

**NEW YORK CITY CAPITAL RESOURCE CORPORATION
OPERATING & FINANCIAL RISKS
YEAR ENDED 6/30/12**

Although it should not have liability for personal injuries as a result of its lending activities, NYCCRC could be named as having such liability. Therefore NYCCRC requires all project companies to purchase and maintain commercial insurance coverage for these risks and to name NYCCRC as additional insured. NYCCRC is also named as an additional insured on NYCEDC's general liability policy. There are no threatened or pending litigations, claims or assessments involving NYCCRC.