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Cesarano & Khan, PC
Certified Public Accountants

January 13, 2012

To the Stockholders of
400 East 17th Street Corp.:

We have applied the procedures, as discussed below, to the accounting records of 400 East 17th Street Corp. (the "Corporation") to assist you in calculating the tenant-stockholders' per share deductions for real estate taxes and mortgage interest for the year ended December 31, 2011. This report is intended solely for your information and is not to be referred to or distributed to anyone who is not a stockholder of the Corporation.

Our procedures consisted of checking the mathematical accuracy of the various computations, analytical review of the per share deductions to determine their reasonableness, and discussions with representatives of the Corporation's management.

Our calculations, consisting of the equivalent per share deductions for real estate taxes and mortgage interest for the year ended December 31, 2011, are as follows:

Real estate taxes	\$4.9348
Mortgage interest	\$4.8474

The above per share deduction for real estate taxes has been computed net of the Co-op Tax Abatement, STAR Exemption and J-51 credit. Shareholders who received any additional exemptions for real estate taxes should reduce their deduction by the amount(s) actually received or credited.

Present and past stockholders who are not stockholders of the Corporation for the entire year of 2011 are entitled to only a proportionate share of the deductions for the period of their ownership. If you have any questions about the deductibility of these amounts, please consult your tax advisor.

Additionally, our calculations of the equivalent per share reduction of mortgage principal were \$1.0410.

Because the above procedures do not constitute an audit made in accordance with auditing standards generally accepted in the United States of America, we do not express an opinion on any of the items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the specified items or calculations should be adjusted. Had we performed additional procedures, matters might have come to our attention that would have been reported to you. This report relates only to the items specified above and does not extend to any financial statements of the Corporation taken as a whole.

Very truly yours,

Cesarano & Khan CPAs PC

Cesarano & Khan, CPAs, PC