

Independent Auditors' Report

To the Board of Directors of
Governors Island Corporation (d/b/a The Trust for Governors Island)

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Governors Island Corporation (d/b/a The Trust for Governors Island) ("TGI"), a component unit of the City of New York, as of June 30, 2011 and for period from the commencement of operations (July 14, 2010) through June 30, 2011, and have issued our report thereon dated September 30, 2011.

In connection with our audit, nothing came to our attention that caused us to believe that TGI had not complied, in all material respects, with the terms, covenants, provisions or conditions of the Investment Guidelines adopted by the Board of Directors on July 13, 2010 insofar as they relate to financial and accounting matters. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with the Investment Guidelines referred to above. Accordingly, we do not express such an opinion.

This report is intended for the information of TGI's Audit Committee, Board of Directors and management, and is not intended to be and should not be used by anyone other than these specified parties.

Marks Paneth & Shron LLP

September 30, 2011
New York, NY