

Report of Independent Auditors

The Members of the
Hugh L. Carey Battery Park City Authority

We have audited the financial statements of the Hugh L. Carey Battery Park City Authority (the "Authority") as of and for the year ended October 31, 2011, and have issued our report thereon dated January 31, 2012.

We conducted our audit 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.

Compliance with laws, regulations and contracts applicable to the Authority is the responsibility of the Authority's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Authority's compliance with the Authority's investment guidelines and the State Comptroller's investment guidelines for public authorities, collectively referred to as the Investment Guidelines. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with the Investment Guidelines. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the Authority complied in all material respects with the Investment Guidelines referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the Authority had not complied, in all material respects, with those Investment Guidelines.

This report is intended for the information of the Authority's Audit Committee, Members and management and the New York State Office of the State Comptroller, and is not intended to be and should not be used by anyone other than these specified parties.

Marks Paneth & Shron LLP

January 31, 2012
New York, NY