u>-</u> |
| Money market fund | | | | |
| | 18,594 | 18,594 | - | - |
| | <u>230,857</u> | <u>93,239</u> | <u>137,618</u> | <u>-</u> |
| | <u>\$ 45,048,920</u> | <u>\$ 28,935,678</u> | <u>\$ 8,611,493</u> | <u>\$ 7,501,749</u> |

Young Men's Christian Association of Greater New York
Notes to Financial Statements
December 31, 2011, with Comparative Totals for December 31, 2010

| | Fair Value Measurements Using Significant Unobservable Inputs (Level 3) | |
|------------------------------|----------------------------------------------------------------------------------------|---------------------|
| | Beneficial Interest in Perpetual Trust | |
| | 2011 | 2010 |
| Beginning balance | \$ 7,501,749 | \$ 6,942,375 |
| Interest and dividend income | 193,254 | 180,763 |
| Realized (losses)/gains | 14,500 | 3,842 |
| Disbursements | (179,545) | (154,757) |
| Fees | (10,582) | (9,868) |
| Unrealized loss | (280,041) | 539,394 |
| Ending balance | \$ 7,239,335 | \$ 7,501,749 |

8. Property and Equipment

Property and equipment consist of the following at December 31:

| | 2011 | 2010 |
|---------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Land | \$ 5,785,464 | \$ 5,785,464 |
| Buildings and improvements | 263,935,217 | 259,587,510 |
| Equipment (includes capital leased assets of \$2,134,808 in 2011 and \$1,215,459 in 2010, respectively) | 41,260,278 | 36,992,403 |
| Furniture and fixtures | 7,713,183 | 7,117,793 |
| Leasehold improvements | 816,991 | 816,992 |
| Construction in progress | 8,392,230 | 5,268,255 |
| | <u>327,903,363</u> | <u>315,568,417</u> |
| Less: Accumulated depreciation and amortization | <u>(139,486,730)</u> | <u>(127,460,361)</u> |
| Property and equipment, net | <u>\$ 188,416,633</u> | <u>\$ 188,108,056</u> |

Young Men's Christian Association of Greater New York
Notes to Financial Statements
December 31, 2011, with Comparative Totals for December 31, 2010

9. Debt Obligations

Debt obligations consisted of the following at December 31:

| | 2011 | 2010 |
|-----------------------------------------------------|-----------------------------|-----------------------------|
| NYC Industrial Development Agency Series 1997 Bonds | \$ 9,330,000 | \$ 11,410,000 |
| NYC Industrial Development Agency Series 2002 Bonds | 17,195,000 | 17,195,000 |
| NYC Industrial Development Agency Series 2006 Bonds | 32,290,000 | 32,290,000 |
| Capitalized lease obligations | 1,400,667 | 940,773 |
| JP Morgan Chase Bank line of credit | 8,000,000 | 8,000,000 |
| JP Morgan Chase Bank loan | 11,868,800 | 10,081,800 |
| State Dormitory bonds, 5.55%, due 8/15/2020 | 897,000 | 976,800 |
| | <u>80,981,467</u> | <u>80,894,373</u> |
| Less: Unamortized discount on bonds | (216,344) | (249,278) |
| Plus: Unamortized premium on bonds | 852,633 | 888,158 |
| | <u>636,289</u> | <u>638,880</u> |
| Total debt obligations | <u>\$ 81,617,756</u> | <u>\$ 81,533,253</u> |

As of December 31, 2011, the aggregate maturities of debt obligations are as follows:

| | Series 1997 Bonds | Series 2002 Bonds | Series 2006 Bonds | Capitalized Lease Obligations | Line of Credit | Loan | State Dormitory Bonds | Total |
|------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------------------|---------------------------|----------------------|--------------------------------------|----------------------|
| 2012 | \$ 2,195,000 | \$ - | \$ - | \$ 475,002 | \$ 8,000,000 | \$ 11,868,800 | \$ 83,200 | \$ 22,622,002 |
| 2013 | 1,625,000 | 700,000 | - | 451,903 | - | - | 88,200 | 2,865,103 |
| 2014 | 1,700,000 | 750,000 | - | 299,453 | - | - | 93,000 | 2,842,453 |
| 2015 | 1,875,000 | 725,000 | - | 122,772 | - | - | 96,200 | 2,818,972 |
| 2016 | 1,935,000 | 800,000 | - | 51,537 | - | - | 102,800 | 2,889,337 |
| Thereafter | - | 14,220,000 | 32,290,000 | - | - | - | 433,600 | 46,943,600 |
| | <u>\$ 9,330,000</u> | <u>\$ 17,195,000</u> | <u>\$ 32,290,000</u> | <u>\$ 1,400,667</u> | <u>\$ 8,000,000</u> | <u>\$ 11,868,800</u> | <u>\$ 897,000</u> | <u>\$ 80,981,467</u> |

On January 23, 1997, the NYC Industrial Development Agency (the "Agency") issued \$30,385,000 of its Civic Facility Revenue Bonds, Series 1997 (the "Series 1997 Bonds"), the proceeds of which were used to extinguish the previously outstanding Series 1991 Bonds and to finance projects consisting of capital improvements and renovations to and equipment for the Bedford Branch and McBurney Branch facilities and construction of and equipment for a new South Shore Center Branch facility.

Concurrently with the issuance of the Series 1997 Bonds, the Association leased to the Agency portions of the buildings and the land on which the Bedford, McBurney, and South Shore Center Branches ("Leased Facilities") are situated and the Agency subleased such facilities back to the Association. Subsequently the Bedford and McBurney branches were released from this stipulation. The lease payments, together with interest earned on certain accounts containing proceeds from the sale of the Series 1997 Bonds must be sufficient to pay principal sinking-fund installments, redemption price, if applicable, and interest on the Series 1997 Bonds. The Series 1997 Bonds bear fixed interest rates ranging from 4.8% to 5.8% and are due from August 1, 1997 to August 1, 2016. Beginning in 2008, the bonds which have not matured are subject to capital redemption at the redemption prices set forth in the bond indenture. Bonds due on August 1, 2016 are subject to mandatory redemption starting on August 1, 2009.

Young Men's Christian Association of Greater New York
Notes to Financial Statements
December 31, 2011, with Comparative Totals for December 31, 2010

On January 15, 2002, the Agency issued \$17,195,000 of Civic Facility Revenue Bonds, Series 2002 (the "Series 2002 Bonds") due August 2, 2021. The proceeds have been used to finance and refinance a portion of the cost to acquire and complete the buildout of a 67,000 square foot McBurney facility ("New McBurney"). Concurrently with the issuance of the Series 2002 Bonds, the Association leased to the Agency the New McBurney and the Agency subleased such facilities back to the Association. The lease payments, together with interest earned on certain accounts containing proceeds from the sale of the Series 2002 Bonds, must be sufficient to pay principal sinking-fund installments, redemption price, if applicable, and interest on the Series 2002 Bonds. The Series 2002 Bonds bear a fixed interest rate of 5.25% and are due from August 1, 2002 to August 1, 2021.

On September 21, 2006, the Agency issued \$32,290,000 of Civic Facility Revenue Bonds, Series 2006 (the "Series 2006 Bonds") due August 1, 2036. The proceeds have been used to finance and refinance a portion of the cost to acquire, complete, renovate, build out and equip various facilities ("the Facilities") of the YMCA of Greater New York. Concurrently with the issuance of the Series 2006 Bonds, the Association leased to the Agency the Facilities and the Agency subleased such facilities back to the Association. The lease payments, together with interest earned on certain accounts containing proceeds from the sale of Series 2006 Bonds, must be sufficient to pay principal sinking-fund installments, redemption price, if applicable, and interest on the Series 2006 Bonds. The Series 2006 Bonds bear a fixed interest of 5.0% and are due from August 1, 2006 to August 1, 2036.

The lease agreements and the guaranty agreements with the bondholders contain various covenants including the maintenance of a certain debt service coverage ratio. The Association is required to manage cash flows payments for the Series 1997 Bonds and the Series 2002 Bonds such that their change in unrestricted net assets, excluding noncash transactions and net assets released from temporarily restricted net assets for capital purposes, is greater than 1.25 times annual debt service. The Association is required to manage changes in net assets for the Series 2006 Bonds such that their change in unrestricted net assets, plus interest expense and depreciation and amortization expense, less net assets released from temporarily restricted net assets for capital purposes, is greater than 1.25 times annual debt service payments. The Association was in compliance with these covenants at December 31, 2011 and 2010.

Included in deferred charges at December 31, 2011 and 2010 are bond issuance costs of \$1,626,837 and \$1,760,349 less accumulated amortization of \$1,391,948 and \$1,258,437, respectively. Amortization is calculated on a straight-line basis over the life of the bonds.

In December of 1997, the Association entered into a Capital Development Contract with the State of New York which began with an advance of \$1,400,000 which was received and spent on a capital project, including the purchase of property, held in the Association's name, and construction of a new facility in Staten Island, New York.

In the fall of 2000, the State Dormitory Authority sold bonds which named the Association's project in Staten Island. The final phase of the State's program calls for a loan to be held by the Association on the property. Debt service on this mortgage is paid to the State Dormitory Authority, the entity which sold the tax-exempt bonds. Payment on this mortgage will be made over a period of 20 years by the Staten Island Counseling program's operating budget through annual funding provided by the NYS Office of Alcoholism and Substance Abuse Services, the agency which provides funding to the program's operation. The State Dormitory Bonds were issued in 2002 at an interest rate of 5.55%, and the balance due at December 31, 2011 and 2010 were \$897,000 and \$976,800, respectively.

Young Men's Christian Association of Greater New York

Notes to Financial Statements

December 31, 2011, with Comparative Totals for December 31, 2010

The liability to the Association is connected to the debt service on the loan. Should the State fiscally be unable to service the debt, it would become the responsibility of the Association. The Staten Island Branch is aware of this risk, but has also been informed that this financing program has been successfully funding projects throughout the State of New York for over 20 years. Finally, upon conclusion of this Loan Agreement, the land with all improvements remains the unencumbered property of the Association.

The Association renewed its \$10,000,000 line of credit agreement on March 20, 2008, renewed the agreement again on August 27, 2009 to extend the expiration date to June 30, 2011, and renewed the agreement again on December 9, 2011 to extend the expiration date to June 30, 2012. The line of credit bears a variable interest rate of prime +1 or LIBOR +.55. There was \$8,000,000 outstanding on this line of credit as of both December 31, 2011 and 2010.

On February 1, 2007, the Association signed a \$16,000,000 loan with JP Morgan Chase which expired on February 1, 2012, and was renewed through June 30, 2012 and bears a variable interest rate at the current money market rate. There were borrowings of \$11,868,800 and \$10,081,800 on this loan as of December 31, 2011 and 2010, respectively.

The loan agreements with JP Morgan Chase contain various covenants including the maintenance of a certain debt service coverage ratio. The Association is required to manage changes in net assets such that the change in net assets, plus interest expense and depreciation and amortization expense, is greater than 1.25 times annual debt service, as defined by the loan agreement. The Association was in compliance with these covenants at December 31, 2011 and 2010.

As of 2011, the Association had \$13,965,000 in cumulative grant funding from the New York City Economic Development Corporation (the "City") which supported building improvements at the Bedford, Bronx, Flatbush, Harlem, Long Island City and North Brooklyn branches. The City has encumbered these branches with performance mortgages for 20 years (Long Island City, Harlem, North Brooklyn, and Flatbush) or restrictive covenants for 30 years (Bedford, Bronx).

The primary difference between a performance mortgage and a restrictive covenant concerns the remedy available to the City to ensure that the property is used in conformance with the purpose for which City funds were provided, or an alternative use acceptable to the City. A performance mortgage is remedy-specific, meaning that the City has the right to "foreclose" on the property in order to enforce the use of the property; the City or its designee can provide the required services. A restrictive covenant enables the City to compel the YMCA to provide the required services.

The estimated fair value of the debt obligations approximated \$81,293,047 and \$78,324,350 at December 31, 2011 and 2010, respectively, using a market approach. The Association utilized quoted prices for identical securities in an inactive market and estimated the prices of other debt obligations using quoted prices of similar assets and judgments to determine the fair value of debt obligations not traded.

Young Men's Christian Association of Greater New York
Notes to Financial Statements
December 31, 2011, with Comparative Totals for December 31, 2010

10. Pension Plans

Defined Contribution Plan

The Association participates in a defined contribution, individual account, money purchase retirement plan which is administered by the Young Men's Christian Association Retirement Fund ("YMCA Retirement Fund") (a separate corporation). This plan is for the benefit of all eligible professional and nonprofessional staff of the Association who qualify under the participation requirements.

In accordance with the agreement with the YMCA Retirement Fund, contributions by the employer are a percentage of the participating employees' salaries and are to be remitted monthly to the YMCA Retirement Fund. Association contributions charged to retirement costs aggregated \$4,145,246 and \$3,776,179 in 2011 and 2010, respectively.

Defined Benefit Plan

Certain hourly employees of the Association have participated in a defined benefit plan (the "Plan") which is no longer available for participation by new employees. The benefits are based on years of service. The Association's funding policy is to contribute annually an amount which equals or exceeds the minimum funding requirements of the Employee Retirement Income Security Act of 1974.

Young Men's Christian Association of Greater New York
Notes to Financial Statements
December 31, 2011, with Comparative Totals for December 31, 2010

The following table sets forth the Plan's funded status and amounts recognized in the Association's financial statements at December 31, 2011 and 2010:

| | 2011 | 2010 |
|------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Change in benefit obligation | | |
| Benefit obligation at beginning of year | \$ 3,025,258 | \$ 3,291,368 |
| Interest cost | 145,375 | 156,250 |
| Actuarial loss (gain) | 355,704 | (127,736) |
| Settlements | - | - |
| Benefits paid | <u>(267,941)</u> | <u>(294,624)</u> |
| Benefit obligation at end of year | <u>3,258,396</u> | <u>3,025,258</u> |
| Change in fair value of plan assets | | |
| Fair value of plan assets at beginning of year | 1,667,912 | 1,750,855 |
| Actual return on plan assets | (51,866) | 99,181 |
| Employer contribution | 166,910 | 112,500 |
| Settlement paid | - | - |
| Benefits paid | <u>(267,941)</u> | <u>(294,624)</u> |
| Fair value of plan assets at end of year | <u>1,515,015</u> | <u>1,667,912</u> |
| Funded status | <u>\$ (1,743,381)</u> | <u>\$ (1,357,346)</u> |
| Amounts recognized in the statement of financial position consist of | | |
| Noncurrent assets | \$ - | \$ - |
| Current liabilities | - | - |
| Noncurrent liabilities | <u>1,743,381</u> | <u>1,357,346</u> |
| Net amounts recognized | <u>\$ 1,743,381</u> | <u>\$ 1,357,346</u> |
| Amounts recognized in net unrestricted assets consist of | | |
| Net loss | <u>\$ 1,980,630</u> | <u>\$ 1,643,283</u> |
| Net amounts recognized in net unrestricted assets | <u>\$ 1,980,630</u> | <u>\$ 1,643,283</u> |
| Projected benefit obligation | \$ 3,258,396 | \$ 3,025,258 |
| Accumulated benefit obligation | 3,258,396 | 3,025,258 |
| Fair value of plan assets | 1,515,015 | 1,667,912 |
| Components of net periodic benefit (credit) cost | | |
| Interest cost | \$ 145,375 | \$ 156,250 |
| Expected return on plan assets | (113,740) | (133,150) |
| Amortization of (gain) loss | 183,963 | 161,542 |
| Settlement Charge | - | - |
| Net periodic benefit cost | <u>\$ 215,598</u> | <u>\$ 184,642</u> |
| Nonoperating changes recognized in net unrestricted net assets | | |
| Unrecognized (gain) loss | \$ 521,310 | \$ (93,767) |
| Amortization of gain (loss) | (183,963) | (161,541) |
| Effect of settlement on gain (loss) | - | - |
| Total recognized in nonoperating changes | <u>337,347</u> | <u>(255,308)</u> |
| Total recognized in net periodic benefit cost and net unrestricted net assets | <u>\$ 552,945</u> | <u>\$ (70,666)</u> |
| Weighted average assumptions used to determine benefit obligations at measurement date | | |
| Discount rate | 3.90% | 4.90% |
| Rate of compensation increase | N/A | N/A |
| Weighted average assumptions used to determine net periodic benefit cost | | |
| Discount rate | 4.90% | 5.40% |
| Expected return on assets | 7.00% | 8.00% |
| Rate of compensation increase | N/A | N/A |
| Amounts in net unrestricted assets expected to be recognized in net periodic benefit cost next year | | |
| Amortization of transition obligation (asset) | - | - |
| Amortization of prior service cost (credit) | - | - |
| Amortization of unrecognized net loss (gain) | <u>\$ 215,468</u> | <u>\$ 162,123</u> |

Young Men's Christian Association of Greater New York
Notes to Financial Statements
December 31, 2011, with Comparative Totals for December 31, 2010

The expected return assumption is based upon historical returns and expectations for future returns for the asset classes in which the plan is invested.

Expected Future Benefit Payments

The following benefit payments, which reflect future service, as appropriate, are expected to be paid:

| | |
|-----------|------------|
| 2012 | \$ 270,291 |
| 2013 | 264,704 |
| 2014 | 255,053 |
| 2015 | 249,346 |
| 2016 | 241,960 |
| 2017-2021 | 1,113,641 |

The investment strategy of the fund is to invest in governmental and large cap bonds to provide for steady return. A small amount of assets is in cash equivalents to readily pay current obligations.

Fair Value Measurements

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and 2010:

| <u>Description</u> | Total | <u>Fair Value Measurements at December 31, 2011 Using</u> | | |
|-----------------------------------------------------------------------------|---------------------|-----------------------------------------------------------------------|------------------------------------------------------|--------------------------------------------------|
| | | <u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> |
| Held in Pooled Separate Account #10 of AXA Equitable Life Insurance Company | \$ 1,455,336 | \$ - | \$ 1,455,336 | \$ - |
| Mutual Fund | 59,679 | 59,679 | - | - |
| | <u>\$ 1,515,015</u> | <u>\$ 59,679</u> | <u>\$ 1,455,336</u> | <u>\$ -</u> |

| <u>Description</u> | Total | <u>Fair Value Measurements at December 31, 2010 Using</u> | | |
|-----------------------------------------------------------------------------|---------------------|-----------------------------------------------------------------------|------------------------------------------------------|--------------------------------------------------|
| | | <u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> |
| Held in Pooled Separate Account #10 of AXA Equitable Life Insurance Company | \$ 1,655,764 | \$ - | \$ 1,655,764 | \$ - |
| Mutual Fund | 12,148 | 12,148 | - | - |
| | <u>\$ 1,667,912</u> | <u>\$ 12,148</u> | <u>\$ 1,655,764</u> | <u>\$ -</u> |

Young Men's Christian Association of Greater New York
Notes to Financial Statements
December 31, 2011, with Comparative Totals for December 31, 2010

11. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of December 31:

| | 2011 | 2010 |
|--------------------------------------------------------|----------------------|----------------------|
| Construction or acquisition of fixed assets | \$ 12,768,294 | \$ 13,737,174 |
| Program services | <u>7,274,545</u> | <u>7,027,489</u> |
| Temporarily restricted net assets, as revised (note 2) | <u>\$ 20,042,839</u> | <u>\$ 20,764,663</u> |

Temporarily restricted net assets released from restrictions for the year ended December 31, 2011 are as follows:

| | 2011 |
|---------------------------------------------|---------------------|
| Construction or acquisition of fixed assets | \$ 1,781,637 |
| Program services | <u>1,632,784</u> |
| Released from restricted net assets | <u>\$ 3,414,421</u> |

Permanently restricted net assets of \$16,743,562 and \$16,496,771 on December 31, 2011 and 2010, respectively, relate to assets donated with stipulations that they be invested to provide a permanent source of income.

12. Endowments

Endowment

On September 17, 2010, New York State adopted a state version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("NYPMIFA") and the disclosure requirements under GAAP became applicable. This law governs management and spending of donor-restricted endowment funds and permanently restricted gifts. NYPMIFA and disclosure requirements have been adopted by the Association.

The Association's endowment consists of approximately 140 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Return Objectives and Risk Parameters

The Association adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the agreed upon benchmarks while assuming a moderate level of investment risk.

Young Men's Christian Association of Greater New York
Notes to Financial Statements
December 31, 2011, with Comparative Totals for December 31, 2010

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Association has a policy of appropriating for distribution each year 5 percent of its endowment fund's average fair value over the prior 20 quarters through June 30th preceding the fiscal year in which the distribution is planned. In establishing this policy, the Association considered the long-term expected return on its endowment. The Association's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Interpretation of Relevant Law

The Board of Directors of the Association has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with NYPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds. (1) the duration and preservation of the donor-restricted endowment fund, (2) the purposes of the organization and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the organization, (7) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the donor-restricted endowment fund, giving due consideration to the effect that such alternatives may have on the Association and (8) the investment policies of the Association.

In accordance with current New York State law, the remaining portion of the donor restricted endowment that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA.

At December 31, 2011, the endowment net asset composition by type of fund consisted of the following:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|----------------------------------|----------------------|------------------------|------------------------|----------------------|
| Donor-restricted endowment funds | \$ - | \$ 6,284,545 | \$ 9,429,215 | \$ 15,713,760 |
| Board-designated endowment funds | 20,806,310 | - | - | 20,806,310 |
| Beneficial interest in trust | (68,725) | - | 7,308,060 | 7,239,335 |
| Charitable gift annuities | 110,229 | - | 6,287 | 116,516 |
| Total funds | <u>\$ 20,847,814</u> | <u>\$ 6,284,545</u> | <u>\$ 16,743,562</u> | <u>\$ 43,875,921</u> |

Young Men's Christian Association of Greater New York
Notes to Financial Statements
December 31, 2011, with Comparative Totals for December 31, 2010

Changes in endowment net assets for the year ended December 31, 2011, consisted of the following:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|-------------------------------------------------------------------------------|----------------------|---------------------------|---------------------------|----------------------|
| Changes in endowment net assets for year ended December 31, 2011 | | | | |
| Endowment net assets, beginning of year, as revised (note 2) | \$ 21,564,702 | \$ 6,847,489 | \$ 16,496,771 | \$ 44,908,962 |
| Investment return | | | | |
| Investment income, net of management and custodian fees and other expenses | 443,963 | 518,560 | 1,206 | 963,729 |
| Unrealized and realized appreciation, (depreciation), net | <u>(545,689)</u> | <u>(301,220)</u> | <u>245,585</u> | <u>(601,324)</u> |
| Total investment return | (101,726) | 217,340 | 246,791 | 362,405 |
| Contributions | 90,565 | - | - | 90,565 |
| Appropriation of endowment assets for expenditure | (810,354) | (506,996) | - | (1,317,350) |
| Distributions from beneficial interest in trust | (179,545) | - | - | (179,545) |
| Release from donor restrictions | 273,288 | (273,288) | - | - |
| Other | <u>10,884</u> | <u>-</u> | <u>-</u> | <u>10,884</u> |
| Endowment net assets, end of year | <u>\$ 20,847,814</u> | <u>\$ 6,284,545</u> | <u>\$ 16,743,562</u> | <u>\$ 43,875,921</u> |

At December 31, 2010, the endowment net asset composition by type of fund consisted of the following:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|----------------------------------------------------------|----------------------|---------------------------|---------------------------|----------------------|
| Donor-restricted endowment funds, as revised (note 2) | \$ - | \$ 6,847,489 | \$ 8,916,296 | \$ 15,763,785 |
| Board-designated endowment funds | 21,555,429 | - | - | 21,555,429 |
| Beneficial interest in trust | (71,853) | - | 7,573,602 | 7,501,749 |
| Charitable gift annuities | <u>81,126</u> | <u>-</u> | <u>6,873</u> | <u>87,999</u> |
| Total funds | <u>\$ 21,564,702</u> | <u>\$ 6,847,489</u> | <u>\$ 16,496,771</u> | <u>\$ 44,908,962</u> |

Young Men's Christian Association of Greater New York
Notes to Financial Statements
December 31, 2011, with Comparative Totals for December 31, 2010

Changes in endowment net assets for the year ended December 31, 2010, consisted of the following:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|----------------------------------------------------------------------------------------------|----------------------|---------------------------|---------------------------|----------------------|
| Changes in endowment net assets for year ended December 31, 2010, as revised (note 2) | | | | |
| Endowment net assets, beginning of year | \$ 25,241,845 | \$ - | \$ 15,689,434 | \$ 40,931,279 |
| Net asset reclassification based on change in law | <u>(5,615,939)</u> | <u>5,615,939</u> | <u>-</u> | <u>-</u> |
| Endowment net assets | 19,625,906 | 5,615,939 | 15,689,434 | 40,931,279 |
| Investment return | | | | |
| Investment income, net of management and custodian fees and other expenses | 544,202 | 231,435 | 38,181 | 813,818 |
| Unrealized and realized appreciation, (depreciation), net | <u>2,407,661</u> | <u>1,490,665</u> | <u>769,156</u> | <u>4,667,482</u> |
| Total investment return | 2,951,863 | 1,722,100 | 807,337 | 5,481,300 |
| Contributions | 58,869 | - | - | 58,869 |
| Transfers | (130,000) | - | - | (130,000) |
| Appropriation of endowment assets for expenditure | (787,179) | (490,550) | - | (1,277,729) |
| Distributions from beneficial interest in trust | <u>(154,757)</u> | <u>-</u> | <u>-</u> | <u>(154,757)</u> |
| Endowment net assets, end of year | <u>\$ 21,564,702</u> | <u>\$ 6,847,489</u> | <u>\$ 16,496,771</u> | <u>\$ 44,908,962</u> |

13. Contingencies and Commitments

The Association receives fees and grants from various federal, state and city government agencies for services performed under contracts. Such contracts are subject to governmental compliance audits and may, from time to time, result in adjustments to fees and grants received. In the opinion of the Association the disposition of all such matters would not have a material adverse effect on the Association's financial position or changes in its net assets.

On June 27, 2011, the Association entered into a lease agreement with the owner of a Coney Island property and the developer of that property to lease a branch facility for 40 years which will be built on the site. Rent of \$2,200,000 was paid in advance, is included in deferred charges in the accompanying statement of position for the Association for December 31, 2011, and will be amortized using the straight-line method over the term of the lease upon completion of construction. The Association will also be responsible for additional rent of \$12 per year plus utilities, maintenance and property taxes. The lease contains an option to buy the branch facility at the end of the lease term for fair market value. The developer has agreed to include additional leasehold improvements in the construction of the facility which will be paid by the Association. The new branch is expected to open in 2013.

The Association has entered into various operating leases for program facilities and equipment. In addition, the Association has entered into various other lease arrangements that are recorded as capital leases and accordingly, are reflected in property and equipment and debt obligations in the accompanying statements of financial position.

Young Men's Christian Association of Greater New York
Notes to Financial Statements
December 31, 2011, with Comparative Totals for December 31, 2010

A summary of the estimated future minimum lease and rental payments as of December 31, 2011 is as follows:

| | Capital Leases | Operating Leases | Total |
|-----------------------------------------|---------------------------|-----------------------------|----------------------|
| 2012 | \$ 533,154 | \$ 2,490,186 | \$ 3,023,340 |
| 2013 | 497,471 | 1,641,663 | 2,139,134 |
| 2014 | 328,559 | 997,058 | 1,325,617 |
| 2015 | 134,398 | 642,482 | 776,880 |
| 2016 | 55,807 | 532,916 | 588,723 |
| Thereafter | - | 3,249,055 | 3,249,055 |
| Total minimum payments | <u>1,549,389</u> | <u>\$ 9,553,360</u> | <u>\$ 11,102,749</u> |
| Less amount representing interest | <u>(148,722)</u> | | |
| Present Value of minimum lease payments | <u>\$ 1,400,667</u> | | |

Total rent expense was \$1,813,145 in 2011 and \$2,128,175 in 2010. The rentals are subject to escalation based on increases in real estate taxes and operating expenses.

The Association is involved in various litigations arising in the ordinary course of business. In the opinion of management, the disposition of all such matters should not have a material adverse effect on the Association's financial position or changes in its net assets.

14. Subsequent Events

In preparing these financial statements, management has evaluated and disclosed all material subsequent events up through May 15, 2012, which is the date that the financial statements were issued.

The Association is planning to issue Series 2012 Bonds through Build NYC Resource Corporation in an amount not greater than \$55,000,000 to refund the outstanding principal of the Series 1997 Bonds of \$9,330,000, and the outstanding principal of the Series 2002 Bonds of \$17,195,000, finance capital projects and refinance the JPMorgan Chase Line of Credit and Loan for \$24,000,000 and pay bond issuance costs. The interest rate on the Series 2012 bonds is expected to be fixed at an interest rate not higher than 5.25% with annual principal maturities beginning in 2014 through 2042. Bond covenants are expected to align with current bond agreements.

The Association expects to sell an auxiliary property that is no longer in operation in June 2012 for approximately \$1,900,000, which is projected to result in a gain on sale of approximately \$1,450,000 in 2012.

APPENDIX C

CERTAIN DEFINITIONS

As used in this Official Statement, the following terms shall have the meanings set forth below:

Additional Bonds shall mean one or more Series of additional bonds issued, executed, authenticated and delivered under the Indenture.

An **Affiliate** of a Person shall mean a Person that directly or indirectly through one or more intermediaries Controls, or is under common Control with, or is Controlled by, such Person.

Approved Facility shall mean each of the Facilities as occupied, used and operated by the YMCA of GNY substantially for the Approved Project Operations, including such other activities as may be substantially related to or substantially in support of such operations, all to be effected in accordance with the Loan Agreement.

Approved Project Operations shall mean the Facilities located at the addresses set forth in the Indenture and the Loan Agreement, for use by the YMCA of GNY in the providing of community services and programs.

Authorized Denomination shall mean, in the case of the Series 2012 Bonds, \$5,000 or any integral multiple of thereof.

Authorized Principal Amount shall mean, in the case of the Series 2012 Bonds, the initial aggregate principal amount of the Series 2012 Bonds issued on the Closing Date.

Authorized Representative shall mean, (i) in the case of the Issuer, the Chairperson, Vice Chairperson, Treasurer, Assistant Treasurer, Secretary, Assistant Secretary, Executive Director, Deputy Executive Director, General Counsel or Vice President for Legal Affairs, or any other officer or employee of the Issuer who is authorized to perform specific acts or to discharge specific duties, and (ii) in the case of the YMCA of GNY, a person named in the Loan Agreement or any other officer or employee of the YMCA of GNY who is authorized to perform specific duties under the Loan Agreement or under any other Project Document and of whom another Authorized Representative of the YMCA of GNY has given written notice to the Issuer and the Trustee; provided, however, that in each case for which a certification or other statement of fact or condition is required to be submitted by an Authorized Representative to any Person pursuant to the terms of the Loan Agreement or any other Project Document, such certificate or statement shall be executed only by an Authorized Representative in a position to know or to obtain knowledge of the facts or conditions that are the subject of such certificate or statement.

Bedford Branch Facility shall mean the Bedford Branch Facility Personalty and the Bedford Branch Facility Realty.

Bedford Branch Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed or refinanced in whole or in part with the proceeds of the Bonds for installation or use at the Bedford Branch Facility Realty as part of the Project pursuant to the Loan Agreement and described in the Indenture, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. The Bedford Branch Facility Personalty shall, in accordance with the provisions of the Loan Agreement, include all property substituted for or

replacing items of the Bedford Branch Facility Personalty and exclude all items of the Bedford Branch Facility Personalty so substituted for or replaced, and further exclude all items of the Bedford Branch Facility Personalty removed as provided in the Loan Agreement.

Bedford Branch Facility Realty shall mean, collectively, the Land and the Improvements applicable to the Bedford Branch Facility.

Beneficial Owner shall mean, whenever used with respect to an Series 2012 Bond, the Person in whose name such Series 2012 Bond is recorded as the Beneficial Owner of such Series 2012 Bond by the respective systems of DTC and each of the Participants of DTC. If at any time the Series 2012 Bonds are not held in the Book-Entry System, Beneficial Owner shall mean "Holder" for purposes of the Security Documents.

Bond Fund shall mean the special trust fund so designated, established pursuant to the Indenture.

Bondholder, Holder of Bonds, Holder or holder shall mean any Person who shall be the registered owner of any Bond or Bonds.

Bond Registrar shall mean the Trustee acting as registrar as provided in the Indenture.

Bond Resolution shall mean the resolution of the Issuer adopted on April 10, 2012 authorizing the Project and the issuance of the Series 2012 Bonds.

Bonds shall mean the Series 2012 Bonds and any Additional Bonds.

Business Day shall mean any day that shall not be: (i) a Saturday, Sunday or legal holiday; (ii) a day on which banking institutions in the City are authorized by law or executive order to close; or (iii) a day on which the New York Stock Exchange is closed.

City shall mean The City of New York, New York.

Claims shall have the meaning assigned to that term in the Loan Agreement.

Closing Date shall mean the date of the initial issuance and delivery of the Series 2012 Bonds.

Code shall mean the Internal Revenue Code of 1986, as amended, including the regulations thereunder. All references to Sections of the Code or regulations thereunder shall be deemed to include any such Sections or regulations as they may hereafter be renumbered in any subsequent amendments to the Code or such regulations.

Completed Improvements Rentable Square Footage shall mean the approximate rentable square footage of (y) the Improvements upon completion of the Project Work for each of the Project Work Facilities or (z) the Improvements with respect to the Completed Facilities, all as set forth in the Loan Agreement.

Computation Date shall have the meaning assigned to that term in the Tax Regulatory Agreement.

Computation Period shall have the meaning assigned to that term in the Tax Regulatory Agreement.

Condominium Documents shall mean, collectively, the McBurney Branch Condominium Documents, the Prospect Park Branch Condominium Documents and the Vanderbilt Branch Condominium Documents.

Conduct Representation shall mean any representation by the YMCA of GNY under the Loan Agreement, or by any other Person in any Required Disclosure Statement delivered to the Issuer.

Control or Controls, including the related terms “controlled by” and “under common control with”, shall mean the power to direct the management and policies of a Person (x) through the ownership, directly or indirectly, of not less than a majority of its voting securities, (y) through the right to designate or elect not less than a majority of the members of its board of directors or trustees or other Governing Body, or (z) by contract or otherwise.

Costs of Issuance shall mean issuance costs with respect to the Series 2012 Bonds described in Section 147(g) of the Code and any regulations thereunder, including but not limited to the following: Underwriter’s spread (whether realized directly or derived through purchase of Series 2012 Bonds at a discount below the price at which they are expected to be sold to the public); counsel fees (including bond counsel, Underwriter’s counsel, Trustee’s counsel, Issuer’s counsel, YMCA of GNY’s counsel, as well as any other specialized counsel fees incurred in connection with the borrowing); financial advisor fees of any financial advisor to the Issuer or the YMCA of GNY incurred in connection with the issuance of the Series 2012 Bonds; engineering and feasibility study costs; guarantee fees (other than Qualified Guarantee Fees, as defined in the Tax Regulatory Agreement); Rating Agency fees; Trustee and Paying Agent fees; accountant fees and other expenses related to issuance of the Series 2012 Bonds; printing costs for the Series 2012 Bonds and for the preliminary and final offering documents relating to the Series 2012 Bonds; public approval and process costs; fees and expenses of the Issuer incurred in connection with the issuance of the Series 2012 Bonds; and Blue Sky fees and expenses; and similar costs.

Debt Service Reserve Fund shall mean the special trust fund so designated, established pursuant to the Indenture.

Debt Service Reserve Fund Requirement shall mean, as of any particular date of computation, an amount (which amount may take the form of cash, Qualified Investments, Reserve Fund Insurance Policy or Reserve Fund Letter of Credit or any combination thereof) equal to the lesser of:

- (i) ten percent (10%) of the Net Proceeds (as defined in the Tax Regulatory Agreement) of the Outstanding Bonds;
- (ii) 100% of the greatest amount required in the then current or any future calendar year to pay the sum of the scheduled principal and interest payable on Outstanding Bonds; or
- (iii) 125% of the average annual amount required in the then current or any future calendar year to pay the sum of scheduled principal and interest on Outstanding Bonds.

Debt Service Reserve Fund Valuation Date shall mean January 15 and July 15 of each year commencing January 15, 2013.

Defeasance Obligations shall mean Government Obligations that are not subject to redemption prior to maturity.

DTC shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

Earnings Fund shall mean the special trust fund so designated, established pursuant to the Indenture.

Entity shall mean any of a corporation, general partnership, limited liability company, limited liability partnership, joint stock company, trust, estate, unincorporated organization, business association, tribe, firm, joint venture, governmental authority or governmental instrumentality, but shall not include an individual.

Event of Default shall have the meaning specified in the Indenture and the Loan Agreement.

Facilities shall mean, collectively, the Bedford Branch Facility, the Harlem Branch Facility, the Long Island City Branch Facility, the McBurney Branch Facility, the North Brooklyn Branch Facility, the Prospect Park Branch Facility, the Ridgewood Branch Facility, the South Shore Branch Facility, the Vanderbilt Branch Facility and the West Side Branch Facility; but excluding any such Facility released pursuant to the Loan Agreement.

Facility Allocation Percentage shall mean that percentage of proceeds of the Series 2012 Bonds expended on a Facility determined by subtracting the Costs of Issuance from the original aggregate principal amount of the Series 2012 Bonds, and dividing the amount of proceeds expended on such Facility by such remainder.

Facility Personality shall mean, collectively, the Bedford Branch Facility Personality, the Harlem Branch Facility Personality, the Long Island City Branch Facility Personality, the McBurney Branch Facility Personality, the North Brooklyn Branch Facility Personality, the Prospect Park Branch Facility Personality, Ridgewood Branch Facility Personality, the South Shore Branch Facility Personality, the Vanderbilt Branch Facility Personality and the West Side Branch Facility Personality.

Facility Realty shall mean, collectively, the Bedford Branch Facility Realty, the Harlem Branch Facility Realty, the Long Island City Branch Facility Realty, the McBurney Branch Facility Realty, the North Brooklyn Branch Facility Realty, the Prospect Park Branch Facility Realty, the Ridgewood Branch Facility Realty, the South Shore Branch Facility Realty, the Vanderbilt Branch Facility Realty and the West Side Branch Facility Realty.

Fiscal Year shall mean a year of 365 or 366 days, as the case may be, commencing on January 1 and ending on December 31 of each calendar year, or such other fiscal year of similar length used by the YMCA of GNY for accounting purposes as to which the YMCA of GNY shall have given prior written notice thereof to the Issuer and the Trustee at least ninety (90) days prior to the commencement thereof.

Fitch shall mean Fitch, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

GAAP shall mean those generally accepted accounting principles and practices that are recognized as such by the American Institute of Certified Public Accountants or by the Financial Accounting Standards Board or through other appropriate boards or committees thereof, and that are consistently applied for all periods, after the Closing Date, so as to properly reflect the financial position of the YMCA of GNY, except that any accounting principle or practice required to be changed by the Financial Accounting Standards Board (or other appropriate board or committee of the said Board) in order to continue as a generally accepted accounting principle or practice may be so changed.

Governing Body shall mean, when used with respect to any Entity, its board of directors, board of trustees or individual or group of individuals by, or under the authority of which, the powers of such Entity are exercised.

Government Obligations shall mean the following:

(i) direct and general obligations of, or obligations unconditionally guaranteed by, the United States of America;

(ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full faith and credit obligation of the United States of America for the timely payment thereof; or

(iii) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in clauses (i) or (ii) above.

Harlem Branch Facility shall mean the Harlem Branch Facility Personalty and the Harlem Branch Facility Realty.

Harlem Branch Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed or refinanced in whole or in part with the proceeds of the Bonds for installation or use at the Harlem Branch Facility Realty as part of the Project pursuant to the Loan Agreement and described in the Indenture, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. The Harlem Branch Facility Personalty shall, in accordance with the provisions of the Loan Agreement, include all property substituted for or replacing items of the Harlem Branch Facility Personalty and exclude all items of the Harlem Branch Facility Personalty so substituted for or replaced, and further exclude all items of the Harlem Branch Facility Personalty removed as provided in the Loan Agreement.

Harlem Branch Facility Realty shall mean, collectively, the Land and the Improvements applicable to the Harlem Branch Facility.

Hazardous Materials shall include any petroleum, flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 5101, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), and in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local environmental law, ordinance, rule, or regulation.

Impositions shall have the meaning set forth in the Loan Agreement.

Improvements shall mean:

(i) all buildings, structures, foundations, related facilities, fixtures and other improvements existing on the Closing Date and erected or situated on the Land;

(ii) any other buildings, structures, foundations, related facilities, fixtures and other improvements constructed or erected on the Land (including any improvements or demolitions made as part of the Project Work pursuant to the Loan Agreement); and

(iii) all replacements, improvements, additions, extensions, substitutions, restorations and repairs to any of the foregoing.

Indemnification Commencement Date shall mean April 10, 2012, the date on which the Issuer first adopted a resolution with respect to the Project.

Indemnified Parties shall have the meaning set forth in the Loan Agreement.

Indenture shall mean the Indenture of Trust, dated as of June 1, 2012, between the Issuer and the Trustee, as from time to time amended or supplemented by Supplemental Indentures in accordance therewith.

Independent Accountant shall mean PricewaterhouseCoopers LLP or an independent certified public accountant or firm of independent certified public accountants selected by the YMCA of GNY and approved by the Issuer and the Trustee (such approvals not to be unreasonably withheld or delayed).

Independent Engineer shall mean a Person (not an employee of either the Issuer or the YMCA of GNY or any Affiliate of either thereof) registered and qualified to practice engineering or architecture under the laws of the State, selected by the YMCA of GNY, and approved in writing by the Trustee (which approval shall not be unreasonably withheld and shall be given at the written direction of the Majority Holders).

Interest Account shall mean the special trust account of the Bond Fund so designated, established pursuant to the Indenture.

Interest Payment Date shall mean, with respect to the Series 2012 Bonds, February 1 and August 1 of each year, commencing February 1, 2013, and with respect to any Series of Additional Bonds, the dates set forth therefor in the Supplemental Indenture pursuant to which such Series of Additional Bonds are issued.

Issuer shall mean Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State at the direction of the Mayor of the City, and its successors and assigns.

Issuer's Reserved Rights shall mean, collectively,

(i) the right of the Issuer in its own behalf to receive all Opinions of Counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications required to be delivered to the Issuer under the Loan Agreement;

(ii) the right of the Issuer to grant or withhold any consents or approvals required of the Issuer under the Loan Agreement;

(iii) the right of the Issuer to enforce in its own behalf the obligation of the YMCA of GNY under the Loan Agreement to complete the Project;

(iv) the right of the Issuer to enforce or otherwise exercise in its own behalf all agreements of the YMCA of GNY under the Loan Agreement with respect to ensuring that each of the Facilities shall always constitute an Approved Facility;

(v) the right of the Issuer in its own behalf (or on behalf of the appropriate taxing authorities) to enforce, receive amounts payable under or otherwise exercise its rights under the Loan Agreement relating to, among other things, completion of the Project work, taxes, assessments and charges, insurance, advances, compliance with Legal Requirements, indemnification, discharge of liens, certain redemptions, subletting of the Facilities and assignment of the Loan Agreement; and

(vi) the right of the Issuer in its own behalf to declare a default with respect to any of the Issuer's Reserved Rights and exercise the remedies set forth in the Loan Agreement.

Land shall mean for each of the Facilities, that certain lot, piece or parcel of land, generally known by the street address set forth in the Indenture, together with all easements, rights and interests now or hereafter appurtenant or beneficial thereto; but excluding, however, any real property or interest therein released pursuant to the Loan Agreement.

Legal Requirements shall mean the Constitutions of the United States and the State of New York and all laws, statutes, codes, acts, ordinances, resolutions, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, certificates of occupancy, directions and requirements (including zoning, land use, planning, environmental protection, air, water and land pollution, toxic wastes, hazardous wastes, solid wastes, wetlands, health, safety, equal opportunity, minimum wages, and employment practices) of all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers, including those of the City, foreseen or unforeseen, ordinary or extraordinary, that are applicable now or may be applicable at any time hereafter to (i) the YMCA of GNY, (ii) any of the Facilities or any part thereof, or (iii) any use or condition of any of the Facilities or any part thereof.

Letter of Representation and Indemnity Agreement shall mean the Letter of Representation and Indemnity Agreement, dated the Closing Date, from the YMCA of GNY to the Issuer, the Trustee and the underwriter of the Series 2012 Bonds.

Liability shall have the meaning set forth in the Loan Agreement.

Liens shall have the meaning specified in the Loan Agreement.

Loan shall mean the loan made by the Issuer to the YMCA of GNY pursuant to the Loan Agreement as described therein.

Loan Agreement shall mean the Loan Agreement, dated as of June 1, 2012, between the Issuer and the YMCA of GNY, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Loan Payment Date shall mean three (3) Business Days prior to an Interest Payment Date, provided, however, that upon the occurrence of a deficiency in the Debt Service Reserve Fund, "Loan Payment Date" shall mean three (3) Business Days prior to the first Business Day of each month for the period set forth in the Loan Agreement.

Long Island City Branch Facility shall mean the Long Island City Branch Facility Personality and the Long Island City Branch Facility Realty.

Long Island City Branch Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed or refinanced in whole or in part with the proceeds of the Bonds for installation or use at the Long Island City Branch Facility Realty as part of the Project pursuant to the Loan Agreement and described in the Indenture, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. The Long Island City Branch Facility Personalty shall, in accordance with the provisions of the Loan Agreement, include all property substituted for or replacing items of the Long Island City Branch Facility Personalty and exclude all items of the Long Island City Branch Facility Personalty so substituted for or replaced, and further exclude all items of the Long Island City Branch Facility Personalty removed as provided in the Loan Agreement.

Long Island City Branch Facility Realty shall mean, collectively, the Land and the Improvements applicable to the Long Island City Branch Facility.

Loss Event shall have the meaning specified in the Loan Agreement.

Majority Holders shall mean the Beneficial Owners of at least a majority in aggregate principal amount of the Bonds Outstanding, or, if the Bonds shall cease to be in book-entry form, the Holders of at least a majority in aggregate principal amount of the Bonds Outstanding.

McBurney Branch Common Elements shall mean (a) the undivided interest of the McBurney Branch Unit in the Common Elements (as defined in the McBurney Branch Condominium Declaration) and (b) the Limited Common Elements (as defined in the McBurney Branch Condominium Declaration) specifically appurtenant to the McBurney Branch Unit.

McBurney Branch Condominium shall have the meaning assigned to the term “Condominium” in the McBurney Branch Condominium Declaration.

McBurney Branch Condominium By-Laws shall mean the by-laws established and adopted pursuant to the McBurney Branch Condominium Declaration, as the same may hereafter be amended from time to time in accordance therewith.

McBurney Branch Condominium Declaration shall mean the Declaration of Condominium of the Armory Place Condominium, dated as of November 21, 2001, recorded in the Office of the City Register, New York County on December 31, 2001 at Reel 3418 and Page 2045, as the same may be amended from time to time in accordance therewith.

McBurney Branch Condominium Documents shall mean, collectively, the McBurney Branch Condominium Declaration and the McBurney Branch Condominium By-Laws.

McBurney Branch Facility shall mean the McBurney Branch Facility Personalty and the McBurney Branch Facility Realty.

McBurney Branch Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed or refinanced in whole or in part with the proceeds of the Bonds for installation or use at the McBurney Branch Facility Realty as part of the Project pursuant to the Loan Agreement and described in the Indenture, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. The McBurney Branch Facility Personalty shall, in accordance with the provisions of the Loan Agreement, include all property

substituted for or replacing items of the McBurney Branch Facility Personalty and exclude all items of the McBurney Branch Facility Personalty so substituted for or replaced, and further exclude all items of the McBurney Branch Facility Personalty removed as provided in the Loan Agreement.

McBurney Branch Facility Realty shall mean, collectively, the McBurney Branch Unit and the McBurney Branch Common Elements.

McBurney Branch Unit shall mean the YMCA Unit as so designated in the McBurney Branch Condominium Declaration.

Merge shall have the meaning specified in the Loan Agreement.

Moody's shall mean Moody's Investors Service Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Nationally Recognized Bond Counsel shall mean counsel acceptable to the Issuer and the Trustee and experienced in matters relating to tax exemption of interest on bonds issued by states and their political subdivisions.

Net Proceeds shall mean, when used with respect to any insurance proceeds or condemnation award, compensation or damages, the gross amount of any such proceeds, award, compensation or damages less all expenses (including reasonable attorneys' fees and any extraordinary expenses of the YMCA of GNY) incurred in the collection thereof.

North Brooklyn Branch Facility shall mean the North Brooklyn Branch Facility Personalty and the North Brooklyn Branch Facility Realty.

North Brooklyn Branch Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed or refinanced in whole or in part with the proceeds of the Bonds for installation or use at the North Brooklyn Branch Facility Realty as part of the Project pursuant to the Loan Agreement and described in the Indenture, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. The North Brooklyn Branch Facility Personalty shall, in accordance with the provisions of the Loan Agreement, include all property substituted for or replacing items of the North Brooklyn Branch Facility Personalty and exclude all items of the North Brooklyn Branch Facility Personalty so substituted for or replaced, and further exclude all items of the North Brooklyn Branch Facility Personalty removed as provided in the Loan Agreement.

North Brooklyn Branch Facility Realty shall mean, collectively, the Land and the Improvements applicable to the North Brooklyn Branch Facility.

Notice Parties shall mean the Issuer, the YMCA of GNY, the Bond Registrar, the Paying Agents and the Trustee.

NYCIDA shall mean the New York City Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or

other governmental agency or instrumentality which shall hereafter succeed to, or be established to exercise, the powers, duties, obligations and functions thereof.

NYCIDA Series 1997 Bonds or Series 1997 Bonds shall mean the NYCIDA's Civic Facility Revenue Bonds, Series 1997 (YMCA of Greater New York Project).

NYCIDA Series 1997 Refunding Escrow Trust Agreement shall mean the Refunding Escrow Trust Agreement (Series 1997), dated as of June 1, 2012, among the NYCIDA, the YMCA of GNY and the NYCIDA Series 1997 Trustee, as trustee and escrow agent, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith.

NYCIDA Series 1997 Trustee or 1997 Trustee shall mean The Bank of New York Mellon, New York, New York, in its capacity as trustee and escrow agent under the NYCIDA Series 1997 Refunding Escrow Trust Agreement, and its successors in such capacity and their assigns hereafter appointed in the manner provided in the NYCIDA Series 1997 Refunding Escrow Trust Agreement.

NYCIDA Series 2002 Bonds or Series 2002 Bonds shall mean the NYCIDA's Civic Facility Revenue Bonds, Series 2002 (YMCA of Greater New York Project).

NYCIDA Series 2002 Refunding Escrow Trust Agreement shall mean the Refunding Escrow Trust Agreement (Series 2002), dated as of June 1, 2012, among the NYCIDA, the YMCA of GNY and the NYCIDA Series 2002 Trustee, as trustee and escrow agent, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith.

NYCIDA Series 2002 Trustee or 2002 Trustee shall mean The Bank of New York Mellon, New York, New York, in its capacity as trustee and escrow agent under the NYCIDA Series 2002 Refunding Escrow Trust Agreement, and its successors in such capacity and their assigns hereafter appointed in the manner provided in the NYCIDA Series 2002 Refunding Escrow Trust Agreement.

NYCIDA Series 2006 Bonds or Series 2006 Bonds shall mean the NYCIDA's Civic Facility Revenue Bonds (2006 YMCA of Greater New York Project).

Opinion of Counsel shall mean a written opinion of counsel for the YMCA of GNY or any other Person (which counsel shall be reasonably acceptable to the Issuer and the Trustee) with respect to such matters as required under any Project Document or as the Issuer or the Trustee may otherwise reasonably require, and which shall be in form and substance reasonably acceptable to the Issuer and the Trustee.

Organizational Documents shall mean, (i) in the case of an Entity constituting a limited liability company, the articles of organization or certificate of formation, and the operating agreement of such Entity, (ii) in the case of an Entity constituting a corporation, the charter, articles of incorporation or certificate of incorporation, and the bylaws of such Entity, and (iii) in the case of an Entity constituting a general or limited partnership, the partnership agreement of such Entity.

Outstanding, when used with reference to a Bond or Bonds, as of any particular date, shall mean all Bonds which have been issued, executed, authenticated and delivered under the Indenture, except:

- (i) Bonds cancelled by the Trustee because of payment or redemption prior to maturity or surrendered to the Trustee under the Indenture for cancellation;

(ii) any Bond (or portion of a Bond) for the payment or redemption of which, in accordance with the Indenture, there has been separately set aside and held in the Redemption Account of the Bond Fund either:

(A) moneys, and/or

(B) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide moneys,

in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, together with accrued interest on such Bond to the payment or redemption date, which payment or redemption date shall be specified in irrevocable instructions given to the Trustee to apply such moneys and/or Defeasance Obligations to such payment on the date so specified, provided, that, if such Bond or portion thereof is to be redeemed, notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(iii) Bonds in exchange for or in lieu of which other Bonds shall have been authenticated and delivered under the Indenture,

provided, however, that in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture or under any other Security Document, Bonds owned by the YMCA of GNY or any Affiliate of the YMCA of GNY shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Bonds which have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the YMCA of GNY or any Affiliate of the YMCA of GNY.

Participants shall mean those financial institutions for whom the Securities Depository effects book entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

Paying Agent shall mean any paying agent for the Bonds appointed pursuant to the Indenture (and may include the Trustee) and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Indenture.

Permitted Encumbrances shall mean, for each of the Facilities:

(i) any Project Document;

(ii) liens for real estate taxes, assessments, levies and other governmental charges, the payment of which is not yet due and payable;

(iii) any mechanic's, workmen's, repairmen's, materialmen's, contractors', warehousemen's, carriers', suppliers' or vendors' lien, security interest, encumbrance or charge or right in respect thereof, placed on or with respect to such Facility or any part thereof, if payment is not yet due and payable, or if such payment is being disputed pursuant to the Loan Agreement;

(iv) utility, access and other easements and rights of way, restrictions and exceptions that an Authorized Representative of the YMCA of GNY certifies to the Issuer and the Trustee will not materially interfere with or impair the YMCA of GNY's use and enjoyment of such Facility as provided in the Loan Agreement;

(v) such minor defects, irregularities, encumbrances, easements, rights of way and clouds on title as normally exist with respect to property similar in character to such Facility as do not, as set forth in a certificate of an Authorized Representative of the YMCA of GNY delivered to the Issuer and the Trustee, either singly or in the aggregate, render title to such Facility unmarketable or materially impair the property affected thereby for the purpose for which it was acquired or purport to impose liabilities or obligations on the Issuer;

(vi) those exceptions to title to such Facility Realty that exist on the Closing Date;

(vii) liens arising by reason of good faith deposits with the YMCA of GNY in connection with the tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the YMCA of GNY to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;

(viii) any lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the YMCA of GNY to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workmen's compensation, unemployment insurance, old age pensions or other social security, or to share in the privileges or benefits required for companies participating in such arrangements;

(ix) any judgment lien against the YMCA of GNY, so long as the finality of such judgment is being contested in good faith and execution thereon is stayed;

(x) any purchase money security interest in movable personal property, including equipment leases and financing;

(xi) liens on property due to rights of governmental entities or third party payors for recoupment of excess reimbursement paid;

(xii) a lien, restrictive declaration or performance mortgage with respect to the operation of such Facility arising by reason of a grant or other funding received by the YMCA of GNY from the City, the State or any governmental agency or instrumentality;

(xiii) as it relates to the NYCIDA Series 2006 Bonds (or any refinancing thereof) or any other bond issue of the NYCIDA, any leasehold or other property interest in a Facility or any portion thereof granted by the YMCA of GNY to the NYCIDA and any sublease, sale, assignment or other transfer of such leasehold or other property interest by the NYCIDA to the YMCA of GNY or any trustee for bonds of the NYCIDA; and

(xiv) any mortgage, lien, security interest or other encumbrance that exists as of the Closing Date or to which the Trustee shall consent.

Person shall mean an individual or any Entity.

Plans and Specifications shall mean the plans and specifications prepared for the Project by or on behalf of the YMCA of GNY, as amended from time to time by or on behalf of the YMCA of GNY to reflect any remodeling or relocating of the Project or substitutions, additions, modifications and improvements to the Project made by the YMCA of GNY in compliance with the Loan Agreement, said plans and specifications being duly certified by an Authorized Representative of the YMCA of GNY and filed in the designated corporate trust office of the Trustee and available to the Issuer.

Predecessor Institution shall have the meaning specified in the Loan Agreement.

Principal Account shall mean the special trust account of the Bond Fund so designated, established pursuant to the Indenture.

Principals shall mean, with respect to any Entity, the most senior three officers of such Entity, any Person with a ten percent (10%) or greater ownership interest in such Entity and any Person as shall have the power to Control such Entity, and “principal” shall mean any of such Persons.

Project shall mean, collectively:

(1) the current refunding of the outstanding NYCIDA Series 1997 Bonds, the proceeds of which, together with other funds of the YMCA of GNY were used, among other things: (i) to finance the construction of the South Shore Branch and the renovation of portions of the Bedford Branch and the acquisition and installation of machinery, equipment and other personal property in connection therewith; and (ii) to advance refund the outstanding NYCIDA Civic Facility Revenue Bonds, Series 1991 (YMCA of Greater New York Project), the proceeds of which, together with other funds of the YMCA of GNY were used to finance or refinance capital improvements and renovations to and equipment for the Vanderbilt Branch and the West Side Branch;

(2) the current refunding of the outstanding NYCIDA Series 2002 Bonds, the proceeds of which, together with other funds of the YMCA of GNY were used to finance the costs of acquiring, constructing, furnishing and equipping of the McBurney Branch; and

(3) the financing of the cost of constructing, renovating, furnishing and equipping and/or and the refinancing of taxable indebtedness of the YMCA of GNY to pay for the cost of constructing, renovating, furnishing and equipping, as applicable, the following:

- (i) the Harlem Branch (for construction of a new pool and renovations to the existing facility);
- (ii) the Long Island City Branch (for a locker room renovation);
- (iii) the McBurney Branch (for constructing, furnishing and equipping new facility);
- (iv) the North Brooklyn Branch (for pool repairs);
- (v) the Prospect Park Branch (for construction of a new aquatics center and restoration and renovation of the existing facility);
- (vi) the Vanderbilt Branch (for renovations to the existing facility);
- (vii) the Ridgewood Branch (for renovations to the existing facility); and

- (viii) the West Side Branch (for renovation of the existing facility and replacement of infrastructure);

all such Facilities to be operated by the YMCA of GNY for the purpose of providing community services and programs.

Project Costs shall mean:

- (i) costs to current refund the NYCIDA Series 1997 Bonds and the NYCIDA Series 2002 Bonds in whole and to refinance taxable debt of the YMCA of GNY with respect to the applicable Facilities;

- (ii) all costs of engineering and architectural services with respect to the Project, including the cost of test borings, surveys, estimates, permits, plans and specifications and for supervising demolition, construction and renovation, as well as for the performance of all other duties required by or consequent upon the proper construction of, and the making of alterations, renovations, additions and improvements in connection with, the completion of the Project Work;

- (iii) all costs paid or incurred for labor, materials, services, supplies, machinery, equipment and other expenses and to contractors, suppliers, builders and materialmen in connection with the completion of the Project Work;

- (iv) the interest on the Bonds during the construction and renovation of the Project Work Facilities;

- (v) all costs of contract bonds and of insurance that may be required or necessary during the period of Project construction and renovation;

- (vi) the cost of acquisition of the applicable Facility Realty;

- (vii) the payment of the Costs of Issuance with respect to the Series 2012 Bonds;

- (viii) the payment of the fees and expenses of the Trustee during the period of construction and renovation of the Project Work Facilities;

- (ix) all costs which the YMCA of GNY shall be required to pay, under the terms of any contract or contracts, for the completion of the Project Work Facilities, including any amounts required to reimburse the YMCA of GNY for advances made for any item otherwise constituting a Project Cost or for any other costs incurred and for work done which are properly chargeable to the Project; and

- (x) all other costs and expenses relating to the completion of the Project Work Facilities or the issuance of a Series of Additional Bonds.

“Project Costs” shall not include (i) fees or commissions of real estate brokers, (ii) moving expenses, or (iii) operational costs.

Project Documents shall mean, collectively, the NYCIDA Series 1997 Refunding Escrow Trust Agreement, the NYCIDA Series 2002 Refunding Escrow Trust Agreement and the Security Documents.

Project Fund shall mean the special trust fund so designated, established pursuant to the Indenture.

Project Work shall mean, with respect to the Project Work Facilities, (i) the design, construction and/or renovation of the Improvements, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

Project Work Facilities shall mean the Harlem Branch Facility, the Prospect Park Branch Facility and the West Side Branch Facility.

Promissory Note shall mean, (i) with respect to the Series 2012 Bonds, that certain Promissory Note in substantially the form as in the Loan Agreement, (ii), with respect to any Series of Additional Bonds, that certain Promissory Note in substantially the form as in any amendment to the Loan Agreement, and (iii) with respect to the Bonds, collectively, those certain Promissory Notes described in clauses (i) and (ii) above, and shall include in each case any and all amendments thereof and supplements thereto made in conformity with the Loan Agreement and the Indenture.

Prospect Park Branch Common Elements shall mean (a) the undivided interest of the Prospect Park Branch Unit in the Common Elements (as defined in the Prospect Park Branch Condominium Declaration) and (b) the Limited Common Elements (as defined in the Prospect Park Branch Condominium Declaration) specifically appurtenant to the Prospect Park Branch Unit.

Prospect Park Branch Condominium shall have the meaning assigned to the term “Condominium” in the Prospect Park Branch Condominium Declaration.

Prospect Park Branch Condominium By-Laws shall mean the by-laws established and adopted pursuant to the Prospect Park Branch Condominium Declaration, as the same may hereafter be amended from time to time in accordance therewith.

Prospect Park Branch Condominium Declaration shall mean the Declaration of Condominium of the Prospect Park YMCA Condominium, dated as of June 23, 1977, recorded in the Office of the City Register, Kings County on June 30, 1977 at Reel 3972, Page 455, as the same may be amended from time to time in accordance therewith.

Prospect Park Branch Condominium Documents shall mean, collectively, the Prospect Park Branch Condominium Declaration and the Prospect Park Branch Condominium By-Laws.

Prospect Park Branch Facility shall mean the Prospect Park Branch Facility Personalty and the Prospect Park Branch Facility Realty.

Prospect Park Branch Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed or refinanced in whole or in part with the proceeds of the Bonds for installation or use at the Prospect Park Branch Facility Realty as part of the Project pursuant to the Loan Agreement and described in the Indenture, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. The Prospect Park Branch Facility Personalty shall, in accordance with the provisions of the Loan Agreement, include all property substituted for or replacing items of the Prospect Park Branch Facility Personalty and exclude all items of the Prospect Park Branch Facility Personalty so substituted for or replaced, and further exclude all items of the Prospect Park Branch Facility Personalty removed as provided in the Loan Agreement.

Prospect Park Branch Facility Realty shall mean, collectively, the Prospect Park Branch Unit and the Prospect Park Branch Common Elements.

Prospect Park Branch Unit shall mean the YMCA Program Unit as so designated in the Prospect Park Branch Condominium Declaration.

Qualified Investments shall mean, to the extent permitted by applicable law, the following:

- (i) Government Obligations;
- (ii) Commercial paper, rated at least P-1 by Moody's or at least A-1 by Standard & Poor's, issued by a corporation or banking institution organized under the laws of the United States of America or any state thereof;
- (iii) Direct and general long term obligations of any state of the United States of America to which the full faith and credit of the state is pledged and that are rated in either of the two highest rating categories by Moody's and Standard & Poor's;
- (iv) Direct and general short term obligations of any state of the United States to which the full faith and credit of the state is pledged and that are rated in the highest rating category by Moody's and Standard & Poor's;
- (v) Interest-bearing demand or time deposits with or certificates of deposit issued by a national banking association or a state bank or trust company that is a member of the Federal Deposit Insurance Corporation ("FDIC") and that are (a) continuously and fully insured by the FDIC, or (b) with a bank that has outstanding debt, or which is a subsidiary of a holding company which has outstanding debt, rated in either of the two highest rating categories by Moody's and Standard & Poor's, or (c) continuously and fully secured by obligations of the type described in (i) and (ii) above that have a market value at all times at least equal to the principal amount of the deposit and are held by the Trustee or its agent or, in the case of uncertificated securities, are registered in the name of the Trustee as pledgee;
- (vi) Repurchase agreements, the maturity of which are less than thirty (30) days, entered into (a) with a bank or trust company rated at least P-1 by Moody's and A-1 by S&P and organized under the laws of the United States, (b) with a national banking association, insurance company, or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York and which is a member of the Security Investors Protection Corporation, in each case rated at least P-1 by Moody's and A-1 by S&P, or (c) with a dealer which is rated at least P-1 by Moody's and A-1 by S&P. The repurchase agreement must be continuously and fully secured by obligations of the type described in (i), (ii), (iii), (iv) or (v) above which have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreement and which are held by the Trustee or its agent or, in the case of uncertificated securities, are registered in the name of the Trustee as pledgee;
- (vii) Money market mutual funds with assets in excess of \$2,000,000,000 investing in obligations of the type specified in (i), (ii), (iii), (iv), (v) or (vi) above, including funds for which the Trustee or an affiliate of the Trustee serves as investment advisor, administrator, shareholder, servicing agent and/or custodian or sub-custodian, notwithstanding that (a) the Trustee charges and collects fees and expenses from such funds for services rendered, (b) the Trustee charges and collects fees and expenses for services rendered pursuant to the Indenture and (c) services performed for such funds and pursuant to the Indenture may converge at any time; and
- (viii) An investment agreement or other investment arrangement with any bank, trust company, national banking association or bank holding company in the United States, with any domestic branch of a foreign bank, or with any surety or insurance company, provided, that, (i) such investment agreement or other investment arrangement shall permit the full principal amount of the moneys so placed together

with the investment income agreed to be paid to be available for use as and when required under the Indenture, and (ii) the Person with whom such investment agreement or other investment arrangement is made must be a Person whose unsecured or uncollateralized short term debt obligations are assigned a rating by S&P of SP 1+ or better or a Person assigned a financial strength rating of AAA by S&P, and whose domestic assets shall be in excess of \$10,000,000,000.

Rating Agency shall mean any of S&P, Moody's or Fitch and such other nationally recognized securities rating agency as shall have awarded a rating to the Series 2012 Bonds.

Rating Category shall mean one of the generic rating categories of a Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

Rating Confirmation Notice shall mean a notice from a Rating Agency confirming that the rating on the Series 2012 Bonds will not be lowered or withdrawn as a result of the action proposed to be taken.

Rebate Amount shall have the meaning assigned to that term in the Tax Regulatory Agreement.

Rebate Fund shall mean the special trust fund so designated, established pursuant to the Indenture.

Record Date shall mean, with respect to any Interest Payment Date for the Series 2012 Bonds, the close of business on the fifteenth (15th) day of the month next preceding such Interest Payment Date, or, if such day is not a Business Day, the next preceding Business Day.

Redemption Account shall mean the special trust account of the Bond Fund so designated, established pursuant to the Indenture.

Redemption Date shall mean the date fixed for redemption of Bonds subject to redemption in any notice of redemption given in accordance with the terms of the Indenture.

Redemption Price shall mean, with respect to any Bond or a portion thereof, the principal amount thereof to be redeemed in whole or in part, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Indenture.

Refunding Bonds shall have the meaning assigned to that term in the Indenture.

Reimbursement Resolution shall mean the resolution adopted by the YMCA of GNY on February 27, 2012 with respect to the Project and the debt financing thereof.

Related Security Documents shall mean all Security Documents other than the Indenture.

Representations Letter shall mean the Blanket Issuer Letter of Representations from the Issuer to DTC with respect to the Series 2012 Bonds.

Reserve Fund Insurance Policy shall mean the insurance policy, surety bond or other acceptable evidence of insurance, if any, deposited in the Debt Service Reserve Fund in lieu of or in partial substitution for cash or securities on deposit therein; provided that the issuer providing such Reserve Fund Insurance Policy shall be an insurer whose policy of insurance results in the rating of municipal obligations insured by such insurer to be rated in either of the two highest rating categories of Moody's and S&P at the time such Reserve Fund Insurance Policy is issued.

Reserve Fund Letter of Credit shall mean the irrevocable, transferable letter of credit, if any, deposited in the Debt Service Reserve Fund in lieu of or in partial substitution for cash or securities on deposit therein; provided that the issuer providing such Reserve Fund Letter of Credit shall be a banking association, bank or trust company or branch thereof whose letter of credit results in the rating of municipal obligations secured by such letter of credit to be rated in either of the two highest rating categories of Moody's and S&P at the time such Reserve Fund Letter of Credit is issued.

Responsible Officer shall mean, with respect to the Trustee, any officer within the corporate trust office of the Trustee, including any vice-president, any assistant vice-president, any secretary, any assistant secretary, the treasurer, any assistant treasurer or other officer of the corporate trust office of the Trustee customarily performing functions similar to those performed by any of the above designated officers, who has direct responsibility for the administration of the trust granted in the Indenture, and shall also mean, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

Required Disclosure Statement shall mean that certain Required Disclosure Statement in the form of as presented in the Loan Agreement.

Reserve Fund Insurance Policy shall mean the insurance policy, surety bond or other acceptable evidence of insurance, if any, deposited in the Debt Service Reserve Fund in lieu of or in partial substitution for cash or securities on deposit therein; provided that the issuer providing such Reserve Fund Insurance Policy shall be an insurer whose policy of insurance results in the rating of municipal obligations insured by such insurer to be rated in either of the two highest rating categories of Moody's and S&P at the time such Reserve Fund Insurance Policy is issued.

Ridgewood Branch Facility shall mean the Ridgewood Branch Facility Personalty and the Ridgewood Branch Facility Realty.

Ridgewood Branch Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed or refinanced in whole or in part with the proceeds of the Bonds for installation or use at the Ridgewood Branch Facility Realty as part of the Project pursuant to the Loan Agreement and described in the Indenture, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. The Ridgewood Branch Facility Personalty shall, in accordance with the provisions of the Loan Agreement, include all property substituted for or replacing items of the Ridgewood Branch Facility Personalty and exclude all items of the Ridgewood Branch Facility Personalty so substituted for or replaced, and further exclude all items of the Ridgewood Branch Facility Personalty removed as provided in the Loan Agreement.

Ridgewood Branch Facility Realty shall mean, collectively, the Land and the Improvements applicable to the Ridgewood Branch Facility.

S&P shall mean Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc., a corporation organized and existing under the laws of the State, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Sales Taxes shall mean City and State sales and/or compensating use taxes imposed pursuant to Sections 1105, 1107, 1109 and 1110 of the New York State Tax Law, as each of the same may be amended from time to time (including any successor provisions to such statutory sections).

Securities Act shall mean the Securities Act of 1933, as amended, together with any rules and regulations promulgated thereunder.

Securities Depository shall mean any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in the Bonds, and to effect transfers of book-entry interests in the Bonds in book-entry form, and includes and means initially DTC.

Securities Exchange Act shall mean the Securities Exchange Act of 1934, as amended, together with any rules and regulations promulgated thereunder.

Security Documents shall mean, collectively, the Loan Agreement, the Promissory Note, the Indenture and the Tax Regulatory Agreement.

Series shall mean all of the Bonds designated as being of the same series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to the Indenture.

Series 2012 Bonds shall mean the Issuer's \$49,995,000 Revenue Bonds (YMCA of Greater New York Project), Series 2012 authorized, issued, executed, authenticated and delivered on the Closing Date under the Indenture.

Sinking Fund Installment shall mean an amount so designated and which is established for mandatory redemption on a date certain of the Bonds of any Series of Bonds pursuant to the Indenture. The portion of any such Sinking Fund Installment of a Series of Bonds remaining after the deduction of any amounts credited pursuant to the Indenture toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the amount of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments of such Series of Bonds due on a future date.

Sinking Fund Installment Account shall mean the special trust account of the Bond Fund so designated, which is established pursuant to the Indenture.

South Shore Branch Facility shall mean the South Shore Facility Personalty and the South Shore Branch Facility Realty.

South Shore Branch Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed or refinanced in whole or in part with the proceeds of the Bonds for installation or use at the South Shore Branch Facility Realty as part of the Project pursuant to the Loan Agreement and described in the Indenture, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. The South Shore Branch Facility Personalty shall, in accordance with the provisions of the Loan Agreement, include all property substituted for or replacing items of the South Shore Branch Facility Personalty and exclude all items of the South Shore Branch Facility Personalty so substituted for or replaced, and further exclude all items of the South Shore Branch Facility Personalty removed as provided in the Loan Agreement.

South Shore Branch Facility Realty shall mean, collectively, the Land and the Improvements applicable to the South Shore Branch Facility.

State shall mean the State of New York.

Successor Institution shall have the meaning specified in the Loan Agreement.

Supplemental Indenture shall mean any indenture supplemental to or amendatory of the Indenture, executed and delivered by the Issuer and the Trustee in accordance with the Indenture.

Tax-Exempt Organization shall mean an Entity organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code and exempt from Federal income taxes under 501(a) of Code, or corresponding provisions of Federal income tax laws from time to time in effect

Tax Regulatory Agreement shall mean the Tax Regulatory Agreement, dated the Closing Date, from the Issuer and the YMCA of GNY to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Transfer shall have the meaning specified in the Loan Agreement.

Trustee shall mean The Bank of New York Mellon, New York, New York, in its capacity as trustee under the Indenture, and its successors in such capacity and their assigns hereafter appointed in the manner provided in the Indenture.

Trust Estate shall mean all property, interests, revenues, funds, contracts, rights and other security granted to the Trustee under the Security Documents.

Vanderbilt Branch Common Elements shall mean (a) the undivided interest of the Vanderbilt Branch Unit in the Common Elements (as defined in the Vanderbilt Branch Condominium Declaration) and (b) the Limited Common Elements (as defined in the Vanderbilt Branch Condominium Declaration) specifically appurtenant to the Vanderbilt Branch Unit.

Vanderbilt Branch Condominium shall have the meaning assigned to the term "Condominium" in the Vanderbilt Branch Condominium Declaration.

Vanderbilt Branch Condominium By-Laws shall mean the by-laws established and adopted pursuant to the Vanderbilt Branch Condominium Declaration, as the same may hereafter be amended from time to time in accordance therewith.

Vanderbilt Branch Condominium Declaration shall mean the Declaration establishing the condominium known as "The Club at Turtle Bay", dated January 19, 1989, recorded in the Office of the City Register, New York County on March 2, 1989, as the same may be amended from time to time in accordance therewith.

Vanderbilt Branch Condominium Documents shall mean, collectively, the Vanderbilt Branch Condominium Declaration and the Vanderbilt Branch Condominium By-Laws.

Vanderbilt Branch Facility shall mean the Vanderbilt Branch Facility Personalty and the Vanderbilt Branch Facility Realty.

Vanderbilt Branch Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed or refinanced in whole or in part with the proceeds of the Bonds for installation or use at the Vanderbilt Branch Facility Realty as part of the Project pursuant to the Loan Agreement and described in the Indenture, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts,

additions and accessories incorporated therein or affixed thereto. The Vanderbilt Branch Facility Personalty shall, in accordance with the provisions of the Loan Agreement, include all property substituted for or replacing items of the Vanderbilt Branch Facility Personalty and exclude all items of the Vanderbilt Branch Facility Personalty so substituted for or replaced, and further exclude all items of the Vanderbilt Branch Facility Personalty removed as provided in the Loan Agreement.

Vanderbilt Branch Facility Realty shall mean, collectively, the Vanderbilt Branch Unit and the Vanderbilt Branch Common Elements.

Vanderbilt Branch Unit shall mean the Community Facility Unit as so designated in the Vanderbilt Branch Condominium Declaration.

West Side Branch Facility shall mean the West Side Branch Facility Personalty and the West Side Branch Facility Realty.

West Side Branch Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed or refinanced in whole or in part with the proceeds of the Bonds for installation or use at the West Side Branch Facility Realty as part of the Project pursuant to the Loan Agreement and described in the Indenture, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. The West Side Branch Facility Personalty shall, in accordance with the provisions of the Loan Agreement, include all property substituted for or replacing items of the West Side Branch Facility Personalty and exclude all items of the West Side Branch Facility Personalty so substituted for or replaced, and further exclude all items of the West Side Branch Facility Personalty removed as provided in the Loan Agreement.

West Side Branch Facility Realty shall mean, collectively, the Land and the Improvements applicable to the West Side Branch Facility.

Yield shall have the meaning assigned to such term in the Tax Regulatory Agreement.

YMCA of GNY shall mean Young Men's Christian Association of Greater New York, a not-for-profit corporation organized and existing under the laws of the State of New York, and its successors and assigns.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The following is a summary of certain provisions of the Loan Agreement dated as of June 1, 2012 (the "Loan Agreement"), relating to the Series 2012 Bonds. This summary is qualified in its entirety by reference to the Loan Agreement.

Agreement to Undertake Project Work. The YMCA of GNY covenants and agrees in the Loan Agreement to undertake and complete the Project Work in accordance with the Loan Agreement, including, without limitation: (i) effecting the Project Work, (ii) making, executing, acknowledging and delivering any contracts, orders, receipts, writings and instructions with any other Persons, and in general doing all things which may be requisite or proper, all for the purposes of undertaking the Project Work, (iii) paying all fees, costs and expenses incurred in the Project Work from funds made available therefor in accordance with or as contemplated by the Loan Agreement and the Indenture, and (iv) asking, demanding, suing for, levying, recovering and receiving all such sums of money, debts due and other demands whatsoever that may be due, owing and payable to the YMCA of GNY under the terms of any contract, order, receipt or writing in connection with the Project Work and to enforce the provisions of any contract, agreement, obligation, bond or other performance security entered into or obtained in connection with the Project Work.

Maintenance. During the term of the Loan Agreement, the YMCA of GNY will: (i) keep each of the Facilities in good and safe operating order and condition, ordinary wear and tear excepted, (ii) occupy, use and operate each of the Facilities, or cause each of the Facilities to be occupied, used and operated, as an Approved Facility, and (iii) make or cause to be made all replacements, renewals and repairs thereto (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen) necessary to ensure that (x) the interest on the Bonds shall not cease to be excludable from gross income for federal income tax purposes, (y) the operations of the YMCA of GNY at the Facilities shall not be materially impaired or diminished in any way, and (z) the security for the Bonds shall not be materially impaired.

All replacements, renewals and repairs shall be similar in quality, class and value to the original work and be made and installed in compliance with all applicable Legal Requirements. The Issuer shall be under no obligation to replace, service, test, adjust, erect, maintain or effect replacements, renewals or repairs of the Facilities, to effect the replacement of any inadequate, obsolete, worn out or unsuitable parts of the Facilities, or to furnish any utilities or services for the Facilities, and the YMCA of GNY agrees to assume full responsibility therefor.

Alterations and Improvements. The YMCA of GNY shall have the privilege of making such alterations of or additions to any Facility Realty ("Additional Improvements") or any part thereof from time to time as it in its discretion may determine to be desirable for its uses and purposes, provided that: (i) as a result of the Additional Improvements, the fair market value of such Facility is not reduced below its value immediately before the Additional Improvements are made and the usefulness, structural integrity or operating efficiency of such Facility is not materially impaired, (ii) the Additional Improvements are effected with due diligence, in a good and workmanlike manner and in compliance with all applicable Legal Requirements, (iii) the Additional Improvements are promptly and fully paid for by the YMCA of GNY in accordance with the terms of the applicable contract(s) therefor, and (iv) the Additional Improvements do not change the nature of such Facility so that it would not constitute an Approved Facility. All Additional Improvements shall constitute a part of the Facilities, subject to the Loan Agreement.

If at any time after the applicable Completion Date with respect to the Project Work Facilities or the Closing Date with respect to the Completed Facilities, the YMCA of GNY shall make any Additional Improvements, the YMCA of GNY shall notify an Authorized Representative of the Issuer of such Additional Improvements by delivering written notice thereof within thirty (30) days after the completion of the Additional Improvements.

In addition to the Facility Personalty, the YMCA of GNY shall have the right to install or permit to be installed at the Facility Realty, machinery, equipment and other personal property at the YMCA of GNY's own cost and expense (the "YMCA of GNY's Property"). Once so installed, the YMCA of GNY's Property shall not constitute part of the Facility Personalty and shall not be subject to the Loan Agreement, nor constitute part of the Facilities, provided that the same is not made fixtures appurtenant to any Facility Realty. The YMCA of GNY shall have the right to create or permit to be created any mortgage, encumbrance, lien or charge on, or conditional sale or other title retention agreement with respect to, the YMCA of GNY's Property, without the consent of or notice to the Issuer or the Trustee.

Removal of Property of the Facilities. The YMCA of GNY shall have the right from time to time to remove from that property constituting part of the Facilities any fixture constituting part of the Facility Realty or any machinery, equipment or other item of personal property constituting part of the Facility Personalty (in any such case, the "Existing Facility Property") and thereby removing such Existing Facility Property from that property constituting part of the provided, however:

(i) such Existing Facility Property is substituted or replaced by property (y) having equal or greater operating efficiency and utility (z) free of all mortgages, liens, charges, encumbrances, claims and security interests other than Permitted Encumbrances, or

(ii) if such Existing Facility Property is not to be substituted or replaced by other property but is instead to be sold, scrapped, traded-in or otherwise disposed of in an arms'-length bona fide transaction for consideration, the YMCA of GNY shall pay to the Trustee for deposit in the Redemption Account of the Bond Fund and thereby cause a redemption of Bonds to be effected in an amount (to the nearest integral multiple of Authorized Denomination) equal to the amounts derived from such sale or scrapping, the trade-in value credit received or the proceeds received from such other disposition; provided that no such redemption shall be required when such amount received in connection with any removal or series of removals does not exceed, in the aggregate, \$25,000.

No such removal set forth in paragraph (i) or (ii) above shall be effected if (w) such removal would cause the interest on the Bonds to cease to be excludable from gross income for federal income tax purposes, (x) such removal would change the nature of the each of the Facilities as an Approved Facility, (y) such removal would materially impair the usefulness, structural integrity or operating efficiency of any of the Facilities, or (z) there shall exist and be continuing an Event of Default under the Loan Agreement. Any amounts received pursuant to paragraph (ii) above in connection with any removal or series of removals, which are not in excess of \$25,000, shall be retained by the YMCA of GNY.

The removal from the Facilities of any Existing Facility Property pursuant to the provisions under this heading shall not entitle the YMCA of GNY to any abatement or reduction in the loan payments and other amounts payable by the YMCA of GNY under the Loan Agreement, under the Promissory Note or under any other Project Document.

Implementation of Additional Improvements and Removals. In the event of any Additional Improvements or substitution or replacement of property pursuant to the Loan Agreement as described under the heading "Alternations and Improvements" or "Removal of Property of the Facilities" above, the YMCA of GNY shall deliver or cause to be delivered to the Issuer and the Trustee any necessary

documents in order to cause such Additional Improvements or substitute or replacement property to be made part of the Facilities.

Loan of Proceeds. The Issuer agrees, upon the terms and conditions contained in the Loan Agreement and the Indenture, to make the Loan and lend to the YMCA of GNY an amount equal to the principal amount of the Series 2012 Bonds. The Loan shall be made by depositing on the Closing Date the proceeds from the sale of the Series 2012 Bonds into the Project Fund in accordance with the Indenture. Such proceeds shall be disbursed to or on behalf of the YMCA of GNY as provided in the Loan Agreement and the Indenture.

Promissory Note. The YMCA of GNY's obligation to repay the Loan shall be evidenced by the Loan Agreement and the Promissory Note. On the Closing Date, the YMCA of GNY shall execute and deliver the Promissory Note payable to the Issuer and the Trustee.

Loan Payments; Pledge of the Loan Agreement and of the Promissory Note. The YMCA of GNY covenants in the Loan Agreement to pay the Promissory Note and repay the Loan made pursuant to the Loan Agreement by making loan payments which the Issuer agrees shall be paid in immediately available funds by the YMCA of GNY directly to the Trustee on each Loan Payment Date (except as provided in the paragraphs below which shall be paid on the respective due dates thereof) for deposit in the Bond Fund (except to the extent that amounts are on deposit in the Bond Fund and available therefor) in an amount equal to the sum of, as applicable, (i) with respect to interest due and payable on the Bonds, an amount equal to the interest next becoming due and payable on the Bonds on the immediately succeeding Interest Payment Date, (ii) the principal amount of the Bonds then Outstanding which will become due on the immediately succeeding Interest Payment Date (whether at maturity or by redemption or acceleration as provided in the Indenture), (iii) the Sinking Fund Installments which will become due on the Bonds on the immediately succeeding Interest Payment Date, and (iv) without duplication of any amounts payable pursuant to clauses (i), (ii) or (iii) of this paragraph, the principal of and redemption premium, if any, on the Bonds to be redeemed which will become due on the immediately succeeding redemption date together with accrued interest to the date of redemption, which payment shall be made at least three (3) Business Days prior to such redemption date if such redemption date is not an Interest Payment Date.

Upon receipt by the YMCA of GNY of notice from the Trustee pursuant to the Indenture that the amount on deposit in the Debt Service Reserve Fund shall be less than the Debt Service Reserve Fund Requirement, the YMCA of GNY shall (i) pay to the Trustee for deposit in the Debt Service Reserve Fund twelve (12) substantially equal monthly payments commencing on the first day of the month immediately following receipt by the YMCA of GNY of notice of such deficiency and on the first day of the next eleven (11) months thereafter such that the aggregate of such twelve (12) monthly payments shall equal such deficiency in the Debt Service Reserve Fund, (ii) to the extent of a withdrawal or claim on a Reserve Fund Letter of Credit or a Reserve Fund Insurance Policy, reinstate the maximum limits of such Reserve Fund Letter of Credit or Reserve Fund Insurance Policy within twelve (12) months following such withdrawal or claim, or (iii) undertake a combination of such alternatives.

For so long as a deficiency shall exist in the Debt Service Reserve Fund by reason of a draw therefrom and for the next twenty-four (24) consecutive months following the cure of the deficiency in the Debt Service Reserve Fund, then notwithstanding the provisions set forth in the second paragraph above, the YMCA of GNY agrees to make loan payments in immediately available funds which the Agency agrees shall be paid by the YMCA of GNY directly to the Trustee on each Loan Payment Date for deposit in the Bond Fund in an amount equal to the sum of:

(i) with respect to interest due and payable on the Series 2012 Bonds, until the first Interest Payment Date following the receipt by the YMCA of GNY of the notice from the Trustee referred to above, an amount equal to the quotient obtained by dividing the amount of interest on all Series 2012 Bonds payable on such next Interest Payment Date (after taking into account any amounts on deposit in the Interest Account of the Bond Fund and as shall be available to pay interest on the Series 2012 Bonds on such next succeeding Interest Payment Date) by the number of Loan Payment Dates between the date of receipt of such notice from the Trustee referred to above and such next Interest Payment Date, and thereafter in an amount equal to one-sixth (1/6) of the amount of interest which will become due and payable on the Series 2012 Bonds on each next succeeding Interest Payment Date (after taking into account any amounts on deposit in the Interest Account of the Bond Fund, and as shall be available to pay interest on the Series 2012 Bonds on such next succeeding Interest Payment Date), provided that in any event the amount so paid with respect to interest on the Series 2012 Bonds on or before the Loan Payment Date immediately preceding an Interest Payment Date shall be an amount sufficient to pay the interest next becoming due on the Series 2012 Bonds on such immediately succeeding Interest Payment Date;

(ii) with respect to principal due on the Series 2012 Bonds (other than such principal amounts as shall become due as a mandatory Sinking Fund Installment payment), an amount equal to the quotient obtained by dividing the amount of the principal of the Series 2012 Bonds Outstanding becoming due (other than by reason of mandatory Sinking Fund Installments) on the next principal payment date following the receipt by the YMCA of GNY of the notice from the Trustee referred to in the Loan Agreement by the number of Loan Payment Dates between the date of receipt of such notice by the YMCA of GNY and such next principal payment date, and thereafter in an amount equal to one-twelfth (1/12) of the amount of the principal of the Series 2012 Bonds Outstanding next becoming due (other than by reason of mandatory Sinking Fund Installments), and provided that in any event the amount so paid with respect to principal on the Series 2012 Bonds on or before the Loan Payment Date immediately preceding a principal payment date of the Series 2012 Bonds shall be an amount sufficient to pay the principal of the Series 2012 Bonds Outstanding becoming due on such next succeeding principal payment date; and

(iii) with respect to Sinking Fund Installment payments due on the Series 2012 Bonds, an amount equal to the quotient obtained by dividing the amount of the Sinking Fund Installment of the Series 2012 Bonds Outstanding becoming due on the next Sinking Fund Installment payment date following the receipt by the YMCA of GNY of the notice from the Trustee referred to above by the number of Loan Payment Dates between the date of receipt of such notice by the YMCA of GNY and such next Sinking Fund Installment payment date, and thereafter in an amount equal to one-twelfth (1/12) of the amount of the Sinking Fund Installment on the Series 2012 Bonds next becoming due, provided that in any event the amount so paid with respect to Sinking Fund Installments on the Series 2012 Bonds on or before the Loan Payment Date immediately preceding a Sinking Fund Installment payment date of the Series 2012 Bonds shall be an amount sufficient to pay the Sinking Fund Installment of the Series 2012 Bonds Outstanding becoming due on such next succeeding Sinking Fund Installment payment date.

In the event the YMCA of GNY should fail to make or cause to be made any of the payments required under the foregoing provisions of this heading, the item or installment not so paid shall continue as an obligation of the YMCA of GNY until the amount not so paid shall have been fully paid.

The YMCA of GNY has the option to make advance loan payments for deposit in the Bond Fund to effect the retirement, defeasance or redemption of the Bonds in whole or in part, all in accordance with the terms of the Indenture; provided, however, that no partial redemption of the Bonds may be effected through advance loan payments under the Loan Agreement if there shall exist and be continuing an Event of Default. The YMCA of GNY shall exercise its option to make such advance loan payments by delivering a written notice of an Authorized Representative of the YMCA of GNY to the Trustee in

accordance with the Indenture, with a copy to the Issuer, setting forth (i) the amount of the advance loan payment, (ii) the principal amount of Bonds Outstanding requested to be redeemed with such advance loan payment (which principal amount shall be in such minimum amount or integral Authorized Denomination as shall be permitted in the Indenture), and (iii) the date on which such principal amount of Bonds are to be redeemed (which date shall be not earlier than forty-five (45) days after the date of such notice). In the event the YMCA of GNY shall exercise its option to make advance loan payments to effect the redemption in whole or in part of the Bonds, and such redemption is expressly permitted under the Indenture as a result of the damage, destruction or condemnation of any of the Facilities, or changes in law, or executive or judicial action, the YMCA of GNY shall further deliver to the Issuer and the Trustee a certificate of an Authorized Representative of the YMCA of GNY stating that, as a result of the occurrence of the event giving rise to such redemption, the YMCA of GNY has discontinued, or at the earliest practicable date will discontinue, its operation of any of the Facilities for its intended purposes. Such advance loan payment shall be paid to the Trustee in legal tender, for deposit in the Redemption Account of the Bond Fund on or before the redemption date and shall be an amount which, when added to the amounts on deposit in the Bond Fund and available therefor, will be sufficient to pay the Redemption Price of the Bonds to be redeemed, together with interest to accrue to the date of redemption and all expenses of the Issuer, the Trustee, the Bond Registrar and the Paying Agents in connection with such redemption. In the event the Bonds are to be redeemed in whole or otherwise retired, the YMCA of GNY shall further pay on or before such redemption date, in legal tender, to the Issuer, the Trustee, the Bond Registrar and the Paying Agent all fees and expenses owed such party or any other party entitled thereto under the Loan Agreement or the Indenture together with (i) all other amounts due and payable under the Loan Agreement and the other Security Documents, and (ii) any amounts required to be rebated to the Federal government pursuant to the Indenture or the Tax Regulatory Agreement.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding the date any Bonds of a Series are to be redeemed from mandatory Sinking Fund Installments, the YMCA of GNY may deliver to the Trustee Bonds of such Series which are subject to mandatory Sinking Fund Installment redemption in an aggregate principal amount not in excess of the principal amount of Bonds of such Series to be so redeemed on such date. Each such Bond so delivered shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the obligation of the Issuer on such Sinking Fund Installment payment date and any excess over such Sinking Fund Installment shall be credited on future Sinking Fund Installments in direct chronological order, and the principal amount of Bonds to be redeemed by operation of the mandatory Sinking Fund Installments shall be accordingly reduced.

In the event Defaulted Interest (as defined in the Indenture) shall become due on any Series 2012 Bond, the YMCA of GNY shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on such Series 2012 Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the Indenture), and shall deposit with the Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment.

No further loan payments need be made to the Issuer on account of the Bonds when and so long as the amount of cash and/or Defeasance Obligations on deposit in the Bond Fund is sufficient to satisfy and discharge the obligations of the Issuer under the Indenture and pay the Bonds as provided in the Indenture.

Any amounts remaining in the Earnings Fund, the Rebate Fund, the Bond Fund, the Debt Service Reserve Fund or the Project Fund after payment in full of (i) the Bonds (in accordance with the defeasance provisions of the Indenture), (ii) the fees, charges and expenses of the Issuer, the Trustee, the

Bond Registrar and the Paying Agents in accordance with the Indenture, (iii) all loan payments and all other amounts payable under the Loan Agreement and under the Promissory Note, and all amounts required to be rebated to the Federal government pursuant to the Tax Regulatory Agreement or the Indenture, and (iv) all amounts required to be paid under any Project Document, shall have been so paid, shall belong to and be paid to the YMCA of GNY by the Trustee as overpayment of the loan payments.

In the event that the YMCA of GNY fails to make any loan payment described under this heading, the installment so in default shall continue as an obligation of the YMCA of GNY until the amount in default shall have been fully paid.

Notwithstanding anything in the foregoing to the contrary, if the amount on deposit and available in the Bond Fund is not sufficient to pay the principal of, Sinking Fund Installments for, redemption premium, if any, and interest on the Bonds when due (whether at maturity or by redemption or acceleration or otherwise as provided in the Indenture), the YMCA of GNY shall forthwith pay the amount of such deficiency in immediately available funds to the Trustee for deposit in the Bond Fund.

Loan Payments and Other Payments Payable Absolutely Net. The obligation of the YMCA of GNY to pay the loan payments and other payments under the Loan Agreement and under the Promissory Note shall be absolutely net to the Issuer and to the Trustee without any abatement, recoupment, diminution, reduction, deduction, counterclaim, set-off or offset whatsoever, so that the Loan Agreement and the Promissory Note shall yield, net, to the Issuer and to the Trustee, the loan payments and other payments provided for in the Loan Agreement, and all costs, expenses and charges of any kind and nature relating to the Facilities, arising or becoming due and payable under the Loan Agreement, shall be paid by the YMCA of GNY and the Indemnified Parties shall be indemnified by the YMCA of GNY for, and the YMCA of GNY shall hold the Indemnified Parties harmless from, any such costs, expenses and charges.

Nature of YMCA of GNY's Obligation Unconditional. The YMCA of GNY's obligation under the Loan Agreement and under the Promissory Note to pay the loan payments and all other payments provided for in the Loan Agreement and in the Promissory Note shall be absolute, unconditional and a general obligation of the YMCA of GNY, irrespective of any defense or any rights of set-off, recoupment or counterclaim or deduction and without any rights of suspension, deferment, diminution or reduction it might otherwise have against the Issuer, the Trustee or the Holder of any Bond and the obligation of the YMCA of GNY shall arise whether or not the Project has been completed as provided in the Loan Agreement and whether or not any provider of a credit facility or liquidity facility with respect to the Bonds shall be honoring its obligations thereunder. The YMCA of GNY will not suspend or discontinue any such payment or terminate the Loan Agreement (other than such termination as is provided for thereunder), or suspend the performance or observance of any covenant or agreement required on the part of the YMCA of GNY under the Loan Agreement, for any cause whatsoever, and the YMCA of GNY waives all rights now or hereafter conferred by statute or otherwise to quit, terminate, cancel or surrender the Loan Agreement or any obligation of the YMCA of GNY thereunder except as provided therein or to any abatement, suspension, deferment, diminution or reduction in the loan payments or other payments thereunder or under the Promissory Note.

Advances by the Issuer or the Trustee. In the event the YMCA of GNY fails to make any payment or to perform or to observe any obligation required of it under the Loan Agreement, under the Promissory Note or under any other Security Document, the Issuer or the Trustee, after first notifying the YMCA of GNY in writing of any such failure on its part (except that no prior notification of the YMCA of GNY shall be required in the event of an emergency condition that, in the reasonable judgment of the Issuer or the Trustee, necessitates immediate action), may (but shall not be obligated to), and without waiver of any of the rights of the Issuer or the Trustee under the Loan Agreement or any other Security Document to which the Issuer or the Trustee is a party, make such payment or otherwise cure any failure

by the YMCA of GNY to perform and to observe its other obligations thereunder. All amounts so advanced therefor by the Issuer or the Trustee shall become an additional obligation of the YMCA of GNY to the Issuer or the Trustee, as the case may be, which amounts, together with interest thereon at the rate of twelve percent (12%) per annum, compounded daily, from the date advanced, the YMCA of GNY will pay upon demand therefor by the Issuer or the Trustee, as applicable. Any remedy vested in the Issuer or the Trustee in the Loan Agreement or in any other Security Document for the collection of the loan payments or other payments or other amounts due under the Loan Agreement, under the Promissory Note or under any other Security Document shall also be available to the Issuer or the Trustee for the collection of all such amounts so advanced. No advance shall be made by the Trustee except upon the written direction of the Majority Holders.

No Warranty of Condition or Suitability. THE ISSUER HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF THE FACILITY, ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE FACILITY, OR THE SUITABILITY OF THE FACILITY FOR THE PURPOSES OR NEEDS OF THE YMCA OF GNY OR THE EXTENT TO WHICH PROCEEDS DERIVED FROM THE SALE OF THE BONDS WILL BE SUFFICIENT TO PAY THE COST OF COMPLETION OF THE PROJECT. THE YMCA OF GNY ACKNOWLEDGES IN THE LOAN AGREEMENT THAT THE ISSUER IS NOT THE MANUFACTURER OF THE FACILITY PERSONALTY NOR THE MANUFACTURER'S AGENT NOR A DEALER THEREIN. THE YMCA OF GNY IS SATISFIED THAT THE FACILITY IS SUITABLE AND FIT FOR PURPOSES OF THE YMCA OF GNY. THE ISSUER SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO THE YMCA OF GNY OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE PROPERTY OF THE FACILITY OR THE USE OR MAINTENANCE THEREOF OR THE FAILURE OF OPERATION THEREOF, OR THE REPAIR, SERVICE OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED.

Damage, Destruction and Condemnation. In the event that the whole or part of any of the Facilities shall be damaged or destroyed, or taken or condemned by a competent authority for any public use or purpose, or by agreement to which the YMCA of GNY and those authorized to exercise such right are parties, or if the temporary use of any of the Facilities shall be so taken by condemnation or agreement (a "Loss Event"):

(i) the Issuer shall have no obligation to rebuild, replace, repair or restore the affected Facility or to advance funds therefor,

(ii) there shall be no abatement, postponement or reduction in the loan payments or other amounts payable by the YMCA of GNY under the Loan Agreement or the Promissory Note or any other Security Document to which it is a party, and the YMCA of GNY waives, to the extent permitted by law, any provisions of law which would permit the YMCA of GNY to terminate the Loan Agreement, the Promissory Note or any other Security Document, or eliminate or reduce its payments under the Loan Agreement, under the Promissory Note or under any other Security Document, and

(iii) the YMCA of GNY will promptly give written notice of such Loss Event to the Issuer and the Trustee, generally describing the nature and extent thereof.

Loss Proceeds. The Issuer, the Trustee and the YMCA of GNY shall cooperate and consult with each other in all matters pertaining to the settlement, compromise, arbitration or adjustment of any claim or demand on account of any Loss Event, and the settlement, compromise, arbitration or adjustment of any such claim or demand shall, as between the Issuer and the YMCA of GNY.

Election to Rebuild or Terminate. In the event a Loss Event shall occur, the YMCA of GNY shall either (i) at its own cost and expense (except to the extent paid from the Net Proceeds), within two (2) years of the Loss Event, promptly and diligently rebuild, replace, repair or restore the affected Facility or Facilities to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function, regardless of whether or not the Net Proceeds derived from the Loss Event shall be sufficient to pay the cost thereof, and the YMCA of GNY shall not by reason of payment of any such excess costs be entitled to any reimbursement from the Issuer, the Trustee or any Bondholder, nor shall the loan payments or other amounts payable by the YMCA of GNY under the Loan Agreement or the Promissory Note or any other Security Document be abated, postponed or reduced, or (ii) cause a principal amount of the Series 2012 Bonds to be redeemed in the Facility Allocation Percentage for the affected Facility or Facilities, or, if such affected Facility or Facilities not to be so rebuilt, replaced, repaired or restored constitutes the last remaining Facility or Facilities under the Loan Agreement, cause the Series 2012 Bonds to be redeemed in whole; upon the effecting of any such redemption, the affected Facility or Facilities shall be released from the Loan Agreement; provided that if all or substantially all of the Facilities shall be taken or condemned, or if the taking or condemnation renders the Facilities unsuitable for use by the YMCA of GNY as contemplated by the Loan Agreement, the YMCA of GNY shall exercise its option to terminate the Loan Agreement.

Not later than one hundred eighty (180) days after the occurrence of a Loss Event, the YMCA of GNY shall advise the Issuer and the Trustee in writing of the action to be taken by the YMCA of GNY under the first paragraph of this heading, a failure to so timely notify being deemed an election in favor of clause (ii) of the paragraph above to be exercised in accordance with the provisions of clause (ii) of the paragraph above.

It is acknowledged and agreed by the Issuer and the YMCA of GNY that the determination to rebuild, replace, repair or restore the McBurney Branch Facility, the Prospect Park Branch Facility and/or the Vanderbilt Branch Facility may reside solely within the control of the respective Board of Managers of the McBurney Branch Condominium, the Prospect Park Branch Condominium and the Vanderbilt Branch Condominium, and each such Board of Managers may elect, in lieu of the YMCA of GNY, not to rebuild, replace, repair or restore the McBurney Branch Facility, the Prospect Park Branch Facility or the Vanderbilt Branch Facility, as applicable, as set forth in clause (i) above. If the YMCA of GNY shall not otherwise rebuild, replace, repair or restore a Facility, the YMCA of GNY shall exercise its option under clause (ii) above.

Effect of Election to Build. All rebuilding, replacements, repairs or restorations of an affected Facility in respect of or occasioned by a Loss Event shall: (i) automatically be deemed a part of such Facility under the Loan Agreement, (ii) be effected only if the YMCA of GNY shall deliver to the Issuer and the Trustee a certificate from an Authorized Representative of the YMCA of GNY acceptable to the Issuer and the Trustee to the effect that such rebuilding, replacement, repair or restoration shall not change the nature of such Facility as an Approved Facility, (iii) be effected with due diligence in a good and workmanlike manner, in compliance with all applicable Legal Requirements and be promptly and fully paid for by the YMCA of GNY in accordance with the terms of the applicable contract(s) therefor, (iv) restore such Facility to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function, and to a state and condition that will permit the YMCA of GNY to use and operate such Facility as an Approved Facility, (v) be effected only if the YMCA of GNY shall have complied with the insurance provisions of the Loan Agreement,

(vi) be preceded by the furnishing by the YMCA of GNY to the Trustee of a labor and materials payment bond, or other security, satisfactory to the Trustee, and (vii) if the estimated cost of such rebuilding, replacement, repair or restoration is in excess of \$250,000, be effected under the supervision of an Independent Engineer.

The date of completion of the rebuilding, replacement, repair or restoration of an affected Facility shall be evidenced to the Issuer and the Trustee by a certificate of an Authorized Representative of the YMCA of GNY stating (i) the date of such completion, (ii) that all labor, services, machinery, equipment, materials and supplies used therefor and all costs and expenses in connection therewith have been paid for or arrangement for payment, reasonably satisfactory to the Trustee, has been made (iii) that such Facility has been rebuilt, replaced, repaired or restored to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function, (iv) that all property constituting part of such Facility is under the Loan Agreement, subject to Permitted Encumbrances, and (v) that the restored Facility is ready for occupancy, use and operation for its intended purposes. Notwithstanding the foregoing, such certificate shall state (x) that it is given without prejudice to any rights of the YMCA of GNY against third parties which exist at the date of such certificate or which may subsequently come into being, (y) that it is given only for the purposes of this heading and (z) that no Person other than the Issuer or the Trustee may benefit therefrom.

The certificate delivered pursuant to the paragraph above shall be accompanied by (i) a certificate of occupancy (either temporary or permanent, provided that if it is a temporary certificate of occupancy, the YMCA of GNY will proceed with due diligence to obtain a permanent certificate of occupancy), if required, and any and all permissions, licenses or consents required of governmental authorities for the occupancy, operation and use of the restored Facility for the purposes contemplated by the Loan Agreement; (ii) a certificate of an Authorized Representative of the YMCA of GNY that all costs of rebuilding, repair, restoration and reconstruction of the restored Facility have been paid in full, together with releases of mechanics' liens by all contractors and materialmen who supplied work, labor, services, materials or supplies in connection with the rebuilding, repair, restoration and reconstruction of the restored Facility (or, to the extent that any such costs shall be the subject of a bona fide dispute, evidence to the Trustee that such costs have been appropriately bonded or that the YMCA of GNY shall have posted a surety or security at least equal to the amount of such costs); and (iii) a search prepared by a title company, or other evidence satisfactory to the Trustee, indicating that there has not been filed with respect to the restored Facility (except liens which have been bonded) any mechanic's, materialmen's or any other lien in connection with the rebuilding, replacement, repair and restoration of the restored Facility and that there exist no encumbrances other than Permitted Encumbrances or those encumbrances consented to by the Issuer and the Trustee.

Pledge and Assignment to Trustee. On the Closing Date, the Issuer will endorse and assign the Promissory Note to the Trustee. As security for the payment of the Bonds and the obligations of the YMCA of GNY under the Security Documents, (i) the Issuer shall pledge and assign to the Trustee pursuant to the Indenture all of the Issuer's right, title and interest in the Promissory Note and all of the Issuer's right, title and interest (except for the Issuer's Reserved Rights) in the Loan Agreement, including all loan payments thereunder and under the Loan Agreement, and (ii) in furtherance of said pledge, the Issuer will unconditionally assign such loan payments to the Trustee for deposit in the Bond Fund in accordance with the Indenture. The YMCA of GNY consents to the pledge and assignment of the Loan Agreement and the Promissory Note described in this paragraph.

Issuance of Additional Bonds. The Issuer and the YMCA of GNY recognize that under the provisions of and subject to the conditions set forth in the Indenture, the Issuer is authorized to enter into a Supplemental Indenture and issue one or more series of Additional Bonds on a parity with the Series 2012 Bonds for the purpose of (i) completing the Project, (ii) providing funds in excess of the Net

Proceeds of insurance or eminent domain to repair, relocate, replace, rebuild or restore any of the Facilities in the event of damage, destruction or taking by eminent domain, (iii) providing extensions, additions or improvements to any of the Facilities, or (iv) refunding Outstanding Bonds. If the YMCA of GNY is not in default under the Loan Agreement or under any other Project Document, the Issuer will consider the issuance of a Series of Additional Bonds in a principal amount as is specified in a written request in accordance with the applicable provisions set forth in the Indenture.

Indemnity. The YMCA of GNY shall at all times indemnify, defend, protect and hold the Issuer, the Trustee, the Bond Registrar and the Paying Agents, and any director, member, officer, employee, servant, agent (excluding for this purpose the YMCA of GNY, which is not obligated by the Loan Agreement to indemnify its own employees, Affiliates or affiliated individuals) thereof and persons under the Issuer's control or supervision (collectively, the "Indemnified Parties" and each an "Indemnified Party") harmless of, from and against any and all claims (whether in tort, contract or otherwise), taxes (of any kind and by whomsoever imposed), demands, penalties, fines, liabilities, lawsuits, actions, proceedings, settlements, costs and expenses, including attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses (collectively, "Claims") of any kind for losses, damage, injury and liability (collectively, "Liability") of every kind and nature and however caused (except, with respect to any Indemnified Party, Liability arising from the gross negligence or willful misconduct of such Indemnified Party), arising during the period commencing on the Indemnification Commencement Date, and continuing until the termination of the Loan Agreement, arising upon, about, or in any way connected with the Facilities, the Project, or any of the transactions with respect thereto, including:

- (i) the financing of the costs of the Facilities or the Project and the marketing, offering, issuance, sale and remarketing of the Bonds for such purpose,
- (ii) the planning, design, acquisition, site preparation, Project Work, construction, renovation, equipping, installation or completion of the Project or any part thereof or the effecting of any work done in or about the Facilities, or any defects (whether latent or patent) in the Facilities,
- (iii) the maintenance, repair, replacement, restoration, rebuilding, construction, renovation, upkeep, use, occupancy, ownership, leasing, subletting or operation of the Facilities or any portion thereof,
- (iv) the execution and delivery by an Indemnified Party, the YMCA of GNY or any other Person of, or performance by an Indemnified Party, the YMCA of GNY or any other Person, as the case may be, of, any of their respective obligations under the Condominium Documents, the Loan Agreement or any other Project Document, or other document or instrument delivered in connection with the Loan Agreement or therewith or the enforcement of any of the terms or provisions of the Loan Agreement or thereof or the transactions contemplated by the Loan Agreement or thereby,
- (v) any damage or injury to the person or property of any Person in or on the premises of the Facilities,
- (vi) any imposition arising from, burden imposed by, violation of, or failure to comply with any Legal Requirement, including failure to comply with the requirements of the City's zoning resolution and related regulations, or
- (vii) the presence, disposal, release, or threatened release of any Hazardous Materials that are on, from, or affecting the Facilities; any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; any lawsuit brought or

threatened, settlement reached, or government order relating to such Hazardous Materials, and/or any violation of Legal Requirements, including demands of government authorities, or any policies or requirements of the Issuer, which are based upon or in any way related to such Hazardous Materials.

The YMCA of GNY releases each Indemnified Party from, and agrees that no Indemnified Party shall be liable to the YMCA of GNY or its Affiliates for, any Claim or Liability arising from or incurred as a result of action taken or not taken by such Indemnified Party with respect to any of the matters set forth in the indemnification provisions of the Loan Agreement described above including any Claim or Liability arising from or incurred as a result of the gross negligence or willful misconduct of such Indemnified Party, or at the direction of the YMCA of GNY with respect to any of such matters above referred to.

An Indemnified Party shall promptly notify the YMCA of GNY in writing of any claim or action brought against such Indemnified Party in which indemnity may be sought against the YMCA of GNY pursuant to this heading; such notice shall be given in sufficient time to allow the YMCA of GNY to defend or participate in such claim or action, but the failure to give such notice in sufficient time shall not constitute a defense under the Loan Agreement nor in any way impair the obligations of the YMCA of GNY described under this heading.

Anything to the contrary in the Loan Agreement notwithstanding, the covenants of the YMCA of GNY described in this heading shall be in addition to any and all other obligations and liabilities that the YMCA of GNY may have to any Indemnified Party in any other agreement or at common law, and shall remain in full force and effect after the termination of the Loan Agreement until the later of (i) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought and (ii) payment in full or the satisfaction of such claim or cause of action and of all expenses and charges incurred by the Indemnified Party relating to the enforcement of the provisions specified in the Loan Agreement.

Assignment of the Loan Agreement or Lease of Facility. The YMCA of GNY shall not at any time, except as permitted by the Loan Agreement, assign or transfer the Loan Agreement without the prior written consents of the Issuer and the Trustee (which consents may be withheld by the Issuer or the Trustee in their absolute discretion); provided further, that the following conditions must be satisfied on or prior to the date on which the Issuer and the Trustee consent to any such assignment or transfer:

(i) the YMCA of GNY shall have delivered to the Issuer and the Trustee a certificate of an Authorized Representative to the effect that the transfer or assignment to the assignee or transferee (the "New Institution") shall not cause the any of the Facilities to cease being an Approved Facility;

(ii) the New Institution shall be liable to the Issuer for the payment of all loan and other payments and for the full performance of all of the terms, covenants and conditions of the Loan Agreement and of any other Project Document to which it shall be a party;

(iii) the New Institution shall have assumed in writing (and shall have executed and delivered to the Issuer and the Trustee such document and have agreed to keep and perform) all of the terms of the Loan Agreement and each other Project Document on the part of the New Institution to be kept and performed, shall be subject to service of process in the State, and, if a corporation, shall be qualified to do business in the State;

(iv) the New Institution shall be a not-for-profit corporation or a limited liability company constituting a Tax-Exempt Organization;

(v) such assignment or transfer shall not violate any provision of the Loan Agreement or any other Project Document;

(vi) an Opinion of Counsel shall have been delivered and addressed to the Issuer and the Trustee, to the effect that (x) such assignment or transfer shall constitute the legally valid, binding and enforceable obligation of the New Institution and shall not legally impair in any respect the obligations of the New Institution for the payment of all loan payments nor for the full performance of all of the terms, covenants and conditions of the Loan Agreement, of the Promissory Note or of any other Project Document to which the New Institution shall be a party, nor impair or limit in any respect the obligations of any other obligor under any other Project Document, and (y) the Loan Agreement and each of the other Project Documents to which the New Institution is a party constitute the legally valid, binding and enforceable obligation of the New Institution;

(vii) the New Institution shall have delivered to the Issuer the Required Disclosure Statement in form and substance satisfactory to the Issuer;

(viii) each such assignment shall contain such other provisions as the Issuer or the Trustee may reasonably require; and

(ix) an opinion of Nationally Recognized Bond Counsel shall have been delivered and addressed to the Issuer and the Trustee, to the effect that such assignment or transfer shall not affect the exclusion of the interest on any Bonds then Outstanding from gross income for federal income tax purposes.

The YMCA of GNY shall furnish or cause to be furnished to the Issuer and the Trustee a copy of any such assignment or transfer in substantially final form at least thirty (30) days prior to the date of execution thereof.

The YMCA of GNY shall not at any time lease all or substantially all of any of the Facilities, without the prior written consents of the Issuer and the Trustee (which consents may be withheld by the Issuer or the Trustee in their absolute discretion); nor shall the YMCA of GNY lease part (*i.e.*, not constituting substantially all) of any of the Facilities without the prior written consents of the Issuer and the Trustee (which consents shall, in such case, not be unreasonably withheld and, in the case of the Issuer, such consent to be requested by the YMCA of GNY of the Issuer in the form prescribed by the Issuer, and such consent of the Issuer to take into consideration the Issuer's policies as in effect from time to time); provided further, that the following conditions must be satisfied on or prior to the date on which the Issuer and the Trustee consent to any such letting:

(i) the YMCA of GNY shall have delivered to the Issuer and the Trustee a certificate of an Authorized Representative to the effect that the lease shall not cause any of the Facilities to cease being an Approved Facility;

(ii) the YMCA of GNY shall remain primarily liable to the Issuer for the payment of all loan and other payments and for the full performance of all of the terms, covenants and conditions of the Loan Agreement and of the Promissory Note and of any other Project Document to which it shall be a party;

(iii) any lessee in whole or substantially in whole of any of the Facilities shall have assumed in writing (and shall have executed and delivered to the Issuer and the Trustee such document) and have agreed to keep and perform all of the terms of the Loan Agreement and each other Project Document on the part of the YMCA of GNY to be kept and performed, shall be jointly and severally

liable with the YMCA of GNY for the performance thereof, shall be subject to service of process in the State, and, if a corporation, shall be qualified to do business in the State;

(iv) any lessee shall utilize any of the Facilities as an Approved Facility and shall constitute a Tax-Exempt Organization;

(v) such lease shall not violate any provision of the Loan Agreement or any other Project Document;

(vi) with respect to any letting in part of any of the Facilities, the term of each such lease shall not exceed five (5) years at any given date, and no more than an aggregate of twenty percent (20%) of the Completed Improvements Rentable Square Footage shall be leased by the YMCA of GNY;

(vii) an Opinion of Counsel shall have been delivered and addressed to the Issuer and the Trustee, to the effect that such lease shall constitute the legally valid, binding and enforceable obligation of the lessee and shall not legally impair in any respect the obligations of the YMCA of GNY for the payment of all loan or other payments nor for the full performance of all of the terms, covenants and conditions of the Loan Agreement, of the Promissory Note or of any other Project Document to which the YMCA of GNY shall be a party, nor impair or limit in any respect the obligations of any other obligor under any other Project Document;

(viii) such lease shall in no way diminish or impair the obligation of the YMCA of GNY to carry the insurance required under the Loan Agreement and the YMCA of GNY shall furnish written evidence satisfactory to the Issuer and the Trustee that such insurance coverage shall in no manner be diminished or impaired by reason of such assignment, transfer or lease;

(ix) any such lessee shall have delivered to the Issuer the Required Disclosure Statement in form and substance satisfactory to the Issuer;

(x) each such lease shall contain such other provisions as the Issuer or the Trustee may reasonably require; and

(xi) an opinion of Nationally Recognized Bond Counsel shall have been delivered and addressed to the Issuer and the Trustee, to the effect that such lease shall not affect the exclusion of the interest on any Bonds then Outstanding from gross income for federal income tax purposes.

The YMCA of GNY shall furnish or cause to be furnished to the Issuer and the Trustee a copy of any such lease in substantially final form at least thirty (30) days prior to the date of execution thereof.

Any consent by the Issuer or the Trustee to any act of assignment, transfer or lease shall be held to apply only to the specific transaction thereby authorized. Such consent shall not be construed as a waiver of the duty of the YMCA of GNY, or the successors or assigns of the YMCA of GNY, to obtain from the Issuer and the Trustee consent to any other or subsequent assignment, transfer or lease, or as modifying or limiting the rights of the Issuer or the Trustee under the foregoing covenant by the YMCA of GNY.

For purposes of this heading, any license or other right of possession or occupancy granted by the YMCA of GNY with respect to any of the Facilities shall be deemed a lease subject to the provisions of this heading.

Retention of Title to or of Interest in Facility; Grant of Easements; Release of a Facility. The YMCA of GNY shall not sell, assign, encumber (other than Permitted Encumbrances), convey or otherwise dispose of its fee title to or interest in any of the Facilities, including the Improvements, or any part of any of the Facilities or interest therein, except as set forth in the Loan Agreement or under this heading, without the prior written consents of the Issuer and of the Trustee, and any purported disposition without such consents shall be void.

The YMCA of GNY may, with the prior written consent of the Issuer (such consent not to be unreasonably withheld or delayed), so long as there exists no Event of Default under the Loan Agreement, grant such rights of way or easements over, across, or under, any Facility Realty, or grant such permits or licenses in respect to the use thereof, as shall be necessary or convenient in the opinion of the YMCA of GNY for the operation or use of any of the Facilities, or required by any utility company for its utility business, provided that, in each case, such rights of way, easements, permits or licenses shall not adversely affect the use or operation of any of the Facilities as an Approved Facility, and provided, further, that any consideration received by the YMCA of GNY from the granting of said rights-of-way, easements, permits or licenses shall be paid to the Trustee and deposited in the Redemption Account of the Bond Fund.

So long as there exists no Event of Default under the Loan Agreement, and the YMCA of GNY delivers to the Trustee and the Issuer an opinion of Nationally Recognized Bond Counsel to the effect that the following action will not affect the exclusion of the interest on any Bonds then Outstanding from gross income for federal income tax purposes, the YMCA of GNY may from time to time request in writing to the Issuer the release of and removal from the property comprising the Facilities subject to the Loan Agreement of any unimproved part of the Land (on which none of the Improvements, including the buildings, structures, major appurtenances, fixtures or other property comprising any Facility Realty, is situated); provided that such release and removal will not adversely affect the use or operation of any of the Facilities as an Approved Facility; provided further, that, no such release shall be effected unless there shall be deposited with the Trustee the following:

(i) a certificate of an Independent Engineer, dated not more than sixty (60) days prior to the date of the release, stating that, in the opinion of the person signing such certificate, the unimproved Land and the release thereof so proposed to be made is not needed for the operation of the remaining Facility, will not adversely affect the use or operation of such Facility as an Approved Facility and will not destroy the means of ingress thereto and egress therefrom; and

(ii) an amount of cash for deposit in the Redemption Account of the Bond Fund equal to the greatest of (x) the original cost of the unimproved Land so released, such allocable cost to be determined by the appraisal of an independent real estate brokerage firm of recognized standing within the City, (y) the fair market value of such unimproved Land, such value to be determined by the appraisal of an independent real estate brokerage firm of recognized standing within the City, and (z) if such unimproved Land is released in connection with its sale, the amount received by the YMCA of GNY upon such sale.

Notwithstanding any other provision of the Loan Agreement, so long as there exists no Event of Default under the Loan Agreement, nor any event which upon the giving of notice or the passage of time or both, would constitute an Event of Default, the YMCA of GNY may, upon written notice to the Agency and the Trustee and compliance with the following, effect the release of a Facility subject to the Loan Agreement; provided, that, no such release shall be effected unless the YMCA of GNY shall cause Bonds to cease to be Outstanding (either through redemption or the defeasance provisions of the Indenture) in a principal amount equal to the greatest of (A) the Facility Allocation Percentage with respect to the Facility to be released multiplied by the Outstanding principal amount of the Bonds, (B) the

fair market value of the Bond financed portion of such Facility to be released, such value to be determined by the appraisal of an independent real estate brokerage firm of recognized standing within the City, and (C) if such Facility is released in connection with the sale of such Facility, the amount received by the YMCA of GNY upon such sale which is allocable to the Bond financed portion of the Facility so released, such allocable value to be determined by an independent real estate brokerage firm of recognized standing within the City. If the Facility or Facilities to be released shall be the last remaining Facility or Facilities subject to the Loan Agreement, then, notwithstanding the foregoing, the YMCA of GNY shall cause the Bonds in whole to cease to be Outstanding and shall exercise its option to terminate the Loan Agreement pursuant to the termination provisions of the Loan Agreement.

No conveyance or release effected under the provisions of this heading shall entitle the YMCA of GNY to any abatement or diminution of the loan payments or other amounts payable under the Loan Agreement or any other payments required to be made by the YMCA of GNY under the Loan Agreement or any other Project Document to which it shall be a party.

Discharge of Liens. If any lien, encumbrance or charge is filed or asserted (including any lien for the performance of any labor or services or the furnishing of materials), or any judgment, decree, order, levy or process of any court or governmental body is entered, made or issued or any claim (such liens, encumbrances, charges, judgments, decrees, orders, levies, processes and claims being herein collectively called "Liens"), whether or not valid, is made against the Trust Estate, the Facilities or any part thereof or the interest therein of the YMCA of GNY or against any of the loan payments or other amounts payable under the Loan Agreement, the Promissory Note or any of the other Security Documents, or the interest of the Issuer or the YMCA of GNY in any Security Document, other than Liens for Impositions not yet payable, Permitted Encumbrances, or Liens being contested as permitted by the provisions of the Loan Agreement pertaining to discharge of liens described in the paragraph below, the YMCA of GNY forthwith upon receipt of notice of the filing, assertion, entry or issuance of such Lien (regardless of the source of such notice) shall give written notice thereof to the Issuer and the Trustee and take all action (including the payment of money and/or the securing of a bond with respect to any such Lien) at its own cost and expense as may be necessary or appropriate to obtain the discharge in full of such Lien and to remove or nullify the basis therefor. Nothing contained in the Loan Agreement shall be construed as constituting the express or implied consent to or permission of the Issuer for the performance of any labor or services or the furnishing of any materials that would give rise to any Lien not permitted under this heading.

The YMCA of GNY may at its sole cost and expense contest (after prior written notice to the Issuer and the Trustee), by appropriate action conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any Lien, if (i) such proceeding shall suspend the execution or enforcement of such Lien against the Trust Estate, the Facilities or any part thereof or interest therein, or against any of the loan payments or other amounts payable under the Loan Agreement, the Promissory Note or any of the other Project Documents or the interest of the Issuer or the YMCA of GNY in any Project Document, (ii) none of the Facilities nor any part thereof or interest therein, the Trust Estate or any portion thereof, the loan payments or other amounts payable under the Loan Agreement, the Promissory Note or any of the other Security Documents or the interest of the Issuer or the YMCA of GNY in any Security Document would be in any danger of being sold, forfeited or lost, (iii) neither the YMCA of GNY, the Issuer nor the Trustee would be in any danger of any civil or any criminal liability, other than normal accrual of interest, for failure to comply therewith, and (iv) the YMCA of GNY shall have furnished such security, if any, as may be required in such proceedings or as may be reasonably requested by the Issuer or the Trustee to protect the security intended to be offered by the Security Documents.

Taxes, Assessments and Charges. The YMCA of GNY shall pay when the same shall become due all taxes and assessments, general and specific, if any, levied and assessed upon or against the Trust Estate, the Facility Realty or any part thereof, or interest of the YMCA of GNY in the Facilities, or against any of the loan payments or other payments or other amounts payable under the Loan Agreement, the Promissory Note or any of the other Project Documents, or the interest of the Issuer or the YMCA of GNY in any Project Document, and all water and sewer charges, special district charges, assessments and other governmental charges and impositions whatsoever, foreseen or unforeseen, ordinary or extraordinary, under any present or future law, and charges for public or private utilities or other charges incurred in the occupancy, use, operation, maintenance or upkeep of the Facility Realty, all of which are herein called "Impositions".

In the event any Facility Realty is exempt from Impositions solely due to the Issuer's involvement with the Project and the Facility Realty, the YMCA of GNY shall pay all Impositions to the appropriate taxing authorities equivalent to the Impositions that would have been imposed on the Facility Realty if the Issuer had no involvement with the Project and the Facility Realty.

The YMCA of GNY may at its sole cost and expense contest (after prior written notice to the Issuer and the Trustee), by appropriate action conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any Imposition, if (i) such proceeding shall suspend the execution or enforcement of such Imposition against the Trust Estate, the Facilities or any part thereof, or interest of the YMCA of GNY in the Facilities, or against any of the loan payments or other amounts payable under the Loan Agreement, the Promissory Note or any of the other Project Documents, or the interest of the Issuer or the YMCA of GNY in any Project Document, (ii) none of the Trust Estate, the Facilities nor any part thereof or interest of the YMCA of GNY in the Facilities, or any of the loan payments or other amounts payable under the Loan Agreement, the Promissory Note or any of the other Project Documents, or the interest of the Issuer or the YMCA of GNY in any Project Document, would be in any danger of being sold, forfeited or lost, (iii) neither the YMCA of GNY, the Issuer nor the Trustee would be in any danger of any civil or any criminal liability, other than normal accrual of interest, for failure to comply therewith, and (iv) the YMCA of GNY shall have furnished such security, if any, as may be required in such proceedings or as may be reasonably requested by the Issuer or the Trustee to protect the security intended to be offered by the Security Documents.

Compliance with Legal Requirements. The YMCA of GNY shall not occupy, use or operate the Facilities, or allow the Facilities or any part thereof to be occupied, used or operated, for any unlawful purpose or in violation of any certificate of occupancy affecting the Facilities or for any use which may constitute a nuisance, public or private, or make void or voidable any insurance then in force with respect thereto.

At its sole cost and expense, the YMCA of GNY shall promptly observe and comply with all applicable Legal Requirements, whether foreseen or unforeseen, ordinary or extraordinary, that shall now or at any time hereafter be binding upon or applicable to the YMCA of GNY, the Facilities, any occupant, user or operator of any of the Facilities or any portion thereof, and will observe and comply with all conditions, requirements, and schedules necessary to preserve and extend all rights, licenses, permits (including zoning variances, special exception and non conforming uses), privileges, franchises and concessions. The YMCA of GNY will not, without the prior written consent of the Issuer and the Trustee (which consents shall not be unreasonably withheld or delayed), initiate, join in or consent to any private restrictive covenant, zoning ordinance or other public or private restrictions limiting or defining the uses that may be made of the Facilities or any part thereof.

The YMCA of GNY may at its sole cost and expense contest in good faith the validity, existence or applicability of any of the matters described in the provisions of the Loan Agreement pertaining to

compliance with legal requirements as described in the paragraph above, if (i) such contest shall not result in the Trust Estate, the Facilities or any part thereof or interest of the YMCA of GNY in the Facilities, or any of the loan payments or other amounts payable under the Loan Agreement, the Promissory Note or any of the other Project Documents, or the interest of the Issuer or the YMCA of GNY in any Project Document, being in any danger of being sold, forfeited or lost, (ii) such contest shall not result in the YMCA of GNY, the Issuer or the Trustee being in any danger of any civil or any criminal liability for failure to comply therewith, and (iii) the YMCA of GNY shall have furnished such security, if any, as may be reasonably requested by the Issuer or the Trustee to protect the security intended to be offered by the Security Documents for failure to comply therewith.

Operation as Approved Facility. The YMCA of GNY will not take any action, or suffer or permit any action, if such action would cause any of the Facilities not to be an Approved Facility. The YMCA of GNY will not fail to take any action, or suffer or permit the failure to take any action, if such failure would cause any of the Facilities not to be an Approved Facility. The YMCA of GNY will permit the Trustee and its duly authorized agents, at all reasonable times upon written notice to enter upon any of the Facilities and to examine and inspect the Facilities and exercise its rights under the Loan Agreement, under the Indenture and under the other Security Documents with respect to the Facilities. The YMCA of GNY will further permit the Issuer, or its duly authorized agent, upon reasonable notice, at all reasonable times, to enter any of the Facilities, but solely for the purpose of assuring that the YMCA of GNY is operating the Facilities, or is causing the each of the Facilities to be operated, as an Approved Facility consistent with the Approved Project Operations and with the corporate purposes of the Issuer.

Restrictions on Dissolution and Merger. The YMCA of GNY covenants and agrees that at all times during the term of the Loan Agreement, it will (i) maintain its existence as a not-for-profit corporation constituting a Tax-Exempt Organization, (ii) continue to be subject to service of process in the State, (iii) continue to be organized under the laws of, or qualified to do business in, the State, (iv) not liquidate, wind up or dissolve or otherwise dispose of all or substantially all of its property, business or assets (“Transfer”) remaining after the Closing Date, except as provided in the paragraph below, (v) not consolidate with or merge into another Entity or permit one or more Entities to consolidate with or merge into it (“Merge”), except as provided in the paragraph below, and (vi) not change or permit the change of any Principal of the YMCA of GNY, or a change in the relative Control of the YMCA of GNY of any of the existing Principals, except in each case as provided in the third paragraph under this heading.

Notwithstanding the Loan Agreement, the YMCA of GNY may Merge or participate in a Transfer if the following conditions are satisfied on or prior to the Merger or Transfer, as applicable: (i) when the YMCA of GNY is the surviving, resulting or transferee Entity, (1) the YMCA of GNY shall have a net worth (as determined by an Independent Accountant in accordance with GAAP) at least equal to that of the YMCA of GNY immediately prior to such Merger or Transfer, (2) the YMCA of GNY shall continue to be a Tax-Exempt Organization, (3) the YMCA of GNY shall deliver to the Issuer and the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such action will not cause the interest on the Bonds to become includable in gross income for federal income tax purposes, and (4) the YMCA of GNY shall deliver to the Issuer a Required Disclosure Statement with respect to itself as surviving Entity in form and substance satisfactory to the Issuer; or when (ii) the YMCA of GNY is not the surviving, resulting or transferee Entity (the “Successor Institution”), (1) the predecessor YMCA of GNY shall not have been in default under the Loan Agreement or under any other Project Document, (2) the Successor Institution shall be a Tax-Exempt Organization and shall be solvent and subject to service of process in the State and organized under the laws of the State, or under the laws of any other state of the United States and duly qualified to do business in the State, (3) the Successor Institution shall have assumed in writing all of the obligations of the Predecessor Institution contained in the Loan Agreement and in all other Project Documents to which the Predecessor Institution shall have been a party, (4) the Successor Institution shall have delivered to the Issuer a Required Disclosure Statement in form and

substance acceptable to the Issuer acting in its sole discretion, (5) each Principal of the Successor Institution shall have delivered to the Issuer a Required Disclosure Statement in form and substance acceptable to the Issuer acting in its sole discretion, (6) the Successor Institution shall have delivered to the Issuer and the Trustee, in form and substance acceptable to the Issuer and the Trustee, an Opinion of Counsel to the effect that (y) the Loan Agreement and all other Project Documents to which the Predecessor Institution shall be a party constitute the legal, valid and binding obligations of the Successor Institution and each is enforceable in accordance with their respective terms to the same extent as it was enforceable against the Predecessor Institution, and (z) such action does not legally impair the security for the Holders of the Bonds afforded by the Security Documents, (7) the Successor Institution shall have delivered to the Issuer and the Trustee, in form and substance acceptable to the Issuer and the Trustee, an opinion of an Independent Accountant to the effect that the Successor Institution has a net worth (as determined in accordance with GAAP) after the Merger or Transfer at least equal to that of the Predecessor Institution immediately prior to such Merger or Transfer, and (8) the Successor Institution delivers to the Issuer and the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such action will not cause the interest on the Bonds to become includable in gross income for federal income tax purposes.

If there is a change in Principals of the YMCA of GNY, or a change in the Control of the YMCA of GNY, the YMCA of GNY shall deliver to the Issuer prompt written notice thereof to the Issuer together with a Required Disclosure Statement in form and substance acceptable to the Issuer acting in its sole discretion.

Preservation of Exempt Status. The YMCA of GNY agrees that (i) it shall not perform any acts, enter into any agreements, carry on or permit to be carried on at the Facilities, or permit the Facilities to be used in or for any trade or business, which shall adversely affect the basis for its exemption under Section 501 of the Code; (ii) it shall not use more than three percent (3%) of the proceeds of the Bonds or permit the same to be used, directly or indirectly, in any trade or business that constitutes an unrelated trade or business as defined in Section 513(a) of the Code or in any trade or business carried on by any Person or Persons who are not governmental units or Section 501(c)(3) organizations; (iii) it shall not directly or indirectly use the proceeds of the Bonds to make or finance loans to Persons other than governmental units or Section 501(c)(3) organizations; (iv) it shall not take any action or permit any circumstances within its control to arise or continue, if such action or circumstances, or its expectation on the Closing Date, would cause the Bonds to be “arbitrage bonds” under the Code or cause the interest paid by the Issuer on the Bonds to be subject to Federal income tax in the hands of the Holders thereof; and (v) it shall use its best efforts to maintain the tax-exempt status of the Bonds.

Securities Law Status. The YMCA of GNY covenants that (i) the each of the Facilities shall be operated (y) exclusively for civic or charitable purposes and (z) not for pecuniary profit, all within the meaning, respectively, of the Securities Act and of the Securities Exchange Act, (ii) no part of the net earnings of the YMCA of GNY shall inure to the benefit of any person, private stockholder or individual, all within the meaning, respectively, of the Securities Act and of the Securities Exchange Act, and (iii) it shall not perform any act nor enter into any agreement which shall change such status as set forth in this paragraph.

Security Interest and Further Assurances. The Issuer shall pledge and assign to the Trustee pursuant to the Indenture all of the Issuer’s right, title and interest in the Promissory Note and all of the Issuer’s right, title and interest in the Loan Agreement (except for the Issuer’s Reserved Rights), including all loan payments under the Loan Agreement and under the Promissory Note, and in furtherance of said pledge the Issuer will unconditionally assign such loan payments to the Trustee for deposit in the Bond Fund in accordance with the Indenture.

The YMCA of GNY will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such further acts, instruments, conveyances, transfers and assurances, including Uniform Commercial Code financing statements, at the sole cost and expense of the YMCA of GNY, as the Issuer or the Trustee deems reasonably necessary or advisable for the implementation, effectuation, correction, confirmation or perfection of the Loan Agreement and any rights of the Issuer or the Trustee under the Loan Agreement, under the Indenture or under any other Security Document.

Continuing Disclosure. The YMCA of GNY shall, if required by Securities and Exchange Commission Rule 15c2-12(b)(5), enter into and comply with and carry out all of the provisions of a continuing disclosure agreement. Notwithstanding any other provision of the Loan Agreement, failure of the YMCA of GNY to comply with such continuing disclosure agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any participating underwriter or the Holders of at least twenty-five percent (25%) aggregate principal amount in Outstanding Bonds, shall, upon receipt of reasonable indemnification for its fees and costs acceptable to it), and any Holder or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the YMCA of GNY to comply with its obligations under this paragraph. The YMCA of GNY agrees that the Issuer shall have no continuing disclosure obligations.

Tax Regulatory Agreement. The YMCA of GNY shall comply with all of the terms, provisions and conditions set forth in the Tax Regulatory Agreement, including, without limitation, the making of any payments and filings required thereunder. Promptly following receipt of notice from the Trustee as provided in the Indenture that the amount on deposit in the Rebate Fund is less than the Rebate Amount, the YMCA of GNY shall deliver the amount necessary to make up such deficiency to the Trustee for deposit in the Rebate Fund.

Compliance with the Indenture. The YMCA of GNY will comply with the provisions of the Indenture with respect to the YMCA of GNY. The Trustee shall have the power, authority, rights and protections provided in the Indenture. The YMCA of GNY will use its best efforts to cause there to be obtained for the Issuer any documents or opinions of counsel required of the Issuer under the Indenture.

Reporting Information for the Trustee. The YMCA of GNY shall furnish or cause to be furnished to the Trustee, as soon as available and in any event within one hundred eighty (180) days after the close of each Fiscal Year, a copy of the annual financial statements of the YMCA of GNY, including balance sheets as at the end of each such Fiscal Year, and the related statements of income, balances, earnings, retained earnings and changes in financial position for each such Fiscal Year, as audited by the YMCA of GNY's Independent Accountant and prepared in accordance with GAAP.

The YMCA of GNY shall deliver to the Trustee with each delivery of annual financial statements required above, (i) a certificate of an Authorized Representative of the YMCA of GNY as to whether or not, as of the close of such preceding Fiscal Year, and at all times during such Fiscal Year, the YMCA of GNY was in compliance with all the provisions which relate to the YMCA of GNY in the Loan Agreement and in any other Project Document to which it shall be a party, and if such Authorized Representative shall have obtained knowledge of any default in such compliance, he shall disclose in such certificate such default or defaults or notice thereof and the nature thereof, whether or not the same shall constitute an Event of Default under the Loan Agreement, and any action proposed to be taken by the YMCA of GNY with respect thereto, and (ii) a certificate of an Authorized Representative of the YMCA of GNY that the insurance it maintains complies with the provisions of the Loan Agreement, that such insurance has been in full force and effect at all times during the preceding Fiscal Year, and that duplicate copies of all policies or certificates thereof have been filed with the Issuer and the Trustee and are in full force and effect. In addition, upon twenty (20) days prior request by the Trustee, the YMCA of GNY will execute, acknowledge and deliver to the Issuer and the Trustee a certificate of an Authorized

Representative of the YMCA of GNY either stating that to the knowledge of such Authorized Representative after due inquiry no default or breach exists under the Loan Agreement or specifying each such default or breach of which such Authorized Representative has knowledge.

The YMCA of GNY shall immediately notify the Trustee of the occurrence of any Event of Default or any event which with notice and/or lapse of time would constitute an Event of Default under any Project Document. Any notice required to be given pursuant to this paragraph shall be signed by an Authorized Representative of the YMCA of GNY and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken, the YMCA of GNY shall state this fact on the notice. The YMCA of GNY shall deliver to the Trustee all insurance-related documents required by the Loan Agreement.

Financial Covenants. For purposes of this heading, the following terms shall have the respective meanings set forth below:

“Additional Senior Debt” shall mean any direct and general obligation of the YMCA of GNY which is not Subordinated Debt, Short-Term Indebtedness, Term Loan Indebtedness or a Capital Lease or is not represented by the Series 2012 Bonds, the 2001 Bond Loan or the NYCIDA Series 2006 Bonds.

“Balloon Indebtedness” shall mean fixed or variable rate indebtedness, 25% or more of the original principal amount of which matures (or is subject to scheduled mandatory redemption) during any Fiscal Year.

“Bondholder Notice” shall mean written notice by the Trustee to all registered Holders of the Series 2012 Bonds and to nationally recognized municipal securities repositories or publications as determined in the discretion of the Trustee.

“Capital Lease” shall mean a lease obligation, as defined under generally accepted accounting principles, shown as a “capital lease” in the YMCA of GNY’s audited financial statements.

“Debt Service Coverage Ratio” shall mean, for any period for which audited financial statements are available, a ratio equal to:

- (A) Unrestricted “excess (deficit) of operating revenues and public support over operating expenses”, plus
- (B) “Interest”, plus
- (C) “Depreciation and amortization”, less
- (D) “Temporarily restricted net assets released from restrictions” for construction or acquisition of property and equipment, divided by
- (E) Debt Service for Senior Debt or Debt Service for Total Debt, as applicable.

Any term used in (A) through (D) above which appears in quotations shall refer to the amount under such item appearing in the column heading “Unrestricted” on the YMCA of GNY’s annual audited financial statements (and in the event any such heading shall change, the YMCA of GNY shall

deliver to the Trustee an opinion of the YMCA of GNY's independent certified public accountants as to the equivalency of the new headings).

"Debt Service for Senior Debt" shall mean the amount of principal and interest on Senior Debt of the YMCA of GNY due in any period, provided that for purpose of such calculation:

(i) Balloon Indebtedness shall be assumed to mature over 30 years on a level annual debt service basis beginning with such period, calculated using the Revenue Bond Index,

(ii) variable interest rate indebtedness shall be assumed to bear interest at a rate equal to the average annual rate of interest that was borne by such variable interest rate indebtedness during the then most recent Fiscal Year, or if such variable interest rate indebtedness was not then outstanding, the SIFMA Index for the preceding Fiscal Year,

(iii) such amount shall include payments on Capital Leases in such period,

(iv) such amount shall include interest paid for Short-Term Indebtedness in such period,

(v) such amount shall include interest paid in such period and principal calculated as Balloon Indebtedness as described in (i) above for Term Loan Indebtedness,

(vi) such amount of principal and interest payable on any indebtedness in any such period shall be reduced by the amount of related cash flows made available from financing and investing activities (such as proceeds from sales of property and equipment, proceeds from issuance of debt, and receipts from contributions restricted from long-term investment) to the extent such payments were funded by these financing and investing activities,

(vii) such amount of principal and interest payable on any indebtedness in any such period shall be reduced by any amount which will be released during such period from any debt service reserve fund securing such indebtedness as a result of the amortization or repayment of such indebtedness in such period or a prior period, and

(viii) such amount shall exclude from interest on any indebtedness any amounts funded from such indebtedness and dedicated and available solely for the payment of such interest.

"Debt Service for Total Debt" means the amount of principal and interest on Senior Debt and Subordinated Debt of the YMCA of GNY due in any period, provided that for purpose of such calculation:

(i) such amount shall include Debt Service for Senior Debt; and

(ii) such amount shall include principal and interest payments on Subordinated Debt, which shall be calculated in accordance with the definition of "Debt Service for Senior Debt."

"Maximum Annual Debt Service" shall mean the maximum Debt Service for Senior Debt or the maximum Debt Service for Total Debt due in any one current or any future Fiscal Year of the YMCA of GNY.

“Revenue Bond Index” shall mean the weekly index of interest rates on revenue bonds known as the “25-Bond Revenue Index” published by *The Bond Buyer* or, if such index is no longer being published, any other index of interest rates borne by revenue bonds, the interest on which is exempt from federal income taxation, having a maturity of 30 years.

“Senior Debt” shall mean all indebtedness of the YMCA of GNY incurred with respect to the 2001 Bond Loan, the NYCIDA Series 2006 Bonds, the Series 2012 Bonds and any Additional Senior Debt.

“Short-Term Indebtedness” shall mean indebtedness designated by the YMCA of GNY as such, the outstanding principal amount of which shall not exceed 5% of Unrestricted Operating Revenues of the Fiscal Year for which audited financial statements are available; provided, however, to be designated by the YMCA of GNY as Short-Term Indebtedness, there shall be a period of not less than 20 consecutive days in each Fiscal Year in which the principal amount thereof shall be zero.

“SIFMA Index” means the SIFMA Municipal Swap Index of Municipal Market Data, formerly the PSA Municipal Swap Index (as such term is defined in the 1992 ISDA U.S. Municipal Counterparty Definitions) most recently available as of the date of determination, or if such index is no longer available, a reasonably equivalent rate of interest not objected to by the Issuer and the Trustee).

“Subordinated Debt” shall mean any debt obligation of the YMCA of GNY which expressly contains the following terms:

(A) the obligation of the YMCA of GNY to pay debt service on such debt obligation is explicitly subordinated to the YMCA of GNY’s obligation to pay debt service on the Series 2012 Bonds and any Additional Bonds;

(B) payment of debt service on such obligation is expressly contingent upon the YMCA of GNY’s having first satisfied all of its obligations under the Security Documents then due and owing;

(C) the YMCA of GNY explicitly agrees with the Trustee that the YMCA of GNY shall not make payments of debt service on such obligations unless all payments of principal and interest on the Series 2012 Bonds and any Additional Bonds currently due have been paid; and

(D) in the event of a default on such obligations, holders of such obligations shall not have any rights to exercise any remedies with respect to such event of default for a period of 360 days after such event of default results in the acceleration of such obligations; provided, however, that the result of such holders exercising such remedies shall not be satisfaction of such obligations prior to the satisfaction in full of all Senior Debt, including the Series 2012 Bonds and any Additional Bonds.

“Term Loan Indebtedness” shall mean indebtedness for capital projects designated by the YMCA of GNY as such, the outstanding principal amount of which shall not exceed 15% of Unrestricted Operating Revenues in any Fiscal Year for which audited financial statements are available.

“Total Debt” shall mean all Senior Debt and Subordinated Debt of the YMCA of GNY.

“2001 Bond Loan” shall mean the outstanding Dormitory Authority of the State of New York 2000 Series C Mental Health Services Facilities Improvement Revenue Bonds.

“Unrestricted Operating Revenues” shall mean such items under the headings “Unrestricted” and “Operating revenues and public support” on the YMCA of GNY’s audited financial statements for such period (and in the event such headings shall change, the YMCA of GNY shall deliver to the Trustee an opinion of the YMCA of GNY’s independent certified public accountants as to the equivalency of the new headings).

So long as the Series 2012 Bonds are Outstanding, the YMCA of GNY shall maintain rates, fees, charges, rents and other sources of revenue and support such that (A) the Debt Service Coverage Ratio on Debt Service for Senior Debt shall equal or exceed 1.15:1.00 in each Fiscal Year of the YMCA of GNY and (B) the Debt Service Coverage Ratio on Debt Service for Total Debt shall equal or exceed 1.00:1.00 in each Fiscal Year of the YMCA of GNY.

Notwithstanding the foregoing, the YMCA of GNY will not be considered to have failed to meet the Debt Service Coverage Ratio requirements set forth above if the YMCA of GNY can demonstrate that such failure was solely due to a change in generally accepted accounting principles not previously applicable to the YMCA of GNY. In the event the YMCA of GNY determines that such a change in generally accepted accounting principles will create a lasting impediment to the YMCA of GNY’s ability to comply with either or both of such Debt Service Coverage Ratio requirements, the YMCA of GNY may, without obtaining the consent of Bondholders or the Trustee, amend the provisions of this heading and the related definitions upon which the calculations included in the Loan Agreement are based to provide for similar financial and economic measures of the YMCA of GNY’s performance.

In the event that the YMCA of GNY shall fail in any Fiscal Year of the YMCA of GNY to maintain both of the ratios described in (A) and (B) above, the YMCA of GNY shall promptly deliver to the Trustee notice of such failure, and the Trustee shall deliver Bondholder Notice of same. In the event that the YMCA of GNY shall fail in any Fiscal Year of the YMCA of GNY to maintain the ratio described in (B) above, within 180 days of the end of such Fiscal Year, the YMCA of GNY shall promptly file with the Trustee a financial plan (the “Financial Plan”) detailing those changes in operations which the YMCA of GNY reasonably expects will correct such failure. The YMCA of GNY shall be obligated to implement such Financial Plan promptly upon its being filed with the Trustee. In the event that the YMCA of GNY shall in two consecutive Fiscal Years of the YMCA of GNY fail to maintain the ratio described in (B) above, the YMCA of GNY shall deliver to the Trustee notice of such failure, and within 150 days of the end of the second of such consecutive Fiscal Years, the YMCA of GNY shall retain an independent financial consultant (the “Financial Consultant”) who shall be responsible for reviewing the operations of the YMCA of GNY and preparing a new financial plan (the “Consultant’s Plan”) detailing the actions the YMCA of GNY reasonably expects to take to correct such failure. The Consultant’s Plan shall be filed with the Trustee within 210 days of the end of such second Fiscal Year of the YMCA of GNY and upon such filing, the YMCA of GNY shall promptly be obligated to implement the Consultant’s Plan. In the event that the YMCA of GNY shall in three consecutive Fiscal Years fail to maintain the ratio described in (B) above, the YMCA of GNY shall deliver to the Trustee notice of such failure, and within 150 days after the end of the third of such consecutive Fiscal Years, and for each Fiscal Year thereafter until such failure is corrected, the YMCA of GNY shall retain a Financial Consultant who shall revise the Consultant’s Plan; the YMCA of GNY shall file the revised Consultant’s Plan within 210 days of the end of such third and each succeeding Fiscal Year, and upon such filing, the YMCA of GNY shall promptly be obligated to implement such revised Consultant’s Plan.

The failure of the YMCA of GNY to maintain the ratios described in (A) and (B) above shall not by itself constitute a default under the Loan Agreement if the YMCA of GNY shall otherwise be complying with the above provisions of this heading.

The YMCA of GNY may refund the Bonds or the NYCIDA Series 2006 Bonds without fulfillment of any of the conditions described below regarding incurring Additional Senior Debt or additional Subordinated Debt.

The YMCA of GNY may incur Additional Senior Debt (excluding Additional Bonds) subject to fulfillment of the following conditions:

(i) The YMCA of GNY shall cause to be filed with the Trustee a certificate of the YMCA of GNY's chief financial officer stating that for either (A) the Fiscal Year of the YMCA of GNY immediately preceding the issuance of such Additional Senior Debt or (B) the twelve consecutive calendar months immediately preceding the issuance of such Additional Senior Debt, the Debt Service Coverage Ratio on Maximum Annual Debt Service for Senior Debt (including such Additional Senior Debt to be issued, except for any Additional Senior Debt being issued to refund or refinance existing indebtedness of the YMCA of GNY) is at least 1.25:1.00.

(ii) The YMCA of GNY shall file with the Trustee a certificate of an Authorized Representative of the YMCA of GNY to the effect that the YMCA of GNY is in compliance with all covenants, conditions and agreements of the YMCA of GNY set forth in the Security Documents including this heading, which certificate shall set forth the calculations of all applicable ratios.

The YMCA of GNY may incur additional Subordinated Debt subject to fulfillment of the following conditions:

(i) The YMCA of GNY shall cause to be filed with the Trustee a certificate of the YMCA of GNY's chief financial officer stating that for either (A) the last full Fiscal Year of the YMCA of GNY immediately preceding the issuance of such additional Subordinated Debt or (B) the twelve consecutive calendar months immediately preceding the issuance of such additional Subordinated Debt, the Debt Service Coverage Ratio on Maximum Annual Debt Service for Total Debt (including such additional Subordinated Debt to be issued, except for any additional Subordinated Debt the proceeds of which are to refund existing indebtedness of the YMCA of GNY) is at least 1.00:1.00.

(ii) The YMCA of GNY shall file with the Trustee a certificate of an Authorized Representative of the YMCA of GNY to the effect that the YMCA of GNY is in compliance with all covenants, conditions and agreements of the YMCA of GNY set forth in the Security Documents including those described under this heading.

The provisions described under this heading shall be of no further force or effect upon the discharge of the lien and pledge of the Indenture in accordance with the defeasance provisions of the Indenture.

No Further Encumbrances Permitted. The YMCA of GNY shall not create, permit or suffer to exist any mortgage, encumbrance, lien, security interest, claim or charge against (i) the Facilities or any part thereof, or the interest of the YMCA of GNY in the Facilities, except for Permitted Encumbrances, or (ii) the Trust Estate or any portion thereof, the loan payments or other amounts payable under the Loan Agreement, the Promissory Note or any of the other Security Documents or the interest of the Issuer or the YMCA of GNY in any Security Document.

Obligations under and Covenants with Respect to the Condominium Documents. The YMCA of GNY covenants and agrees that it shall (i) not enter into, consent, permit or approve an amendment, supplement or modification to, or termination of, any Condominium Documents which would (x) adversely affect the Issuer, without the prior written consent of the Agency, or (y) adversely affect the

security for the Bonds, without the prior written consent of the Trustee, and (ii) pay all costs, fees, charges and expenses required of it when due under any of the Condominium Documents.

Events of Default. Any one or more of the following events shall constitute an “Event of Default” under the Loan Agreement:

(i) Failure of the YMCA of GNY to pay any loan payment that has become due and payable by the terms of the Loan Agreement as described under the heading “Loan Payment; Pledge of Loan Agreement and of the Promissory Note” above which results in an Event of Default under the Indenture;

(ii) Failure of the YMCA of GNY to pay any amount (except as set forth in the paragraph above) that has become due and payable or to observe and perform any covenant, condition or agreement on its part to be performed under the Loan Agreement including covenants regarding the Facilities, certain reporting requirements, payment of taxes, insurance, indemnity, payment of fees and expenses, assignment of the Loan Agreement, lease of the Facilities, liens and encumbrances, and continuance of such failure for more than thirty (30) days after written notice of such failure has been given to the YMCA of GNY specifying the nature of such failure by the Issuer or the Trustee or the Holders of more than twenty-five per cent (25%) in aggregate principal amount of the Bonds Outstanding;

(iii) Failure of the YMCA of GNY to observe and perform any covenant, condition or agreement under the Loan Agreement on its part to be performed (except as set forth in the paragraphs (i) and (ii) above) and (y) continuance of such failure for more than thirty (30) days after written notice of such failure has been given to the YMCA of GNY specifying the nature of same by the Issuer or the Trustee or the Holders of more than twenty-five per cent (25%) in aggregate principal amount of the Bonds Outstanding, or (z) if by reason of the nature of such failure the same can be remedied, but not within the said thirty (30) days, the YMCA of GNY fails to commence and thereafter proceed with reasonable diligence after receipt of said notice to cure such failure or fails to continue with reasonable diligence its efforts to cure such failure or fails to cure such failure within one hundred twenty (120) days of delivery of said notice;

(iv) The YMCA of GNY shall (s) apply for or consent to the appointment of or the taking of possession by a receiver, liquidator, custodian or trustee of itself or of all or a substantial part of its property, (t) admit in writing its inability, or be generally unable, to pay its debts as such debts generally become due, (u) make a general assignment for the benefit of its creditors, (v) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (w) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (x) fail to controvert in a timely or appropriate manner or acquiesce in writing to, any petition filed against itself in an involuntary case under the Federal Bankruptcy Code, (y) take any action for the purpose of effecting any of the foregoing, or (z) be adjudicated a bankrupt or insolvent by any court;

(v) A proceeding or case shall be commenced, without the application or consent of the YMCA of GNY, in any court of competent jurisdiction, seeking, (x) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts, (y) the appointment of a trustee, receiver, liquidator, custodian or the like of the YMCA of GNY or of all or any substantial part of its assets, or (z) similar relief under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of ninety (90) days; or any order for relief against the YMCA of GNY shall be

entered in an involuntary case under such Bankruptcy Code; the terms “dissolution” or “liquidation” of the YMCA of GNY as used above shall not be construed to prohibit any action otherwise permitted by the Loan Agreement;

(vi) Any representation or warranty made by the YMCA of GNY (u) in the application and related materials submitted to the Issuer or the initial purchaser(s) of the Bonds for approval of the Project or its financing, or (v) in the Loan Agreement or in any other Project Document, or (w) in the Letter of Representation and Indemnity Agreement dated the Closing Date and delivered to the Issuer, the Trustee and the initial purchaser(s) of the Series 2012 Bonds, or (x) in the Tax Regulatory Agreement, or (y) by or on behalf of the YMCA of GNY or any other Person in any Required Disclosure Statement, or (z) in any report, certificate, financial statement or other instrument furnished pursuant to the Loan Agreement or any of the foregoing, shall in any case prove to be false, misleading or incorrect in any material respect as of the date made;

(vii) The commencement of proceedings to appoint a receiver or to foreclose any mortgage lien on or security interest in any of the Facilities;

(viii) An “Event of Default” under the Indenture or under any other Security Document shall occur and be continuing; or

(ix) Failure of the YMCA of GNY to pay the amount required of it under the Loan Agreement when required thereunder.

Remedies on Default. Whenever any Event of Default referred to in heading above shall have occurred and be continuing, the Issuer, or the Trustee where so provided, may, take any one or more of the following remedial steps:

(i) The Trustee, as and to the extent provided in the Indenture, may cause all principal installments of loan payments payable under the Loan Agreement as described under the heading “Loan Payments; Pledge of the Loan Agreement and of the Promissory Note” above until the Bonds are no longer Outstanding to be immediately due and payable, whereupon the same, together with the accrued interest thereon, shall become immediately due and payable; provided, however, that upon the occurrence of an Event of Default under the Loan Agreement as described in paragraph (v) or (iv) under the heading “Events of Default” above, all principal installments of loan payments payable under the Loan Agreement as described under the heading “Loan Payments; Pledge of the Loan Agreement and of the Promissory Note” above until the Bonds are no longer Outstanding, together with the accrued interest thereon, shall immediately become due and payable without any declaration, notice or other action of the Issuer, the Trustee, the Holders of the Bonds or any other Person being a condition to such acceleration;

(ii) The Issuer or the Trustee may take whatever action at law or in equity as may appear necessary or desirable to collect the loan payments then due and thereafter to become due, or to enforce performance or observance of any obligations, agreements or covenants of the YMCA of GNY under the Loan Agreement; and

(iii) The Trustee may take any action permitted under the Indenture with respect to an Event of Default thereunder.

Upon the occurrence of a default with respect to any of the Issuer’s Reserved Rights, the Issuer, without the consent of the Trustee or any other Person, may proceed to enforce the Issuer’s Reserved Rights by

(i) bringing an action for damages, injunction or specific performance, and/or

(ii) taking whatever action at law or in equity as may appear necessary or desirable to collect payment of amounts due by the YMCA of GNY under the Issuer's Reserved Rights or to enforce the performance or observance of any obligations, covenants or agreements of the YMCA of GNY under the Issuer's Reserved Rights.

No action taken pursuant to this heading or by operation of law or otherwise shall, except as expressly provided in the Loan Agreement, relieve the YMCA of GNY from the YMCA of GNY's obligations under the Loan Agreement, all of which shall survive any such action.

Bankruptcy Proceedings. In case proceedings shall be pending for the bankruptcy or for the reorganization of the YMCA of GNY under the federal bankruptcy laws or any other applicable law, or in case a receiver or trustee (other than the Trustee under the Indenture) shall have been appointed for the property of the YMCA of GNY or in the case of any other similar judicial proceedings relative to the YMCA of GNY or the creditors or property of the YMCA of GNY, then the Trustee shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid pursuant to the Loan Agreement and the Promissory Note, irrespective of whether the principal of the Bonds (and the loan payments payable pursuant to the Promissory Note) shall have been accelerated by declaration or otherwise, and irrespective of whether the Trustee shall have made any demand for payment under the Loan Agreement or thereunder, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee allowed in such judicial proceedings relative to the YMCA of GNY, the creditors or property of the YMCA of GNY, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute such amounts as provided in the Indenture after the deduction of its charges and expenses. Any receiver, assignee or trustee in bankruptcy or reorganization is authorized by the Loan Agreement to make such payments to the Trustee, and to pay to the Trustee any amount due it for compensation and expenses, including expenses and fees of counsel incurred by it up to the date of such distribution.

Remedies Cumulative. The rights and remedies of the Issuer or the Trustee under the Loan Agreement shall be cumulative and shall not exclude any other rights and remedies of the Issuer or the Trustee allowed by law with respect to any default under the Loan Agreement. Failure by the Issuer or the Trustee to insist upon the strict performance of any of the covenants and agreements set forth in the Loan Agreement or to exercise any rights or remedies upon default by the YMCA of GNY under the Loan Agreement shall not be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce by mandatory injunction, specific performance or other appropriate legal remedy the strict compliance by the YMCA of GNY with all of the covenants and conditions of the Loan Agreement, or of the rights to exercise any such rights or remedies, if such default by the YMCA of GNY be continued or repeated.

No Additional Waiver Implied by One Waiver. In the event any covenant or agreement contained in the Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Loan Agreement. No waiver shall be binding unless it is in writing and signed by the party making such waiver. No course of dealing between the Issuer and/or the Trustee and the YMCA of GNY or any delay or omission on the part of the Issuer and/or the Trustee in exercising any rights under the Loan Agreement or under the Indenture or under any other Security Document shall operate as a waiver. To the extent permitted by applicable law, the YMCA of GNY waives the benefit and advantage of, and covenants not to assert against the Issuer or the Trustee, any valuation, inquisition, stay, appraisalment, extension or redemption laws now existing or which may hereafter exist.

Effect on Discontinuance of Proceedings. In case any proceeding taken by the Issuer or the Trustee under the Indenture or the Loan Agreement or under any other Security Document on account of any Event of Default thereunder shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Issuer or the Trustee, then, and in every such case, the Issuer, the Trustee and the Holders of the Bonds shall be restored, respectively, to their former positions and rights thereunder, and all rights, remedies, powers and duties of the Issuer and the Trustee shall continue as in effect prior to the commencement of such proceedings.

Termination of the Loan Agreement. The YMCA of GNY shall have the option to cause the redemption or defeasance in whole of all Outstanding Bonds in accordance with the terms set forth in the Indenture. After full payment of the Bonds or provision for the payment in full thereof having been made in accordance with defeasance provisions of the Indenture, but not later than the receipt by the YMCA of GNY of ten (10) days prior written notice from the Issuer directing termination of the Loan Agreement, the YMCA of GNY shall terminate the Loan Agreement by giving the Issuer notice in writing of such termination and thereupon such termination shall forthwith become effective, subject, however, to (x) the delivery of those documents referred to in the Loan Agreement, and (y) the survival of those obligations of the YMCA of GNY set forth in the Loan Agreement.

Certain Continuing Representations. If at any time during the term of the Loan Agreement, any Conduct Representation made by the YMCA of GNY would, if made on any date while Bonds are Outstanding and deemed made as of such date, be false, misleading or incorrect in any material respect, then, the YMCA of GNY shall be deemed to be in default under the Loan Agreement unless the Issuer shall, upon written request by the YMCA of GNY, either waive such default in writing or consent in writing to an exception to such representation or warranty so that such representation or warranty shall no longer be false, misleading or incorrect in a material respect. Upon the occurrence of any such default, the Issuer shall have the right to require the redemption of the Bonds in accordance with the provisions of the Loan Agreement pertaining to the mandatory redemption of bonds as directed by the YMCA of GNY.

Issuance of Additional Bonds. If a Series of Additional Bonds are to be issued pursuant to the Indenture, the Issuer and the YMCA of GNY shall enter into an amendment to the Loan Agreement, and the YMCA of GNY shall execute and deliver a new Promissory Note, in each case providing, among other things, for the payment by the YMCA of GNY of such additional loan payments as are necessary in order to amortize in full the principal of and interest on such Series of Additional Bonds and any other costs in connection therewith.

Any such completion, repair, relocation, replacement, rebuilding, restoration, additions, extensions or improvements shall become a part of the Facilities and shall be included under the Loan Agreement to the same extent as if originally included under the Loan Agreement.

Mandatory Redemption of Bonds as Directed by the Issuer. Upon the determination by the Issuer that (w) the YMCA of GNY is operating any of the Facilities or any portion thereof, or is allowing any of the Facilities or any portion thereof to be operated, not for the Approved Project Operations in accordance with the Loan Agreement and the failure of the YMCA of GNY within thirty (30) days of the receipt by the YMCA of GNY of written notice of such noncompliance from the Issuer to cure such noncompliance together with a copy of such resolution (a copy of which notice shall be sent to the Trustee), (x) the YMCA of GNY, any Principal of the YMCA of GNY or any Person that directly or indirectly Controls, is Controlled by or is under common Control with the YMCA of GNY has committed a material violation of a material Legal Requirement and the failure of the YMCA of GNY within thirty (30) days of the receipt by the YMCA of GNY of written notice of such determination from the Issuer to cure such material violation (which cure, in the case of a Principal who shall have committed the material violation of a material Legal Requirement, may be effected by the removal of such Principal), (y) as set forth in the

Loan Agreement, any Conduct Representation is false, misleading or incorrect in any material respect at any date, as if made on such date, or (z) a Required Disclosure Statement delivered to the Issuer under any Project Document is not acceptable to the Issuer acting in its sole discretion, the YMCA of GNY covenants and agrees that it shall, no later than ten (10) days following the termination of such thirty (30) day period, pay to the Trustee advance loan payments in immediately available funds in an amount sufficient to redeem the Bonds Outstanding in whole at the Redemption Price of 100% of the aggregate principal amount of the Outstanding Bonds together with interest accrued thereon to the redemption date. The Issuer shall give prior written notice of the meeting at which the Board of Directors of the Issuer are to consider such resolution to the YMCA of GNY and the Trustee, which notice shall be no less than fifteen (15) days prior to such meeting.

In the event the YMCA of GNY fails to obtain or maintain the liability insurance with respect to any of the Facilities required under the Loan Agreement, and the YMCA of GNY shall fail to cure such circumstance within ten (10) days of the receipt by the YMCA of GNY of written notice of such noncompliance from the Issuer and a demand by the Issuer on the YMCA of GNY to cure such noncompliance, upon notice or waiver of notice as provided in the Indenture, the YMCA of GNY shall pay to the Trustee advance loan payments in immediately available funds in an amount sufficient to redeem the Bonds Outstanding in whole at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Bonds, together with interest accrued thereon to the date of redemption.

Mandatory Redemption As a Result of Project Gifts or Grants. If, prior to completion of the construction of a component of the Project, the YMCA of GNY receives any gift or grant required by the terms thereof to be used to pay any item which is a cost of such component of the Project, the YMCA of GNY shall apply such gift or grant to completion of the construction of such component of the Project. In the event that the amount of such gift or grant is in excess of the amount necessary to complete such component of the Project, and if proceeds of the Bonds (x) have been expended on such component of the Project more than eighteen (18) months prior to the receipt of such gift or grant, or (y) (1) have been expended on such component of the Project not more than eighteen (18) months prior to the receipt of such gift or grant and (2) the aggregate amount of Project Costs not otherwise provided for is less than the amount of Bond proceeds expended on such component of the Project, the YMCA of GNY shall cause the Trustee to effect a redemption of Bonds in a principal amount equal to such excess only to the extent to which proceeds of the Bonds were expended for such component.

If, after completion of the construction of a component of the Project, the YMCA of GNY receives any gift or grant which prior to such completion it reasonably expected to receive and which is required by the terms thereof to be used to pay any item which is a cost of such component of the Project, and if proceeds of the Bonds (x) have been expended on such component of the Project more than eighteen (18) months prior to the earlier of the date on which Bond proceeds were expended thereon or the placed in service date of such component, or (y) (1) have been expended on such component of the Project not more than eighteen (18) months prior to the earlier of the date on which Bond proceeds were expended thereon or the placed in service date of such component and (2) the aggregate amount of Project Costs not otherwise provided for is less than the amount of Bond proceeds expended on such component of the Project, the YMCA of GNY shall, to the extent not inconsistent with the terms of such gift or grant, cause the Trustee to effect a redemption of the Bonds in a principal amount equal to such gift or grant, but only to the extent to which proceeds of Bonds were expended for such component.

The YMCA of GNY shall, prior to directing the redemption of any Bonds in accordance with this heading, consult with Nationally Recognized Bond Counsel for advice as to a manner of selection of Bonds for redemption that will not affect the exclusion of interest on any Bonds then Outstanding from gross income for federal income tax purposes.

Right to Cure Issuer Defaults. The Issuer grants the YMCA of GNY full authority for account of the Issuer to perform any covenant or obligation in the Loan Agreement the non-performance of which is alleged to constitute a default in any notice received by the YMCA of GNY, in the name and stead of the Issuer, with full power of substitution.

Option to Purchase or Invite Tenders of Bonds. The YMCA of GNY shall have the option, at any time during the term of the Loan Agreement, to purchase Bonds for its own account, whether by direct negotiation, through a broker or dealer, or by making a tender offer to the Holders thereof. The Bonds so purchased by the YMCA of GNY or by any Affiliate of the YMCA of GNY shall be delivered to the Trustee for cancellation within fifteen (15) days of the date of purchase unless the YMCA of GNY shall deliver to the Trustee and the Issuer an opinion of Nationally Recognized Bond Counsel to the effect that the failure to surrender such Bonds by such date will not affect the exclusion of the interest on any Bonds then Outstanding from gross income for federal income tax purposes.

Investment of Funds. Any moneys held as part of the Rebate Fund, the Earnings Fund, the Project Fund, the Bond Fund or the Debt Service Reserve Fund or in any special fund provided for in the Loan Agreement or in the Indenture to be invested in the same manner as in any said Fund shall, at the written request of an Authorized Representative of the YMCA of GNY, be invested and reinvested by the Trustee as provided in the Indenture (but subject to the provisions of the Tax Regulatory Agreement). Neither the Issuer nor the Trustee nor any of their members, directors, officers, agents, servants or employees shall be liable for any depreciation in the value of any such investments or for any loss arising therefrom. Interest and profit derived from such investments shall be credited and applied as provided in the Indenture, and any loss resulting from such investments shall be similarly charged.

Force Majeure. In case by reason of *force majeure* either party to the Loan Agreement shall be rendered unable wholly or in part to carry out its obligations under the Loan Agreement, then except as otherwise expressly provided in the Loan Agreement, if such party shall give notice and full particulars of such *force majeure* in writing to the other party within a reasonable time after occurrence of the event or cause relied on, the obligations of the party giving such notice (other than (i) the obligations of the YMCA of GNY to make the loan payments or other payments required under the terms of the Loan Agreement, or (ii) the obligations of the YMCA of GNY to comply with the insurance provisions or the indemnity provisions of the Loan Agreement), so far as they are affected by such *force majeure*, shall be suspended during the continuance of the inability then claimed, which shall include a reasonable time for the removal of the effect thereof, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "*force majeure*" shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of any kind of the Government of the United States or of the State or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrest, restraining of government and people, war, terrorism, civil disturbances, explosions, partial or entire failure of utilities, shortages of labor, material, supplies or transportation, or any other similar or different cause not reasonably within the control of the party claiming such inability. Notwithstanding anything in the Loan Agreement to the contrary, in no event shall the YMCA of GNY's financial condition or inability to obtain financing constitute a *force majeure*. It is understood and agreed that the requirements that any *force majeure* shall be reasonably beyond the control of the party and shall be remedied with all reasonable dispatch shall be deemed to be satisfied in the event of a strike or other industrial disturbance even though existing or impending strikes or other industrial disturbances could have been settled by the party claiming a *force majeure* under the Loan Agreement by acceding to the demands of the opposing person or persons.

The YMCA of GNY shall promptly notify the Issuer and the Trustee upon the occurrence of each *force majeure*, describing such *force majeure* and its effects in reasonable detail. The YMCA of GNY

shall also promptly notify the Issuer and the Trustee upon the termination of each such *force majeure*. The information set forth in any such notice shall not be binding upon the Issuer or the Trustee, and the Issuer or the Trustee shall be entitled to dispute the existence of any *force majeure* and any of the contentions contained in any such notice received from the YMCA of GNY.

Assignment and Pledge under Indenture. Pursuant to the Indenture, the Issuer will pledge and assign the Promissory Note and the loan payments and certain other moneys receivable under the Loan Agreement to the Trustee as security for payment of the principal or Redemption Price, if applicable, of, Sinking Fund Installments for, and interest on the Bonds.

Amendments. The Loan Agreement may be amended only with the concurring written consent of the Trustee given in accordance with the provisions of the Indenture and only by a written instrument executed by the parties thereto.

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APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE OF TRUST

The following is a summary of certain provisions of the Indenture of Trust dated as of June 1, 2012 (the "Indenture"), relating to the Series 2012 Bonds. This summary is qualified in its entirety by reference to the Indenture.

Additional Bonds. So long as the Promissory Note, the Loan Agreement and the other Security Documents are each in effect, and the prior written consent of the Holders of at least sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the Bonds shall have been obtained, one or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance for the purpose of (i) completing the Project, (ii) providing funds in excess of Net Proceeds to repair, relocate, replace, rebuild or restore any of the Facilities in the event of damage, destruction or taking by eminent domain, (iii) providing extensions, additions or improvements to any of the Facilities, the purpose of which shall be for the Approved Project Operations, or (iv) refunding Outstanding Bonds. Such Additional Bonds shall be payable from the loan payments, receipts and revenues of the Facilities including such extensions, additions and improvements thereto. Prior to the issuance of a Series of Additional Bonds and the execution of a Supplemental Indenture in connection therewith, the Issuer and the YMCA of GNY shall enter into an amendment to the Loan Agreement, and the YMCA of GNY shall execute a new Promissory Note, which shall provide, among other things, that the loan payments payable by the YMCA of GNY under the Loan Agreement and the aggregate amount to be paid under all Promissory Notes shall be increased and computed so as to amortize in full the principal of and interest on such Additional Bonds and any other costs in connection therewith. In addition, the YMCA of GNY and the Issuer shall enter into an amendment to each Security Document with the Trustee which shall provide that the amounts guaranteed or otherwise secured thereunder be increased accordingly.

Each such Series of Additional Bonds shall be deposited with the Trustee and thereupon shall be authenticated by the Trustee. Upon payment to the Trustee of the proceeds of sale of such Series of Additional Bonds, they shall be made available by the Trustee for pick-up by the order of the purchaser or purchasers thereof, but only upon receipt by the Trustee of:

(1) a copy of the resolution, duly certified by the Secretary, Assistant Secretary, Executive Director, Deputy Executive Director, General Counsel or Vice President for Legal Affairs of the Issuer, authorizing, issuing and awarding the Series of Additional Bonds to the purchaser or purchasers thereof and providing the terms thereof and authorizing the execution of any Supplemental Indenture and any amendments of or supplements to the Loan Agreement and any other Security Document to which the Issuer shall be a party;

(2) original executed counterparts of the Supplemental Indenture and an amendment of or supplement to the Loan Agreement expressly providing that, to the extent applicable, for all purposes of the Supplemental Indenture, the Promissory Note, the Loan Agreement, the Facilities referred to therein and the premises related or subject thereto shall include the buildings, structures, improvements, machinery, equipment or other facilities being financed, and the Bonds referred to therein shall mean and include the Series of Additional Bonds being issued as well as the Series 2012 Bonds and any Series of Additional Bonds theretofore issued;

(3) a written opinion by Nationally Recognized Bond Counsel, to the effect that the issuance of the Series of Additional Bonds and the execution thereof have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled and that the issuance of the Series of

Additional Bonds will not cause the interest on any Series of Bonds Outstanding to become includable in gross income for Federal income tax purposes;

(4) except in the case of a Series of Refunding Bonds (defined below) refunding all Outstanding Bonds, a certificate of an Authorized Representative of the YMCA of GNY to the effect that each Security Document to which it is a party continues in full force and effect and that there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default;

(5) written evidence from each Rating Agency by which any Series of Outstanding Bonds are then rated, if any, to the effect that it has reviewed the documentation pertaining to the issuance of the Series of Additional Bonds, and that the issuance of such Series of Additional Bonds will not result in a withdrawal, a suspension or a reduction of the long and short-term ratings, if applicable, then assigned to any Series of Outstanding Bonds by such Rating Agency;

(6) an original, executed counterpart of the new Promissory Note and the amendment to each Security Document; and

(7) a written order to the Trustee executed by an Authorized Representative of the Issuer to authenticate and make available for pick-up the Series of Additional Bonds to the purchaser or purchasers therein identified upon payment to the Trustee of the purchase price therein specified, plus accrued interest, if any.

Upon the request of the YMCA of GNY, one or more Series of Additional Bonds may be authenticated and made available for pick-up upon original issuance to refund ("Refunding Bonds") all Outstanding Bonds or any Series of Outstanding Bonds or any part of one or more Series of Outstanding Bonds. Bonds of a Series of Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of the Indenture and of the resolution authorizing said Series of Refunding Bonds. In the case of the refunding under this heading of less than all Bonds Outstanding of any Series or of any maturity within such Series, the Trustee shall proceed to select such Bonds in accordance with the provisions of the Indenture.

A Series of Refunding Bonds may be authenticated and made available for pick-up only upon receipt by the Trustee (in addition to the receipt by it of the documents required by the heading "Additional Bonds" above, as may be applicable) of:

(a) Irrevocable instructions from the Issuer to the Trustee, satisfactory to it, to give due notice of redemption pursuant to the Indenture to the Holders of all the Outstanding Bonds to be refunded prior to maturity on the redemption date specified in such instructions; and

(b) Either:

(i) moneys in an amount sufficient to effect payment at maturity or upon redemption at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date, which moneys shall be held by the Trustee or any Paying Agent in a separate account irrevocably in trust for and assigned to the respective Holders of the Outstanding Bonds being refunded, or

(ii) Defeasance Obligations in such principal amounts, having such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the defeasance provisions of the Indenture, and any moneys required pursuant

thereto (with respect to all Outstanding Bonds or any part of one or more Series of Outstanding Bonds being refunded), which Defeasance Obligations and moneys shall be held in trust and used only as provided in the defeasance provisions of the Indenture.

The YMCA of GNY shall furnish to the Trustee and the Issuer at the time of delivery of the Series of Refunding Bonds a certificate of an independent certified public accountant stating that the Trustee and/or the Paying Agent (and/or any escrow agent as shall be appointed in connection therewith) hold in trust the moneys or such Defeasance Obligations and moneys required to effect such payment at maturity or earlier redemption.

Each Series of Additional Bonds issued pursuant to this heading shall be equally and ratably secured under the Indenture with the Series 2012 Bonds and all other Series of Additional Bonds, if any, issued pursuant to this heading, without preference, priority or distinction of any Bond over any other Bonds except as expressly provided in or permitted by the Indenture.

No Series of Additional Bonds shall be issued unless the Promissory Note, the Loan Agreement and the other Security Documents are in effect and, at the time of issuance, there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default.

Creation of Funds and Accounts. The Issuer establishes and creates the following special trust Funds and Accounts comprising such Funds: (a) Project Fund, (b) Bond Fund consisting of (i) a Principal Account, (ii) an Interest Account, (iii) a Redemption Account, (iv) a Sinking Fund Installment Account, (c) Earnings Fund, (d) Rebate Fund and (e) Debt Service Reserve Fund.

All of the Funds and Accounts created under the Indenture shall be held by the Trustee. All moneys required to be deposited with or paid to the Trustee for the credit of any Fund or Account under any provision of the Indenture and all investments made therewith shall be held by the Trustee in trust and applied only in accordance with the provisions of the Indenture, and while held by the Trustee shall constitute part of the Trust Estate (subject to the granting clauses of the Indenture), other than the Rebate Fund, and be subject to the lien of the Indenture.

Project Fund. There shall be deposited in the Project Fund any and all amounts required to be deposited therein pursuant to the Indenture as described under the headings "Earnings Fund" and "Rebate Fund" below or otherwise required to be deposited therein pursuant to the Loan Agreement, or the Indenture.

The Trustee shall apply the amounts on deposit in the Project Fund to the payment, or reimbursement to the extent the same have been paid by or on behalf of the YMCA of GNY or the Issuer, of Project Costs (including interest on the Bonds during the period of Project construction and renovation) to the extent requisitioned pursuant to the paragraph below.

The Trustee is authorized to disburse from the Project Fund amounts required to pay (in whole or in part) the Project Costs and is directed to issue its checks (or, at the direction of the YMCA of GNY, make wire transfers) for each disbursement from the Project Fund for the Project Costs, upon a requisition submitted to the Trustee, signed by an Authorized Representative of the YMCA of GNY; provided, however, that the Trustee shall retain in the Project Fund an amount equal to the greater of (a) \$60,000 or (b) the lesser of (i) one percent (1%) of the original principal amount of the Series 2012 Bonds or (ii) \$500,000, until an Authorized Representative of the YMCA of GNY shall have delivered the completion certificate and other documents required by the Loan Agreement.

The completion of the Project shall be evidenced as set forth in the Loan Agreement including the filing of the certificate of an Authorized Representative of the YMCA of GNY referred to therein. Upon the filing of such certificate, the balance in the Project Fund in excess of the amount, if any, stated in such certificate for the payment of any remaining part of the costs of the Project, shall, after making any transfer to the Rebate Fund as directed pursuant to the Tax Regulatory Agreement and the Indenture as described under the heading "Rebate Fund" below, be deposited by the Trustee in the Redemption Account of the Bond Fund. Upon payment of all the costs and expenses incident to the completion of the Project, any balance of such remaining amount in the Project Fund, together with any amount on deposit in the Earnings Fund derived from transfers made thereto from the Project Fund, shall, after making any such transfer to the Rebate Fund, and after depositing in the Debt Service Reserve Fund an amount equal to any deficiency therein, be deposited in the Redemption Account of the Bond Fund to be applied to the redemption of Bonds at the earliest practicable date. The Trustee shall promptly notify the YMCA of GNY of any amounts so deposited in the Redemption Account of the Bond Fund pursuant to this paragraph.

In the event the YMCA of GNY shall be required to or shall elect to cause the Bonds to be redeemed in whole pursuant to the Loan Agreement, the balance in the Project Fund, in the Earnings Fund (in excess of any amount the Trustee is directed to transfer to the Rebate Fund pursuant to the Tax Regulatory Agreement and the Indenture as described under the heading "Rebate Fund" below) and in the Debt Service Reserve Fund shall be deposited in the Redemption Account of the Bond Fund. In the event the unpaid principal amount of the Bonds shall be accelerated upon the occurrence of an Event of Default under the Indenture, the balance in the Project Fund, in the Earnings Fund (in excess of any amount the Trustee is directed to transfer to the Rebate Fund pursuant to the Tax Regulatory Agreement and the Indenture as described under the heading "Rebate Fund" below) and in the Debt Service Reserve Fund shall be deposited in the Bond Fund as provided in the provisions of the Indenture as described under the heading "Application of Revenues and Other Moneys After Default" below.

Except as provided in the Indenture as described under the heading "Earnings Fund" below, all earnings on amounts held in the Project Fund shall be transferred by the Trustee and deposited in the Earnings Fund. Any transfers by the Trustee of amounts to the Rebate Fund shall first be drawn by the Trustee from the Earnings Fund prior to drawing any amounts from the Project Fund.

Payments into Bond Fund. The Trustee shall promptly deposit the following receipts into the Bond Fund:

(a) The interest accruing on any Series of Bonds from the date of original issuance thereof to the date of delivery, which shall be credited to the Interest Account of the Bond Fund and applied to the payment of interest on such Series of Bonds.

(b) Amounts disbursed from the Project Fund for the payment of interest on the Bonds during the period of Project Work, which shall be credited to the Interest Account of the Bond Fund and applied to the payment of interest on the Bonds;

(c) Excess or remaining amounts in the Project Fund required to be deposited (subject to any transfer required to be made to the Rebate Fund in accordance with directions received pursuant to the Tax Regulatory Agreement and the Indenture as described under the heading "Rebate Fund" below, or to the Debt Service Reserve Fund to the extent of any deficiency therein) (i) in the Redemption Account of the Bond Fund pursuant to the Indenture as described under the fourth paragraph or the first sentence in the fifth paragraph under the heading "Project Fund" above, which shall be kept segregated from any other moneys within such Account, or (ii) in the Bond Fund pursuant to the Indenture as described under the second sentence in the fifth paragraph under the heading "Project Fund" above.

(d) Loan payments received by the Trustee pursuant to the Loan Agreement, which shall be deposited in and credited, to the extent necessary, first to the Interest Account, second to the Principal Account, and third to the Sinking Fund Installment Account of the Bond Fund.

(e) Advance loan payments received by the Trustee pursuant to the Loan Agreement, which shall be deposited in and credited to the Redemption Account of the Bond Fund.

(f) Any amounts transferred from the Earnings Fund pursuant to the Indenture, which shall be deposited in and credited to the Interest Account of the Bond Fund.

(g) The excess amounts referred to in the Indenture as described in the last paragraph under the heading "Application of Bond Fund Moneys" below, which shall be deposited in and credited to the Interest Account of the Bond Fund.

(h) Any amounts transferred from the Redemption Account pursuant to the Indenture provisions pertaining to application of bond funds, which shall be deposited to the Interest Account, the Principal Account and the Sinking Fund Installment Account of the Bond Fund, as the case may be and in such order of priority, and applied solely to such purposes.

(i) All other receipts when and if required by the Loan Agreement or by the Indenture or by any other Security Document to be paid into the Bond Fund, which shall be credited (except as provided in the provisions of the Indenture as described under the heading "Application of Revenues and other Moneys After Default" below) to the Redemption Account of the Bond Fund.

(j) Any amounts transferred from the Debt Service Reserve Fund pursuant to the Indenture as described under the heading "Debt Service Reserve Fund" below, which shall be deposited in and credited to the Interest Account, the Principal Account, the Sinking Fund Installment Account or the Redemption Account, as the case may be, of the Bond Fund.

Application of Bond Fund Moneys. The Trustee shall (a) on each Interest Payment Date pay or cause to be paid out of the Interest Account in the Bond Fund the interest due on the Bonds, and (b) further pay out of the Interest Account of the Bond Fund any amounts required for the payment of accrued interest upon any purchase or redemption (including any mandatory Sinking Fund Installment redemption) of Bonds.

The Trustee shall on each principal payment date on the Bonds pay or cause to be paid to the respective Paying Agents therefor out of the Principal Account of the Bond Fund, the principal amount, if any, due on the Bonds (other than such as shall be due by mandatory Sinking Fund Installment redemption), upon the presentation and surrender of the requisite Bonds.

There shall be paid from the Sinking Fund Installment Account of the Bond Fund to the Paying Agents on each Sinking Fund Installment payment date in immediately available funds the amounts required for the Sinking Fund Installment due and payable with respect to Bonds which are to be redeemed from Sinking Fund Installments on such date (accrued interest on such Bonds being payable from the Interest Account of the Bond Fund). Such amounts shall be applied by the Paying Agents to the payment of such Sinking Fund Installment when due. The Trustee shall call for redemption, in the manner provided in the Indenture, Bonds for which Sinking Fund Installments are applicable in a principal amount equal to the Sinking Fund Installment then due with respect to such Bonds. Such call for redemption shall be made even though at the time of mailing of the notice of such redemption sufficient moneys therefor shall not have been deposited in the Bond Fund.

Amounts in the Redemption Account of the Bond Fund shall be applied, at the written direction of the YMCA of GNY, as promptly as practicable, to the purchase of Bonds at prices not exceeding the Redemption Price thereof applicable on the earliest date upon which the Bonds are next subject to optional redemption, plus accrued interest to the date of redemption. Any amount in the Redemption Account not so applied to the purchase of Bonds by forty-five (45) days prior to the next date on which the Bonds are so redeemable shall be applied to the redemption of Bonds on such redemption date. Any amounts deposited in the Redemption Account and not applied within twelve (12) months of their date of deposit to the purchase or redemption of Bonds (except if held in accordance with the defeasance provisions of the Indenture) shall be transferred to the Interest Account. Upon the purchase of any Bonds out of advance loan payments as provided in this paragraph, or upon the redemption of any Bonds, an amount equal to the principal of such Bonds so purchased or redeemed shall be credited against the next ensuing and future Sinking Fund Installments for such Bonds in chronological order of the due dates of such Sinking Fund Installments until the full principal amount of such Bonds so purchased or redeemed shall have been so credited. The portion of any such Sinking Fund Installment remaining after the deduction of such amounts so credited shall constitute and be deemed to be the amount of such Sinking Fund Installment for the purposes of any calculation thereof under the Indenture. The Bonds to be purchased or redeemed shall be selected by the Trustee in the manner provided in the Indenture. Amounts in the Redemption Account to be applied to the redemption of Bonds shall be paid to the respective Paying Agents on or before the redemption date and applied by them on such redemption date to the payment of the Redemption Price of the Bonds being redeemed plus interest on such Bonds accrued to the redemption date.

In connection with purchases of Bonds out of the Bond Fund as provided under this heading, the YMCA of GNY shall arrange and the Trustee shall execute such purchases (through brokers or otherwise, and with or without receiving tenders) at the written direction of the YMCA of GNY. The payment of the purchase price shall be made out of the moneys deposited in the Redemption Account of the Bond Fund and the payment of accrued interest shall be made out of moneys deposited in the Interest Account of the Bond Fund.

The Issuer shall receive a credit in respect of Sinking Fund Installments for any Bonds which are subject to mandatory Sinking Fund Installment redemption and which are delivered by the Issuer or the YMCA of GNY to the Trustee on or before the forty-fifth (45th) day next preceding any Sinking Fund Installment payment date and for any Bonds which prior to said date have been purchased or redeemed (otherwise than through the operation of the Sinking Fund Installment Account) and cancelled by the Trustee and not theretofore applied as a credit against any Sinking Fund Installment (whether pursuant to the provisions of the Indenture as described in the fourth paragraph under this heading or otherwise). Each Bond so delivered, cancelled or previously purchased or redeemed shall be credited by the Trustee at one hundred per cent (100%) of the principal amount thereof against the obligation of the Issuer on such Sinking Fund Installment payment date with respect to Bonds of such Series and maturity and the principal amount of such Bonds to be redeemed by operation of the Sinking Fund Installment Account on the due date of such Sinking Fund Installment shall be reduced accordingly, and any excess over such principal amount shall be credited on future Sinking Fund Installments in direct chronological order, and the principal amount of Bonds to be redeemed by application of Sinking Fund Installment payments shall be accordingly reduced.

The YMCA of GNY shall on or before the forty-fifth (45th) day next preceding each Sinking Fund Installment payment date furnish the Trustee with the certificate of an Authorized Representative of the YMCA of GNY indicating whether or not and to what extent the provisions of this heading are to be availed of with respect to such Sinking Fund Installment payment, stating, in the case of the credit provided for, that such credit has not theretofore been applied against any Sinking Fund Installment and confirming that immediately available cash funds for the balance of the next succeeding prescribed

Sinking Fund Installment payment will be paid on or prior to the next succeeding Sinking Fund Installment payment date.

Moneys in the Redemption Account of the Bond Fund which are not set aside or deposited for the redemption or purchase of Bonds shall be transferred by the Trustee to the Interest Account, to the Principal Account or to the Sinking Fund Installment Account of the Bond Fund.

Earnings Fund. All investment income or earnings on amounts held in the Project Fund, the Debt Service Reserve Fund or any other special fund (other than the Rebate Fund or the Bond Fund) shall be deposited upon receipt by the Trustee into the Earnings Fund. The Trustee shall keep separate accounts of all amounts deposited in the Earnings Fund and by journal entry indicate the Fund source of the income or earnings.

On the first Business Day following each Computation Period (as defined in the Tax Regulatory Agreement), the Trustee shall withdraw from the Earnings Fund and deposit to the Rebate Fund an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of the last day of the Computation Period. In the event of any deficiency, the balance required shall be provided by the YMCA of GNY pursuant to the Tax Regulatory Agreement. Computations of the amounts on deposit in each Fund and of the Rebate Amount shall be furnished to the Trustee by the YMCA of GNY in accordance with the Tax Regulatory Agreement.

The foregoing notwithstanding, the Trustee shall not be required to transfer amounts from the Earnings Fund to the Rebate Fund (and shall instead apply such amounts in the Earnings Fund as provided in the immediately following sentence), if the YMCA of GNY shall deliver to the Trustee a certificate of an Authorized Representative of the YMCA of GNY to the effect that (x) the applicable requirements of a spending exception to rebate has been satisfied as of the relevant semiannual period as set forth in the Tax Regulatory Agreement, (y) the proceeds of the Bonds have been invested in obligations the interest on which is not included in gross income for Federal income tax purposes under Section 103 of the Code or (z) the proceeds of the Bonds have been invested in obligations the Yield on which (calculated as set forth in the Tax Regulatory Agreement) does not exceed the Yield on such Bonds (calculated as set forth in the Tax Regulatory Agreement). Any amounts on deposit in the Earnings Fund following the transfers to the Rebate Fund required by this heading shall be deposited in the Project Fund until the completion of the Project as provided in the Loan Agreement, and thereafter in the Interest Account of the Bond Fund.

Rebate Fund. The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Trustee, any Bondholder or any other Person.

The Trustee, upon the receipt of a certification of the Rebate Amount (as defined in the Tax Regulatory Agreement) from an Authorized Representative of the YMCA of GNY, shall deposit in the Rebate Fund within sixty (60) days following each Computation Date (as defined in the Tax Regulatory Agreement), an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of such Computation Date. If there has been delivered to the Trustee a certification of the Rebate Amount in conjunction with the completion of the Project pursuant to the Loan Agreement, at any time during a Bond Year, the Trustee shall deposit in the Rebate Fund at that time an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated at the completion of the Project. The amount deposited in the Rebate Fund pursuant to the previous sentences shall be withdrawn from the Earnings Fund. If the amount on deposit in the Rebate Fund following such deposit is less than the Rebate Amount, the Trustee shall promptly deliver a notice stating the amount of such deficiency to the YMCA of GNY. It is provided in the Loan Agreement that

promptly upon receipt of such notice, the YMCA of GNY shall deliver the amount necessary to make up such deficiency to the Trustee for deposit in the Rebate Fund.

If within sixty (60) days following any Computation Date, the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the Trustee, upon the receipt of written instructions from an Authorized Representative of the YMCA of GNY, shall withdraw such excess amount and deposit it in the Project Fund until the completion of the Project as provided in the Loan Agreement, or, after the completion of the Project, deposit it in the Interest Account of the Bond Fund.

The Trustee, upon the receipt of written instructions from an Authorized Representative of the YMCA of GNY, shall pay to the United States, out of amounts in the Rebate Fund, (i) not less frequently than once each five (5) years after the Closing Date, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to 90% of the Rebate Amount with respect to the Series 2012 Bonds as of the date of such payment and (ii) notwithstanding the provisions of the defeasance provisions of the Indenture, not later than thirty (30) days after the date on which all Series 2012 Bonds have been paid in full, 100% of the Rebate Amount as of the date of payment.

Transfer to Rebate Fund. The Trustee shall have no obligation under the Indenture to transfer any amounts to the Rebate Fund unless the Trustee shall have received specific written instructions from an Authorized Representative of the YMCA of GNY to make such transfer.

Investment of Funds and Accounts. Amounts in any Fund or Account established under the Indenture may, if and to the extent then permitted by law, be invested only in Qualified Investments provided that any Qualified Investment shall not have a maturity date greater than five (5) years from the date of the making of such investment unless such Qualified Investment may be put at par at any time at the option of the owner thereof, and provided, further, that any investment of amounts held in the Debt Service Reserve Fund shall be limited to Government Obligations. Any investment in the Indenture authorized is subject to the condition that no portion of the proceeds derived from the sale of the Bonds shall be used, directly or indirectly, in such manner as to cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code. In particular, unexpended Bond proceeds transferred from the Project Fund (or from the Earnings Fund with respect to amounts deposited therein from the Project Fund) to the Redemption Account of the Bond Fund pursuant to the Indenture may not be invested at a Yield (as defined in the Tax Regulatory Agreement) which is greater than the Yield on the applicable Series of Bonds. Such investments shall be made by the Trustee only at the written request of an Authorized Representative of the YMCA of GNY; and if such investment is to be in one or more certificates of deposit, investment agreements or guaranteed investment contracts, then such written request shall include written assurance to the effect that such investment complies with the Tax Regulatory Agreement. Any investment under the Indenture shall be made in accordance with the Tax Regulatory Agreement, and the YMCA of GNY shall so certify to the Trustee with each such investment direction as referred to below. Such investments shall mature in such amounts and at such times as may be necessary to provide funds when needed to make payments from the applicable Fund. Net income or gain received and collected from such investments shall be credited and losses charged to (i) the Rebate Fund with respect to the investment of amounts held in the Rebate Fund, (ii) the Bond Fund with respect to the investment of amounts held in the Bond Fund, and (iii) the Earnings Fund with respect to the investment of amounts held in any other Fund.

At the written request of an Authorized Representative of the YMCA of GNY no sooner than ten (10) days prior to each Loan Payment Date under the Loan Agreement, the Trustee shall notify the YMCA of GNY of the amount of such net investment income or gain received and collected subsequent to the last such loan payment and the amount then available in the various Accounts of the Bond Fund.

Upon the written direction of an Authorized Representative of the YMCA of GNY, the Trustee shall sell at the best price reasonably obtainable, or present for redemption or exchange, any obligations in which moneys shall have been invested to the extent necessary to provide cash in the respective Funds or Accounts, to make any payments required to be made therefrom, or to facilitate the transfers of moneys or securities between various Funds and Accounts as may be required from time to time pursuant to the provisions of the Indenture. The Trustee shall not be liable for losses incurred as a result of actions taken in good faith in accordance with this paragraph. As soon as practicable after any such sale, redemption or exchange, the Trustee shall give notice thereof to the Issuer and the YMCA of GNY.

Neither the Trustee nor the Issuer shall be liable for any loss arising from, or any depreciation in the value of any obligations in which moneys of the Funds and Accounts shall be invested in accordance with the Indenture. The investments described in this heading shall at all times be subject to the provisions of applicable law, as amended from time to time.

In computing the amount in any Fund or Account, obligations purchased as an investment of moneys therein shall be valued at fair market value as determined by the Trustee one month prior to each Interest Payment Date.

The fair market value of Qualified Investments shall be determined as follows:

(i) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times), the average bid and asked prices for such investments so published on or most recently prior to such time of determination;

(ii) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times, the average bid price at such nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or as quoted in the Interactive Data Service; and

(iii) as to certificates of deposit and bankers acceptances and other investments, the face amount thereof, plus accrued interest.

If more than one provision of this definition of “fair market value” shall apply at any time to any particular investment, the fair market value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment.

In the case of the Debt Service Reserve Fund, a “surplus” means the amount by which the amount on deposit therein is in excess of the Debt Service Reserve Fund Requirement. On each Debt Service Reserve Fund Valuation Date, and upon any withdrawal from the Debt Service Reserve Fund, the Trustee shall determine the amount on deposit in the Debt Service Reserve Fund. If on any such date a deficiency exists, the Trustee shall notify the Issuer and the YMCA of GNY of such deficiency and that such deficiency must be replenished by the YMCA of GNY as required by the Loan Agreement. If a surplus exists, the Trustee shall notify the Issuer and the YMCA of GNY thereof and, subject to the requirements of the Tax Regulatory Agreement, shall upon written instructions of the YMCA of GNY transfer an amount equal to such surplus to the Project Fund until the completion of the Project as provided in of the Loan Agreement and thereafter shall transfer such amount to the Interest Account of the Bond Fund.

Application of Moneys in Certain Funds for Retirement of Bonds. Notwithstanding any other provisions of the Indenture, if on any Interest Payment Date or redemption date the amounts held in the Funds established under the Indenture (other than the Earnings Fund and the Rebate Fund) are sufficient

to pay one hundred percent (100%) of the principal or Redemption Price, as the case may be, of all Outstanding Bonds and the interest accruing on such Bonds to the next date on which such Bonds are redeemable or payable, as the case may be, whichever is earlier, the Trustee shall so notify the Issuer and the YMCA of GNY. Upon receipt of written instructions from an Authorized Representative of the YMCA of GNY directing such redemption, the Trustee shall proceed to redeem all such Outstanding Bonds in the manner provided for redemption of such Bonds by the Indenture.

Repayment to the YMCA of GNY from the Funds. After payment in full of the Bonds (in accordance with the defeasance provisions of the Indenture) and the payment of all fees, charges and expenses of the Issuer, the Trustee, the Bond Registrar and the Paying Agents and all other amounts required to be paid under the Indenture and under each of the Security Documents, and the payment of any amounts which the Trustee is directed to rebate to the Federal government pursuant to the Indenture and the Tax Regulatory Agreement, all amounts remaining in any Fund shall be paid to the YMCA of GNY upon the expiration or sooner termination of the term of the Loan Agreement.

Debt Service Reserve Fund. If on any Interest Payment Date or redemption date on the Bonds the amount in the Interest Account of the Bond Fund (after taking into account amounts available to be transferred to the Interest Account from the Project Fund) shall be less than the amount of interest then due and payable on the Bonds, or if on any principal payment date on the Bonds the amount in the Principal Account shall be less than the amount of principal of the Bonds then due and payable, or if on any Sinking Fund Installment payment date for the Bonds the amount in the Sinking Fund Installment Account of the Bond Fund shall be less than the amount of the Sinking Fund Installment then due and payable on the Bonds, in each case, after giving effect to all payments received by the Trustee in immediately available funds by 10:00 a.m. (New York City time) on such date from or on behalf of the YMCA of GNY or the Issuer on account of such interest, principal or Sinking Fund Installment, the Trustee forthwith shall transfer moneys from the Debt Service Reserve Fund, first, to such Interest Account, second to such Principal Account, and third, to such Sinking Fund Installment Account, all to the extent necessary to make good any such deficiency. Any such transfer of moneys shall also be deemed to include a withdrawal or claim on a Reserve Fund Letter of Credit or a Reserve Fund Insurance Policy, as the case may be.

The Trustee shall give to the YMCA of GNY on or prior to each Loan Payment Date on which the YMCA of GNY is obligated pursuant to the Loan Agreement to pay to the Trustee amounts in respect of any deficiency in the Debt Service Reserve Fund, telephonic notice (to be promptly confirmed in writing) specifying any such deficiency in the Debt Service Reserve Fund. The failure of the Trustee to deliver such notice or any defect in such notice shall not relieve the Issuer from any of its obligations under the Indenture or any other obligor from any of its obligations under any of the Security Documents.

In the event the Trustee shall transfer moneys from the Debt Service Reserve Fund to the Bond Fund pursuant to the Indenture as described in the first paragraph under this heading, the Trustee shall deliver notice to the YMCA of GNY of such deficiency as provided in the Indenture as described in the last paragraph under the heading "Investment of Funds and Accounts" above requiring the YMCA of GNY to replenish such deficiency with twelve equal monthly payments or, to the extent of a withdrawal or claim on a Reserve Fund Letter of Credit or a Reserve Fund Insurance Policy, to reinstate the maximum limits of such Reserve Fund Letter of Credit or Reserve Fund Insurance Policy within twelve months following such withdrawal or claim, or a combination of such alternatives as shall equal the Debt Service Reserve Requirement.

In the further event that the YMCA of GNY shall deliver written notice to the Trustee of its intention to redeem Bonds, the YMCA of GNY may direct the Trustee to apply such amounts in the Debt Service Reserve Fund to effect such redemption such that the amount remaining in the Debt Service

Reserve Fund upon such redemption shall not be less than the reduced Debt Service Reserve Fund Requirement as will be applicable to the remainder of the Bonds Outstanding.

Payment of Redeemed Bonds. Notice having been given in the manner provided in the Indenture, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption dates so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, (a) interest on the Bonds or portions thereof so called for redemption shall cease to accrue and become payable, (b) the Bonds or portions thereof so called for redemption shall cease to be entitled to any lien, benefit or security under the Indenture, and (c) the Holders of the Bonds or portions thereof so called for redemption shall have no rights in respect thereof, except to receive payment of the Redemption Price together with interest accrued to the redemption date. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Payment of the Redemption Price plus interest accrued to the redemption date shall be made to or upon the order of the registered owner only upon presentation of such Bonds for cancellation and exchange as provided in the Indenture; provided, however, that any Holder of at least \$1,000,000 in original aggregate principal amount of the Series 2012 Bonds may, by written request to the Trustee no later than five (5) days prior to the date of redemption, direct that payments of Redemption Price and accrued interest to the date of redemption be made by wire transfer as soon as practicable after tender of the Bonds in Federal funds at such wire transfer address as the owner shall specify to the Trustee in such written request.

Payment of Principal and Interest. The Issuer covenants in the Indenture that it will from the sources contemplated in the Indenture promptly pay or cause to be paid the principal of, Sinking Fund Installments for, and interest on the Bonds, and the Redemption Price, if any, together with interest accrued thereon to the date of redemption, at the place, on the dates and in the manner provided in the Indenture and in the Bonds according to the true intent and meaning thereof.

Performance of Covenants; Authority. The Issuer covenants in the Indenture that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture, in any and every Bond executed, authenticated and delivered under the Indenture and in all proceedings pertaining thereto. The Issuer covenants in the Indenture that it is duly authorized under the Constitution and laws of the State, including particularly its Organizational Documents, to issue the Bonds authorized by the Indenture and to execute the Indenture, to make the Loan to the YMCA of GNY pursuant to the Loan Agreement and the Promissory Note, to assign the Loan Agreement and the Promissory Note, and to pledge the loan payments, revenues and receipts pledged under the Indenture in the manner and to the extent set forth in the Indenture; that all action on its part for the issuance of the Bonds and the execution and delivery of the Indenture has been duly and effectively taken; and that the Bonds in the hands of the Holders thereof are and will be the valid and enforceable special limited revenue obligations of the Issuer according to the import thereof.

Creation of Liens; Indebtedness. The Issuer shall not create or suffer to be created, or incur or issue any evidences of indebtedness secured by, any lien or charge upon or pledge of the Trust Estate, except the lien, charge and pledge created by the Indenture and the other Security Documents.

Issuer Tax Covenant. The Issuer covenants in the Indenture that it shall not take any action within its control, nor refrain from taking any action reasonably requested by the YMCA of GNY or the

Trustee, that would cause the interest on the Bonds to become includable in gross income for Federal income tax purposes; provided, however, the breach of this covenant shall not result in any pecuniary liability of the Issuer and the only remedy to which the Issuer shall be subject shall be specific performance.

Events of Default; Acceleration of Due Date. Each of the following events is defined as and shall constitute an “Event of Default” under the Indenture:

(a) Failure in the payment of the interest on any Bond when the same shall become due and payable;

(b) Failure in the payment of the principal or redemption premium, if any, of, or Sinking Fund Installment for, any Bonds, when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption thereof or otherwise, or interest accrued thereon to the date of redemption after notice of redemption therefor or otherwise;

(c) Failure of the Issuer to observe or perform any covenant, condition or agreement in the Bonds or under the Indenture on its part to be performed (except as set forth in subparagraph (a) or (b) above) and (i) continuance of such failure for more than thirty (30) days after written notice of such failure has been given to the Issuer and the YMCA of GNY specifying the nature of same from the Trustee or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, or (ii) if by reason of the nature of such failure the same can be remedied, but not within the said thirty (30) days, the Issuer or the YMCA of GNY fails to commence and thereafter proceed with reasonable diligence after receipt of said notice to cure such failure or fails to continue with reasonable diligence its efforts to cure such failure or fails to cure such failure within sixty (60) days of delivery of said notice; or

(d) The occurrence of an “Event of Default” under the Loan Agreement or any other Security Document.

Upon the happening and continuance of any Event of Default, unless the principal of all the Bonds shall have already become due and payable, either the Trustee (by notice in writing to the Issuer and the YMCA of GNY) or the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding (by notice in writing to the Issuer, the YMCA of GNY and the Trustee) may declare the principal or Redemption Price, if any, of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything in the Indenture or in any of the Bonds contained to the contrary notwithstanding.

If there shall occur an Event of Default relating to the bankruptcy of the YMCA of GNY under the Loan Agreement, the unpaid principal of all the Bonds (and all principal installments of loan payments under the Loan Agreement) and the interest accrued thereon shall be due and payable immediately without the necessity of any declaration or other action by the Trustee or any other Person.

The right of the Trustee or of the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding to make any such declaration as aforesaid, however, is subject to the condition that if, at any time before such declaration, all overdue installments of principal of and interest on all of the Bonds which shall have matured by their terms and the unpaid Redemption Price of the Bonds or principal portions thereof to be redeemed has been paid by or for the account of the Issuer, and all other Events of Default have been otherwise remedied, and the reasonable and proper charges, expenses and liabilities of the Trustee, shall either be paid by or for the account of the Issuer or provision

satisfactory to the Trustee shall be made for such payment, and all defaults have been otherwise remedied as provided in the Indenture, then and in every such case any such default and its consequences shall ipso facto be deemed to be annulled, but no such annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

Pursuant to the Loan Agreement, the Issuer has granted to the YMCA of GNY full authority for the account of the Issuer to perform any covenant or obligation the non-performance of which is alleged in any notice received by the YMCA of GNY to constitute a default under the Indenture, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts with power of substitution. The Trustee agrees to accept such performance by the YMCA of GNY as performance by the Issuer.

Enforcement of Remedies. Upon the occurrence and continuance of any Event of Default, then and in every case the Trustee may proceed, and upon the written request of the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding shall proceed, to protect and enforce its rights and the rights of the Bondholders under the Bonds, the Loan Agreement, the Indenture and under any other Security Document forthwith by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, whether for the specific performance of any covenant or agreement contained in the Indenture or in any other Security Document or in aid of the execution of any power granted in the Indenture or in any other Security Document or for the enforcement of any legal or equitable rights or remedies as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights or to perform any of its duties under the Indenture or under any other Security Document. In addition to any rights or remedies available to the Trustee under the Indenture or elsewhere, upon the occurrence and continuance of an Event of Default the Trustee may take such action, without notice or demand, as it deems advisable.

In the enforcement of any right or remedy under the Indenture or under any other Security Document, the Trustee shall be entitled to sue for, enforce payment on and receive any or all amounts then or during any default becoming, and any time remaining, due from the Issuer, for principal, interest, Sinking Fund Installments, Redemption Price, or otherwise, under any of the provisions of the Indenture, of any other Security Document or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in the Bonds, together with any and all costs and expenses of collection and of all proceedings under the Indenture, under any such other Security Document and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce judgment or decree against the Issuer, but solely as provided in the Indenture and in the Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from the moneys in the Bond Fund and other moneys available therefor to the extent provided in the Indenture) in any manner provided by law, the moneys adjudged or decreed to be payable. The Trustee shall file proof of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Bondholders allowed in any judicial proceedings relative to the YMCA of GNY or the Issuer or their creditors or property.

Regardless of the occurrence of an Event of Default, the Trustee, if requested in writing by the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, and furnished with reasonable security and indemnity, shall institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Indenture or under any other Security Document by any acts which may be unlawful or in violation of the Indenture or of such other Security Document or of any resolution authorizing any Bonds, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders; provided, that such request shall not

be otherwise than in accordance with the provisions of law and of the Indenture and shall not be unduly prejudicial to the interests of the Holders of the Bonds not making such request.

Application of Revenues and Other Moneys After Default. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture or under any other Security Document, and all moneys held in all Funds and Accounts (other than the Rebate Fund), shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances (including legal fees and expenses) incurred or made by the Trustee, and after making any required deposits to the Rebate Fund in accordance with the Tax Regulatory Agreement, be deposited in the Bond Fund, and all moneys so deposited and available for payment of the Bonds shall be applied, subject to the provisions of the Indenture pertaining to the compensation of the Trustee, Bond Registrar and Paying Agents, as follows:

(a) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

First - To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

Second - To the payment to the Persons entitled thereto of the unpaid principal or Redemption Price, if any, of any of the Bonds or principal installments which shall have become due (other than Bonds or principal installments called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, with interest on such Bonds, at the rate or rates expressed thereon, from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full Bonds or principal installments due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become or have been declared due and payable, to the payment to the Bondholders of the principal and interest (at the rate or rates expressed in the Bonds) then due and unpaid upon the Bonds and if applicable to the Redemption Price of the Bonds without preference or priority of principal over interest or of interest over principal, Sinking Fund Installments, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Indenture pertaining to events of default and remedies, then, subject to the provisions of the Indenture as described in subparagraph (b) above, which shall be applicable in the event that the principal of all the Bonds shall later become due and payable, the moneys shall be applied in accordance with the provisions of the Indenture as described in subparagraph (a) above.

Whenever moneys are to be applied pursuant to the provisions of this heading, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon

which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue; provided, however, that if the principal or Redemption Price of the Bonds Outstanding, together with accrued interest thereon, shall have been declared to be due and payable pursuant to the Indenture as described under the heading “Events of Default; Acceleration of Due Date” above, such date of declaration shall be the date from which interest shall cease to accrue. The Trustee shall give such written notice to all Bondholders as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Actions by Trustee. All rights of actions under the Indenture, under any other Security Document or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds, and any recovery of judgment shall, subject to the provisions of the Indenture as described under the heading “Application of Revenues and Other Moneys After Default” above, be for the equal benefit of the Holders of the Outstanding Bonds.

Majority Holders Control Proceedings. Anything in the Indenture to the contrary notwithstanding, the Majority Holders shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Individual Bondholder Action Restricted. No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provisions of the Indenture or of any other Security Document or the execution of any trust under the Indenture or for any remedy under the Indenture or under any other Security Document, unless such Holder shall have previously given to the Trustee written notice of the occurrence of an Event of Default as provided in the Indenture, and the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in the Indenture or in such other Security Document or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his, its or their action to affect, disturb or prejudice the pledge created by the Indenture, or to enforce any right under the Indenture except in the manner provided therein; and that all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and maintained in the manner provided therein and, subject to the provisions of the Indenture as described under the heading “Application of Revenues and Other Moneys After Default” above, be for the equal benefit of all Holders of the Outstanding Bonds.

Nothing in the Indenture, in any other Security Document or in the Bonds contained shall affect or impair the right of any Bondholder to payment of the principal or Redemption Price, if applicable, of, Sinking Fund Installments for, and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal or Redemption Price, if applicable, of, Sinking Fund Installments for, and interest on each of the Bonds to the respective Holders thereof at the time, place, from the source and in the manner in the Indenture and in said Bonds expressed.

Effect of Discontinuance of Proceedings. In case any proceedings taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case, the YMCA of GNY, the Issuer, the Trustee and the Bondholders shall be restored, respectively, to their former positions and rights under the Indenture, and all rights, remedies, powers and duties of the Trustee shall continue as in effect prior to the commencement of such proceedings.

Remedies Not Exclusive. No remedy by the terms of the Indenture conferred upon or reserved to the Trustee or to the Holders of the Bonds is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given under the Indenture or now or hereafter existing at law or in equity or by statute.

Delay or Omission. No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power arising upon any default shall impair any right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by the Indenture to the Trustee and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

Notice of Default. The Trustee shall promptly mail to the Issuer, to registered Holders of Bonds and to the YMCA of GNY by first class mail, postage prepaid, written notice of the occurrence of any Event of Default. The Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail any notice required by this paragraph.

Waivers of Default. The Trustee shall waive any default under the Indenture and its consequences and rescind any declaration of acceleration only upon the written request of the Majority Holders; provided, however, that there shall not be waived without the consent of the Holders of all the Bonds Outstanding (a) any default in the payment of the principal of any Outstanding Bonds at the date specified therein or (b) any default in the payment when due of the interest on any such Bonds, unless, prior to such waiver, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect of which such default shall have occurred, and all arrears of payment of principal when due, as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the YMCA of GNY, the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, of, Sinking Fund Installments for, interest and all other amounts due or to become due thereon or in respect thereof, at the times and in the manner stipulated therein and in the Indenture, and all fees and expenses and other amounts due and payable under the Indenture and the Loan Agreement, and any other amounts required to be rebated to the Federal government pursuant to the Tax Regulatory Agreement or the Indenture, shall be paid in full, then the pledge of any loan payments, revenues or receipts from or in connection with the Security Documents or the Facilities under the Indenture and the estate and rights granted by the Indenture, and all covenants, agreements and other obligations of the Issuer to the Bondholders under the Indenture shall thereupon cease, terminate and become void and be discharged and satisfied and the Bonds shall thereupon cease to be entitled to any lien, benefit or security under the Indenture, except as to moneys or securities held by the Trustee or the Paying Agents as provided below in this paragraph. At the time of such cessation, termination, discharge and satisfaction, (a) the Trustee shall cancel and discharge the lien of the Indenture

and execute and deliver to the YMCA of GNY all such instruments as may be appropriate to satisfy such liens and to evidence such discharge and satisfaction, and (b) the Trustee and the Paying Agents shall pay over or deliver to the YMCA of GNY or on its order all moneys or securities held by them pursuant to the Indenture which are not required (i) for the payment of the principal or Redemption Price, if applicable, Sinking Fund Installments for, or interest on Bonds not theretofore surrendered for such payment or redemption, (ii) for the payment of all such other amounts due or to become due under the Security Documents, or (iii) for the payment of any amounts the Trustee has been directed to pay to the Federal government under the Tax Regulatory Agreement or the Indenture.

Bonds or interest installments for the payment or redemption of which moneys (or Defeasance Obligations which shall not be subject to call or redemption or prepayment prior to maturity and the full and timely payment of the principal of and interest on which when due, together with the moneys, if any, set aside at the same time, will provide funds sufficient for such payment or redemption) shall then be set aside and held in trust by the Trustee or Paying Agents, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this heading, if (a) in case any such Bonds are to be redeemed prior to the maturity thereof, all action necessary to redeem such Bonds shall have been taken and notice of such redemption shall have been duly given or provision satisfactory under the requirements of the Indenture to the Trustee shall have been made for the giving of such notice, and (b) if the maturity or redemption date of any such Bond shall not then have arrived, (i) provision shall have been made by deposit with the Trustee or other methods satisfactory to the Trustee for the payment to the Holders of any such Bonds of the full amount to which they would be entitled by way of principal or Redemption Price, Sinking Fund Installments, and interest and all other amounts then due under the Security Documents to the date of such maturity or redemption, and (ii) provision satisfactory to the Trustee shall have been made for the mailing of a notice to the Holders of such Bonds that such moneys are so available for such payment on such maturity or redemption date.

Defeasance Opinion and Verification. Prior to any defeasance becoming effective as provided in the Indenture as described in the paragraph above, there shall have been delivered to the Issuer and to the Trustee (A) an opinion of Nationally Recognized Bond Counsel to the effect that interest on any Bonds being discharged by such defeasance will not become subject to federal income taxation by reason of such defeasance, and (B) a verification from an independent certified public accountant or firm of independent certified public accountants (in each case reasonably satisfactory to the Issuer and the Trustee) to the effect that the moneys and/or Defeasance Obligations are sufficient, without reinvestment, to pay the principal of, Sinking Fund Installments for, interest on, and redemption premium, if any, of the Bonds to be defeased.

Supplemental Indentures Without Bondholders' Consent. The Issuer and the Trustee may, from time to time and at any time, enter into Supplemental Indentures without the consent of the Bondholders for any of the following purposes:

(a) To cure any formal defect, omission or ambiguity in the Indenture or in any description of property subject to the lien of the Indenture, if such action is not materially adverse to the interests of the Bondholders.

(b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with the Indenture as theretofore in effect.

(c) To add to the covenants and agreements of the Issuer in the Indenture other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect.

(d) To add to the limitations and restrictions in the Indenture other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect.

(e) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Indenture, of the properties of the Facilities, or revenues or other income from or in connection with the Facilities or of any other moneys, securities or funds, or to subject to the lien or pledge of the Indenture additional revenues, properties or collateral.

(f) To modify or amend such provisions of the Indenture as shall, in the opinion of Nationally Recognized Bond Counsel, be necessary to assure that the interest on the Bonds not be includable in gross income for Federal income tax purposes.

(g) To effect any other change in the Indenture which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Bondholders.

(h) To modify, amend or supplement the Indenture or any Supplemental Indenture in such manner as to permit the qualification under the Indenture and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to the Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute.

Before the Issuer and the Trustee shall enter into any Supplemental Indenture pursuant to this heading, there shall have been filed with the Trustee an opinion of Nationally Recognized Bond Counsel stating that such Supplemental Indenture is authorized or permitted by the Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Issuer in accordance with its terms.

Supplemental Indentures With Bondholders' Consent. Subject to the terms and provisions contained in the Indenture, the Majority Holders shall have the right from time to time, to consent to and approve the entering into by the Issuer and the Trustee of any Supplemental Indenture as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture. Nothing in the Indenture contained shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of, Sinking Fund Installments for, redemption premium, if any, or interest on any Outstanding Bonds, a change in the terms of redemption or maturity of the principal of or the interest on any Outstanding Bonds, or a reduction in the principal amount of or the Redemption Price of any Outstanding Bond or the rate of interest thereon, or any extension of the time of payment thereof, without the consent of the Holder of such Bond, (ii) the creation of a lien upon or pledge of the Trust Estate other than the liens or pledge created by the Indenture and the other Security Documents, except as provided in the Indenture with respect to Additional Bonds, (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, (iv) a reduction in the aggregate principal amount of Bonds required for consent to such Supplemental Indenture, or (v) a modification, amendment or deletion with respect to any of the terms set forth under this paragraph, without, in the case of items (ii) through and including (v) under this paragraph, the written consent of one hundred percent (100%) of the Holders of the Outstanding Bonds.

If at any time the Issuer shall determine to enter into any Supplemental Indenture for any of the purposes of this heading, it shall cause notice of the proposed Supplemental Indenture to be mailed, postage prepaid, to all Bondholders. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture, and shall state that a copy thereof is on file at the offices of the Trustee for inspection by all Bondholders.

Within one year after the date of such notice, the Issuer and the Trustee may enter into such Supplemental Indenture in substantially the form described in such notice only if there shall have first been filed with the Trustee (i) the written consents of the Majority Holders or the Holders of not less than 100%, as the case may be, in aggregate principal amount of the Bonds then Outstanding and (ii) an opinion of Nationally Recognized Bond Counsel stating that such Supplemental Indenture is authorized or permitted by the Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Issuer in accordance with its terms. Each valid consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given. A certificate or certificates by the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Indenture shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates. Any such consent shall be binding upon the Holder of the Bonds giving such consent and upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee prior to the execution of such Supplemental Indenture.

If the Holders of not less than the percentage of Bonds described under this heading shall have consented to and approved the execution thereof as provided in the Indenture, no Holder of any Bond shall have any right to object to the execution of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any Supplemental Indenture as described under this heading, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Issuer, the Trustee and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced under the Indenture, subject in all respects to such modifications and amendments.

Rights of YMCA of GNY. Anything in the Indenture to the contrary notwithstanding, any Supplemental Indenture entered into pursuant to the Indenture which materially and adversely affects any rights, powers and authority of the YMCA of GNY under the Loan Agreement or requires a revision of the Loan Agreement shall not become effective unless and until the YMCA of GNY shall have given its written consent to such Supplemental Indenture signed by an Authorized Representative of the YMCA of GNY.

Amendments of Related Security Documents Not Requiring Consent of Bondholders. The Issuer and the Trustee may, without the consent of or notice to the Bondholders, consent (if required) to any amendment, change or modification of any of the Related Security Documents for any of the following purposes: (a) to cure any ambiguity, inconsistency, formal defect or omission therein; (b) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may be lawfully granted or conferred; (c) to subject thereto additional revenues, properties or collateral; (d) to evidence the succession of a successor Trustee or to evidence the appointment of a separate or co-Trustee or the succession of a successor separate or co-Trustee; (e) to

make any change required in connection with a permitted amendment to a Related Security Document or a permitted Supplemental Indenture; and (f) to make any other change that, in the judgment of the Trustee (which, in exercising such judgment, may conclusively rely, and shall be protected in relying, in good faith, upon an Opinion of Counsel or an opinion or report of engineers, accountants or other experts) does not materially adversely affect the Bondholders. The Trustee shall have no liability to any Bondholder or any other Person for any action taken by it in good faith pursuant to this paragraph. Before the Issuer or the Trustee shall enter into or consent to any amendment, change or modification to any of the Related Security Documents, there shall be filed with the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change or modification will not cause the interest on any of the Bonds to cease to be excluded from gross income for federal income tax purposes under the Code.

Amendments of Related Security Documents Requiring Consent of Bondholders. Except as provided the Indenture as described in the paragraph above, the Issuer and the Trustee shall not consent to any amendment, change or modification of any of the Related Security Documents, without mailing of notice and the written approval or consent of the Majority Holders given and procured as in the Indenture set forth; provided, however, there shall be no amendment, change or modification to (a) the obligation of the YMCA of GNY to make loan payments with respect to the Bonds under the Loan Agreement or the Promissory Note, or (b) the Tax Regulatory Agreement, without the delivery of an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change, modification, reduction or postponement will not cause the interest on any Series of Bonds to become includable in gross income for Federal income tax purposes. If at any time the YMCA of GNY shall request the consent of the Trustee to any such proposed amendment, change or modification, the Trustee shall cause notice of such proposed amendment, change or modification to be mailed in the same manner as is provided in the Indenture with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal office of the Trustee for inspection by all Bondholders. The Trustee may, but shall not be obligated to, enter into any such amendment, change or modification to a Related Security Document which affects the Trustee's own rights, duties or immunities under such Related Security Document or otherwise. Before the Trustee shall enter into or consent to any amendment, change or modification to any of the Related Security Documents, there shall be filed with the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change or modification will not cause the interest on any of the Bonds to cease to be excluded from gross income for federal income tax purposes under the Code.

APPENDIX F

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated June __, 2012, is executed and delivered by the Young Men’s Christian Association of Greater New York (the “Corporation”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders of the Bonds (as such terms are hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Corporation through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Corporation or anyone on the Corporation’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” (as defined in the Act), and nothing in this Disclosure Agreement shall be interpreted to the contrary.

Section 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned thereto in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (as hereinafter defined). The capitalized terms shall have the following meanings:

“*Annual Report*” means an Annual Report described in and consistent with Section 3(a) of this Disclosure Agreement.

“*Annual Filing Date*” has the meaning set forth in Section 2(a) of this Disclosure Agreement.

“*Annual Financial Information*” means annual financial information as defined in the Rule and as specified in Section 3(a) of this Disclosure Agreement, including information incorporated by reference in the Annual Reports in accordance with Section 3(c) of this Disclosure Agreement.

“*Audited Financial Statements*” means the audited financial statements of the Corporation for the two most recently completed Fiscal Years, certified by an independent auditor as being prepared in accordance with generally accepted accounting principles.

“*Bonds*” means the bonds listed on Exhibit A hereto, together with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice or Voluntary Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice or Voluntary Disclosure required or permitted to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Disclosure Representative and shall include the full name of the Bonds, together with the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Corporation” means the Young Men’s Christian Association of Greater New York, a not-for-profit corporation organized and existing under the laws of the State of New York, which as of the date hereof is the sole “obligated person” (within the meaning of the Rule) with respect to the Bonds.

“Disclosure Representative” means the President or Executive Vice President of the Corporation or his or her designee, or such other person as the Corporation shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” or “DAC” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Corporation pursuant to Section 9 hereof.

“Failure to File Event” means the Corporation’s failure to file an Annual Report on or before the Annual Filing Date.

“Fiscal Year” means the period of 12 consecutive months selected by the Corporation as its Fiscal Year for financing reporting purposes.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” or *“Bondholder”* means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds

(including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“*Information*” means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices and the Voluntary Disclosures.

“*MSRB*” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“*Notice Event*” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“*Official Statement*” means the Official Statement prepared in connection with the offering and sale of the Bonds and listed on Exhibit A.

“*Trustee*” means the institution identified as such in the document under which the Bonds were issued.

“*Voluntary Disclosure*” means any information that is (i) filed by the Disclosure Dissemination Agent with the MSRB pursuant to instructions given by the Corporation to the Disclosure Dissemination Agent pursuant to Section 7(a) of this Disclosure Agreement and (ii) not required by this Disclosure Agreement to be included in the Annual Reports, the Audited Financial Statements, the Notice Event notices or the Failure to File Event notices.

Section 2. Provision of Annual Reports. (a) The Corporation shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than five (5) days prior to each Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than 180 days after the end of each Fiscal Year, commencing with the first Fiscal Year ending after the date hereof (each, an “Annual Filing Date”). The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information, as provided in Section 3(c) of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Corporation of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Corporation will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure

Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter), for such Annual Report, a Failure to File Event shall have occurred and the Corporation irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If the Audited Financial Statements are not available prior to the Annual Filing Date, the Corporation shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB for each Fiscal Year prior to each Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;

(iii) upon receipt, promptly file the Audited Financial Statements received under Section 2(d) with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event with the MSRB, as instructed by the Corporation pursuant to Section 4(a) or 4(b)(ii), in accordance with Section 4(c) of this Disclosure Agreement;

(v) upon receipt or pursuant to irrevocable direction in accordance with Section 2(c) of this Disclosure Agreement, as applicable, promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Disclosure received under Section 7(a) with the MSRB; and

(vii) provide the Corporation evidence of the filings of each of the above when made, which shall be by means of the DAC system as long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Corporation may adjust the Annual Filing Date upon change of a Fiscal Year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, the Trustee and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, that the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event as long as the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

Section 3. Content of Annual Reports. (a) The Annual Report shall contain the following Annual Financial Information: (i) the table included in the Official Statement under the caption “SECURITY FOR THE SERIES 2012 BONDS—Debt Service Coverage Ratios—Historical Annual Debt Service Coverage”; (ii) the tables included in Appendix A to the Official Statement under the caption “FINANCIAL OPERATIONS—Summary of Financial Results” and “—Sources of Revenue and Support” and; “(iii) the first table included in Appendix A to the Official Statement under the caption “ENDOWMENT AND BOARD DESIGNATED INVESTMENT FUND.”

(b) If the Audited Financial Statements for a Fiscal Year are not available when the Annual Report for such Fiscal Year is provided to the Disclosure Dissemination Agent pursuant to Section 2(a), the Annual Report shall include the unaudited financial statements for such Fiscal Year, which shall be prepared in accordance with generally accepted accounting principles (except for the absence of footnotes). Audited Financial Statements will be provided to the Disclosure Dissemination Agent thereafter pursuant to Section 2(d).

(c) Any or all of the items listed in Sections 3(a) and 3(b) may be included by specific reference from other documents, including official statements of debt issues with respect to which the Corporation is an “obligated person” (as defined by the Rule), which have been previously filed with the SEC or are available on the MSRB Internet Website; provided that, if the document so incorporated by reference is a final official statement, it must be available from the MSRB. The Corporation will clearly identify each such document so incorporated by reference.

(d) Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

Section 4. Reporting of Notice Events. (a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Corporation; provided that, for the purposes of the event described in this subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Corporation in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Corporation, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Corporation;
13. The consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of the assets of the Corporation, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional Trustee or the change of name of a Trustee, if material.

The Corporation shall, in a timely manner, but not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to Section 4(c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred, include the text of the disclosure that the Corporation desires to make, contain the written authorization of the Corporation for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Corporation desires that the Disclosure Dissemination Agent disseminate the information; provided that such date is not later than the tenth business day after the occurrence of the Notice Event.

(b) The Disclosure Dissemination Agent is under no obligation to notify the Corporation or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two (2) business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Corporation determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to Section 4(c), together with a Certification. Such Certification shall identify the Notice Event that has occurred, include the text of the disclosure that the Corporation desires to make, contain the written authorization of the Corporation for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Corporation desires that the Disclosure Dissemination Agent disseminate the information; provided that such date is not later than the tenth business day after the occurrence of the Notice Event.

(c) If the Disclosure Dissemination Agent has been instructed by the Corporation as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2(e)(iv) hereof. Notice of a Notice Event will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

Section 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to the Information, the Corporation shall include the full name of the Bonds and the 9-digit CUSIP numbers of the Bonds to which such information relates.

Section 6. Additional Disclosure Obligations. The Corporation acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Corporation, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Corporation acknowledges and understands that the duties of the Disclosure Dissemination

Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

Section 7. Voluntary Filing. (a) The Corporation may instruct the Disclosure Dissemination Agent to file a Voluntary Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall include the text of the disclosure that the Corporation desires to make, contain the written authorization of the Corporation for the Disclosure Dissemination Agent to disseminate such information and identify the date the Corporation desires that the Disclosure Dissemination Agent disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Corporation pursuant to this Section 7(a) to file a Voluntary Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Disclosure with the MSRB pursuant to Section 2(e)(vi), together with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Corporation from including any Voluntary Disclosure in any Annual Report, Audited Financial Statement, Notice Event notice or Failure to File Event notice. If the Corporation chooses to include any Voluntary Disclosure therein or instructs the Disclosure Dissemination Agent to file a Voluntary Disclosure with the MSRB pursuant to Section 7(a), the Corporation shall have no obligation under this Disclosure Agreement to update such Voluntary Disclosure.

Section 8. Termination of Reporting Obligation. The obligations of each of the Corporation and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate (i) upon the legal defeasance, prior redemption or payment in full of all of the Bonds, (ii) when the Corporation is no longer an “obligated person” (as defined in the Rule) with respect to the Bonds or (iii) the upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that the Bonds are not subject to the Rule.

Section 9. Disclosure Dissemination Agent. The Corporation has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Corporation may, upon 30 days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC’s services as Disclosure Dissemination Agent, whether by notice of the Corporation or DAC, the Corporation agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Corporation shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days’ prior written notice to the Corporation.

Section 10. Remedies in Event of Default. In the event of a failure of the Corporation or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders’ rights to enforce the provisions of this Disclosure Agreement shall be limited solely

to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

Section 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Corporation has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Corporation and shall not be deemed to be acting in any fiduciary capacity for the Corporation, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Corporation's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Corporation has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Corporation at all times. The obligations of the Corporation under this Section 11 shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Corporation.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

Section 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Corporation and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived if (i) (a) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a "no-action" letter issued by the SEC, a change in law or change in the identity, nature or status of the Corporation or the type of business conducted by the Corporation or (b) this Disclosure Agreement, as amended, or the provision, as waived, would have complied, in an opinion of counsel expert in federal securities laws acceptable to both the Corporation and the Disclosure Dissemination Agent, with the requirements of the Rule at the time of the primary offering, after

taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (ii) the amendment or waiver does not materially impair the interests of the holders of the Bonds, as determined either by parties unaffiliated with the Corporation or the Disclosure Dissemination Agent or by the holders of a majority in aggregate principal amount of the Bonds; provided that neither the Corporation or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the SEC from time to time by giving not less than 20 days written notice of the intent to do so, together with a copy of the proposed amendment, to the Corporation. No such amendment shall become effective if the Corporation shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Corporation, the Trustee, the Disclosure Dissemination Agent, the Participating Underwriter and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

Section 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Corporation have caused this Disclosure Agreement to be executed on the date first written above by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

YOUNG MEN'S CHRISTIAN ASSOCIATION OF
GREATER NEW YORK

By: _____

Name: Michael Guarino

Title: Executive Vice President

EXHIBIT A

**NAME AND DATE OF ISSUANCE OF BONDS, DATE OF OFFICIAL STATEMENT,
NAMES OF OBLIGATED PERSON AND CUSIP NUMBERS**

NAME OF BONDS:

Build NYC Resource Corporation Revenue Bonds (YMCA of Greater New York Project), Series 2012

DATE OF ISSUANCE:

June __, 2012

DATE OF OFFICIAL STATEMENT:

June 21, 2012

NAME OF OBLIGATED PERSON:

Young Men's Christian Association of Greater New York

CUSIP NUMBERS:

| <u>MATURITY</u> <u>(AUGUST 1)</u> | <u>CUSIP</u> |
|--------------------------------------|--------------|
| 2014 | 12008EAA4 |
| 2015 | 12008EAB2 |
| 2016 | 12008EAC0 |
| 2017 | 12008EAD8 |
| 2018 | 12008EAE6 |
| 2019 | 12008EAF3 |
| 2020 | 12008EAG1 |
| 2021 | 12008EAH9 |
| 2022 | 12008EAJ5 |
| 2032 | 12008EAK2 |
| 2042 | 12008EAL0 |

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

This notice is being sent to the MSRB pursuant to SEC Rule 15c2-12(b)(5)(i)(D).

OBLIGATED PERSON: Young Men’s Christian Association of Greater New York
(the “Corporation”)

NAME OF BOND ISSUE: Build NYC Resource Corporation Revenue Bonds (YMCA
of Greater New York Project), Series 2012 (the “Bonds”)

DATE OF ISSUANCE: June __, 2012

DATE OF DISCLOSURE AGREEMENT: June __, 2012

CUSIP NUMBERS:

| <u>MATURITY</u> <u>(AUGUST 1)</u> | <u>CUSIP</u> |
|--------------------------------------|--------------|
| 2014 | 12008EAA4 |
| 2015 | 12008EAB2 |
| 2016 | 12008EAC0 |
| 2017 | 12008EAD8 |
| 2018 | 12008EAE6 |
| 2019 | 12008EAF3 |
| 2020 | 12008EAG1 |
| 2021 | 12008EAH9 |
| 2022 | 12008EAJ5 |
| 2032 | 12008EAK2 |
| 2042 | 12008EAL0 |

NOTICE IS HEREBY GIVEN that the Corporation has not provided an Annual Report with respect to the Bonds, as required by the Disclosure Dissemination Agent Agreement dated June __, 2012, between the Corporation and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Corporation has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by [_____].

Dated: _____

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By: _____

Name: _____

Title: _____

EXHIBIT C-1

NOTICE EVENT COVER SHEET

This cover sheet and the accompanying notice are being sent to the MSRB pursuant to SEC Rule 15c2-12(b)(5)(i)(C) or (D).

OBLIGATED PERSON: Young Men’s Christian Association of Greater New York
(the “Corporation”)

NAME OF BOND ISSUE: Build NYC Resource Corporation Revenue Bonds
(YMCA of Greater New York Project), Series 2012 (the
“Bonds”)

DATE OF ISSUANCE: June __, 2012

DATE OF DISCLOSURE AGREEMENT: June __, 2012

CUSIP NUMBERS:

| <u>MATURITY</u> <u>(AUGUST 1)</u> | <u>CUSIP</u> |
|--------------------------------------|--------------|
| 2014 | 12008EAA4 |
| 2015 | 12008EAB2 |
| 2016 | 12008EAC0 |
| 2017 | 12008EAD8 |
| 2018 | 12008EAE6 |
| 2019 | 12008EAF3 |
| 2020 | 12008EAG1 |
| 2021 | 12008EAH9 |
| 2022 | 12008EAJ5 |
| 2032 | 12008EAK2 |
| 2042 | 12008EAL0 |

NUMBER OF PAGES ATTACHED: _____

_____ NOTICE PURSUANT TO SEC RULE 15C2-12(b)(5)(i)(C):

1. _____ Principal and interest payment delinquencies;
2. _____ Non-Payment related defaults, if material;
3. _____ Unscheduled draws on debt service reserves reflecting financial difficulties;
4. _____ Unscheduled draws on credit enhancements reflecting financial difficulties;
5. _____ Substitution of credit or liquidity providers, or their failure to perform;

6. ___ Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. ___ Modifications to rights of securities holders, if material;
8. ___ Bond calls, if material;
9. ___ Defeasances;
10. ___ Release, substitution, or sale of property securing repayment of the securities, if material;
11. ___ Rating changes;
12. ___ Tender offers;
13. ___ Bankruptcy, insolvency, receivership or similar event of an obligated person;
14. ___ Merger, consolidation, or acquisition of an obligated person, if material; and
15. ___ Appointment of a successor or additional trustee, or the change of name of a trustee, if material.

___ NOTICE PURSUANT TO SEC RULE 15C2-12(b)(5)(i)(D).

I hereby represent that I am authorized by the Corporation to distribute this information publicly.

Dated: _____

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

EXHIBIT C-2

VOLUNTARY DISCLOSURE COVER SHEET

This cover sheet and the accompanying notice are being sent to the MSRB pursuant to the Disclosure Dissemination Agent Agreement dated June __, 2012, between the Corporation (as hereinafter defined) and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent.

OBLIGATED PERSON: Young Men’s Christian Association of Greater New York
(the “Corporation”)

NAME OF BOND ISSUE: Build NYC Resource Corporation Revenue Bonds (YMCA
of Greater New York Project), Series 2012 (the “Bonds”)

CUSIP NUMBERS:

| <u>MATURITY</u> <u>(AUGUST 1)</u> | <u>CUSIP</u> |
|--------------------------------------|--------------|
| 2014 | 12008EAA4 |
| 2015 | 12008EAB2 |
| 2016 | 12008EAC0 |
| 2017 | 12008EAD8 |
| 2018 | 12008EAE6 |
| 2019 | 12008EAF3 |
| 2020 | 12008EAG1 |
| 2021 | 12008EAH9 |
| 2022 | 12008EAJ5 |
| 2032 | 12008EAK2 |
| 2042 | 12008EAL0 |

NUMBER OF PAGES ATTACHED: _____

DESCRIPTION OF EVENT: _____

I hereby represent that I am authorized by the Corporation to distribute this information publicly.

Dated: _____

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By: _____

Name: _____

Title: _____

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APPENDIX G

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Series 2012 Bonds, Bond Counsel to the Issuer proposes to issue its approving opinion in substantially the following form:

Hawkins Delafield & Wood LLP

ONE CHASE MANHATTAN PLAZA
NEW YORK, NY 10005
WWW.HAWKINS.COM

June __, 2012

Build NYC Resource Corporation
New York, New York

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of the Revenue Bonds (YMCA of Greater New York Project), Series 2012 in the aggregate principal amount of \$49,995,000 (the “Bonds”) of Build NYC Resource Corporation, a local development corporation organized pursuant to the Not-For-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York (the “Issuer”).

The Bonds are issued under and pursuant to an Indenture of Trust, dated as of June 1, 2012 (the “Indenture”), between the Issuer and The Bank of New York Mellon, as trustee (the “Trustee”), and a resolution of the Issuer adopted on April 10, 2012 authorizing the Bonds.

The Bonds are dated the date hereof, are issuable as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof, and mature and bear interest at fixed rates as set forth in the Indenture. The Bonds are subject to optional and mandatory redemption prior to maturity, including from mandatory sinking fund installments, in the manner and upon the terms and conditions set forth in the Indenture.

The Bonds are issued for the purpose of financing and refinancing a portion of the costs of the acquisition, construction, renovation, equipping and furnishing, as applicable, by the Issuer of multiple facilities located within The City of New York (collectively, the “Facilities”) consisting of multi-purpose community and recreational facilities (the “Project”), for the benefit of Young Men’s Christian Association of Greater New York, a New York not-for-profit corporation (the “Institution”).

The Issuer and the Institution have entered into a Loan Agreement, dated as of June 1, 2012 (the “Loan Agreement”), providing, among other things, for the financing and refinancing of the Project and the loan of the proceeds of the Bonds to the Institution. The obligation of the Institution to repay the loan will be evidenced by a certain Promissory Note dated the date hereof from the Institution to the Issuer and the Trustee (the “Promissory Note”).

It is provided in the Indenture that, upon complying with certain prescribed conditions, the Issuer may issue additional bonds from time to time on the terms and conditions and for the purposes stated in the Indenture, and said additional bonds, if issued, will be equally and ratably secured under the Indenture with the Bonds.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. We have examined the Tax Regulatory Agreement, dated the date hereof, from the Institution to the Issuer and the Trustee (the "Tax Regulatory Agreement"), in which the Institution has made representations, warranties and covenants relating to such exclusion from gross income. The Tax Regulatory Agreement obligates the Institution to do and perform all acts and things necessary or desirable to assure that interest on the Bonds be and remain excluded from gross income pursuant to Section 103 of the Code.

We are of the opinion that:

1. The Issuer is duly organized and validly existing under the New York Not-For-Profit Corporation Law, and has the right and power thereunder to enter into the Indenture, and the Indenture has been duly authorized, executed and delivered by the Issuer, is in full force and effect, and is valid and binding upon the Issuer and enforceable against the Issuer in accordance with its terms.

2. The Issuer has the right and power under the New York Not-for-Profit Corporation Law to enter into the Loan Agreement, and the Loan Agreement has been duly authorized, executed and delivered by the Issuer, is in full force and effect, and constitutes a valid and binding agreement of the Issuer enforceable against the Issuer in accordance with its terms.

3. The Bonds have been duly authorized and issued by the Issuer in accordance with law and in accordance with the Indenture and are the valid and binding special limited revenue obligations of the Issuer, payable solely from the loan payments, revenues and receipts derived from the Loan Agreement and pledged under the Indenture. The Bonds are enforceable in accordance with their terms and the terms of the Indenture and are entitled to the benefit of the Indenture. All conditions precedent to the delivery of the Bonds have been fulfilled.

4. Under existing statutes and court decisions, and assuming continuing compliance with the tax covenants set forth in the Tax Regulatory Agreement in the form as in effect on the date hereof, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

5. The interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

In rendering the opinions in paragraph 4 above, we have (i) relied upon and assumed the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact, contained in the Issuer Tax Certification delivered on the date hereof by the Issuer and in the Tax Regulatory Agreement with respect to the use of proceeds of the Bonds and the investment of certain funds, and other matters affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Code, (ii) relied upon the opinion of Goulston &

Storrs, P.C., special counsel to the Institution, dated the date hereof, regarding, among other matters, the current qualifications of the Institution as an organization described in Section 501(c)(3) of the Code, and (iii) relied upon and assumed compliance by the Issuer and the Institution with procedures and ongoing covenants set forth in the Tax Regulatory Agreement and with the ongoing tax covenants set forth in the Indenture and the Loan Agreement. Under the Code, failure to comply with such procedures and covenants may cause the interest on the Bonds to be included in gross income for federal income tax purposes, retroactive to the date of issuance of the Bonds, irrespective of the date on which such noncompliance occurs or is ascertained. Compliance with certain of such requirements may necessitate that persons not within the control of the Issuer or the Institution take or refrain from taking certain actions.

Except as stated in paragraphs 4 and 5 above, we express no opinion as to any federal, state or local tax consequences arising with respect to the Bonds or the ownership or disposition thereof. Furthermore, we express no opinion as to the effect of any action hereafter taken or not taken in reliance upon an opinion of counsel other than ourselves on the exclusion from gross income for federal income tax purposes of interest on the Bonds, or on the exemption of interest on the Bonds from personal income taxes under state and local tax law.

The foregoing opinions are qualified only to the extent that the enforceability of the Bonds, the Indenture, the Tax Regulatory Agreement, the Promissory Note and the Loan Agreement may be limited by bankruptcy, moratorium or insolvency or other laws affecting creditors' rights generally and is subject to general rules of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

In rendering this opinion, with respect to the due filing and sufficiency of financing statements under the New York State Uniform Commercial Code, we have relied on the opinions of Richard E. Marshall, Esq., Vice President for Legal Affairs of the Issuer, and of Goulston & Storrs, P.C., special counsel to the Institution, each dated the date hereof.

In rendering this opinion, we have assumed that the Institution is the fee owner of the Facilities.

In rendering this opinion, with respect to the due authorization, execution and delivery of the Loan Agreement, the Promissory Note and the Tax Regulatory Agreement by the Institution, we have relied upon the opinion of Goulston & Storrs, P.C., special counsel to the Institution, dated the date hereof.

In rendering this opinion, with respect to the due authorization, execution and delivery of the Indenture by the Trustee, we have relied upon the opinion of Carter Ledyard & Milburn LLP, counsel to the Trustee, dated the date hereof.

Attention is called to the fact that we have not been requested to examine and have not examined any documents or information relating to the Institution other than the record of proceedings hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of the Bonds.

In rendering this opinion, we express no opinion as to the necessity for obtaining any licenses, permits or other approvals relating to the construction, renovation, equipping, furnishing or operation of the Facilities or the application or effect of any environmental laws, ordinances, rules, regulations or other requirements of any governmental authority with respect to the Facilities or the transactions contemplated under the Indenture.

The foregoing opinions are further subject, however, to the qualification that we express no opinion as to matters relating to the rights in, title to or sufficiency of the description of any property or collateral described in the Security Documents (as defined in the Indenture) or the creation, perfection or relative priority of any lien or security interest created with respect to such property or collateral thereunder.

We have examined a Bond in fully registered form numbered R-1 and, in our opinion, the form of said Bond and its execution are regular and proper.

We undertake no responsibility for the accuracy, completeness or fairness of any official statement or other offering materials relating to the Bonds and express herein no opinion relating thereto.

This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances, or any changes in law or in interpretations thereof, that may hereafter arise or occur, or for any other reason.

Very truly yours,