

FORM 8-K**CURRENT REPORT****PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**Date of Report (Date of Earliest Event Reported): **December 2, 2006****Reckson Associates Realty Corp. and Reckson Operating Partnership, L.P.**

(Exact Name of Registrant as Specified in its Charter)

Reckson Associates Realty Corp. – Mary-		Reckson Associates Realty Corp. –
land		11-3233650
Reckson Operating Partnership, L.P. –		Reckson Operating Partnership, L.P. –
Delaware	<u>1-13762</u>	11-3233647
(State or other jurisdiction of	(Commission File	(IRS Employer Identification
incorporation)	Number)	Number)

Uniondale, New York 11556

(Address of principal executive offices)

516-506-6000

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events.

On December 2, 2006, Reckson Associates Realty Corp. ("Reckson") issued a press release with regards to Mack-Cali Realty, L.P.'s withdrawal from Rome Acquisition Limited Partnership ("Rome") and Rome's proposal to acquire Reckson. Reference is hereby made to the press release, which is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

On December 3, 2006, Reckson issued a press release with regards to Harry Macklowe's withdrawal from Rome and other related matters. Reference is hereby made to the press release, which is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

On December 4, 2006, Reckson received a letter from American Real Estate Partners, L.P. ("AREP"), an entity 90% owned by Carl Icahn, which sets forth a proposal from AREP to acquire Reckson. Reference is hereby made to the letter, which is attached hereto as Exhibit 99.3 and is incorporated herein by reference.

Subsequent to the receipt of the letter, Reckson issued a press release confirming the receipt of the letter. Reference is hereby made to the press release, which is attached hereto as Exhibit 99.4 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated December 2, 2006

- 99.2 Press Release, dated December 3, 2006
99.3 Letter to Reckson Associates Realty Corp., dated December 4,
2006, from American Real Estate Partners, L.P.
99.4 Press Release, dated December 4, 2006
-

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunder duly authorized.

RECKSON ASSOCIATES REALTY CORP.

By: /s/ Michael Maturo
Name: Michael Maturo
Title: President, Chief Financial Officer and
Treasurer

RECKSON OPERATING PARTNERSHIP, L.P.

By: Reckson Associates Realty Corp., its General
Partner

By: /s/ Michael Maturo
Name: Michael Maturo
Title: President, Chief Financial Officer and
Treasurer

Date: December 4, 2006

EXHIBIT INDEX

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99.4	Press Release, dated December 4, 2006

PRESS RELEASE

Reckson Associates Realty Corp.
625 Reckson Plaza
Uniondale, NY 11556
(516) 506-6000 (Phone)
(516) 506-6800 (Facsimile)
Contact: Susan McGuire

Sard Verbinnen & Co.
(212) 687-8080 (Phone)
Contact: Paul Caminiti
Denise DesChenes
Jeffrey Mathews

Mack-Cali Withdraws from Icahn/Macklowe Group

Icahn/Macklowe Group Still Has Not Provided Financing Commitment

(UNIONDALE, NEW YORK, December 2, 2006) – **Reckson Associates Realty Corp. (NYSE: RA)** today announced that Mack-Cali Realty Corporation had advised Reckson that Mack-Cali had exercised its option to cease to be a limited partner of Rome Acquisition Limited Partnership, a partnership formed by entities affiliated with Carl C. Icahn and Harry Macklowe to acquire Reckson. Mack-Cali also advised Reckson that it will not make its previously announced \$400 million capital contribution to Rome.

Reckson also noted that Rome, despite repeated requests, has still failed to provide Reck-son with any documentation with respect to its debt financing arrangements and it has not responded to Reckson's requests for information regarding a number of outstanding financial, legal and structural issues pertaining to Rome's proposal.

Reckson continues to caution that to date, Rome has not made a firm proposal to acquire Reckson and no assurances can be provided that a firm proposal will be forthcoming or that such a proposal, if submitted, would result in a transaction with Reckson at either the price set forth in such proposal or otherwise. Reckson continues to remain subject to a binding merger agreement with SL Green.

The Reckson Board, by a vote of its independent directors, continues to recommend Reckson's pending merger with SL Green.

Important Information and Where to Find It

Reckson and SL Green have filed a definitive proxy statement/prospectus as part of a registration statement regarding the proposed transaction with the Securities and Exchange Commission (SEC) on October 19, 2006. Investors and security holders are urged to read the proxy statement/prospectus because it contains important information about SL Green and Reckson and the proposed transaction. Investors and security holders may obtain a free copy of the definitive proxy statement/prospectus and other documents filed by SL Green and Reckson with the SEC at

the SEC's website at www.sec.gov. The definitive proxy statement/prospectus and other relevant documents may also be obtained free of charge from SL Green or Reckson by directing such request to: SL Green, 420 Lexington Avenue, New York, NY 10170, Attention: Investor Relations, or Reckson, 625 Reckson Plaza, Uniondale, NY 11556, Attention: Investor Relations. Investors and security holders are urged to read the proxy statement, prospectus and other relevant material before making any voting or investment decisions with respect to the merger.

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PRESS RELEASE

Reckson Associates Realty Corp.
625 Reckson Plaza
Uniondale, NY 11556
(516) 506-6000 (Phone)
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Contact: Susan McGuire

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Contact: Paul Caminiti
Denise DesChenes
Jeffrey Mathews

Macklowe Withdraws from Proposal to Acquire Reckson

(UNIONDALE, NEW YORK, December 3, 2006) – Reckson Associates Realty Corp. (NYSE: RA) today announced that it has been informed that Harry Macklowe has withdrawn from Rome Acquisition Limited Partnership, a partnership formed by entities affiliated with Macklowe and Carl C. Icahn. Macklowe had previously committed to contribute \$600 million of equity to Rome. The Macklowe withdrawal follows yesterday's withdrawal from Rome of Mack-Cali Realty Corporation which had committed to contribute \$400 million of equity to Rome. As a result, the previously announced \$49 per share cash offer from Rome as outlined to Reckson in its prior written communications will not be forthcoming.

Reckson also announced that Carl Icahn today informed Reckson that Icahn affiliated parties may deliver a revised proposal to acquire Reckson. Reckson cautioned that there can be no assurances with respect to whether such a proposal would be made, and if made the terms, conditions or timing of such a proposal.

Reckson is subject to a binding merger agreement with SL Green. The Reckson Board, by a vote of its independent directors, has once again reaffirmed its recommendation of Reckson's pending merger with SL Green.

Important Information and Where to Find It

Reckson and SL Green have filed a definitive proxy statement/prospectus as part of a registration statement regarding the proposed transaction with the Securities and Exchange Commission (SEC) on October 19, 2006. Investors and security holders are urged to read the proxy statement/prospectus because it contains important information about SL Green and Reckson and the proposed transaction. Investors and security holders may obtain a free copy of the definitive proxy statement/prospectus and other documents filed by SL Green and Reckson with the SEC at the SEC's website at www.sec.gov. The definitive proxy statement/prospectus and other relevant documents may also be obtained free of

charge from SL Green or Reckson by directing such request to: SL Green, 420 Lexington Avenue, New York, NY 10170, Attention: Investor Relations, or Reckson, 625 Reckson Plaza, Uniondale, NY 11556, Attention: Investor Relations. Investors and security holders are urged to read the proxy statement, prospectus and other relevant material before making any voting or investment decisions with respect to the merger.

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American Real Estate Partners, L.P.
767 Fifth Avenue, Suite 4700
New York, New York 10153

December 4, 2006

Mr. Peter Quick
Lead Director, Independent Committee
Board of Directors
Reckson Associates Realty Corp.
625 Reckson Plaza
Uniondale, NY 11556

Dear Mr. Quick:

On behalf of entities wholly owned by American Real Estate Partners, L.P. ("AREP"), a Delaware limited partnership, whose Depositary Units trade on the New York Stock Exchange under the symbol ACP and which are approximately 90% owned by Carl Icahn, we are pleased to submit this proposal to acquire all of the outstanding shares and units of Reckson Associates Realty Corp. and Reckson Operating Partnership, L.P. (together, "Reckson") in a transaction that provides Reckson shareholders and unitholders with value that is superior to the pending transaction with SL Green Realty Corp. ("SL Green"), Marathon Asset Management and certain members of Reckson management.

AREP has interests in businesses in a variety of industries, including real estate, gaming, and textiles, among others. The market value of AREP's outstanding Depositary Units, which trade on the NYSE, is approximately \$5 billion. In addition, AREP and its subsidiaries have an aggregate cash position, including marketable securities, of approximately \$2.3 billion.

AREP is proposing to acquire all of the outstanding shares (and units) of Reckson through a transaction in which shareholders (and unitholders) would receive a consideration per share (and unit) of \$49.00, consisting of \$1 billion in cash and the balance of \$3.3 billion in a new class of AREP Preferred Units (the "Merger Preferred"), which would be convertible into Depositary Units at a 30% premium above last Friday's closing price of \$80.35 for the Depositary Units, resulting in the conversion price of \$104.50 per Depositary Unit. According to our analysis of comparable preferred securities, we expect the Merger Preferred to be valued at par. No closing conditions, other than those that would be required for the SL Green transaction, would be necessary to consummate our proposed transaction and it will not be subject to a financing condition.

We anticipate no delay in negotiating a definitive acquisition agreement. In fact, our proposed acquisition agreement, a draft of which will be delivered to you by no later than on Tuesday, December 5, will be substantively the same as Reckson's merger agreement with SL Green with changes to reflect the difference in the proposed transaction. Once our bid is accepted as a superior bid and we agree on the terms of the merger agreement we will immediately deposit approximately \$613 million into escrow. This sum includes the break up

fee payable to SL Green and a good faith deposit by the AREP parties which will be forfeited to Reckson should the AREP parties not meet their obligations pursuant to the merger agreement.

The terms of the Merger Preferred are set forth on Exhibit A attached hereto. Briefly, there will be \$3.3 billion face amount of a new class of Preferred Units, which will have one vote per Unit on all matters on which the Depositary Units have a vote and as required by law. In addition, the Merger Preferred will have an aggregate liquidation value equal to its par value of \$3.3 billion plus accrued but unpaid dividends, if any, and will be fully redeemed on December 31, 2018. Should the Depositary Units trade at or in excess of 120% of the Conversion Price for a period of 20 consecutive business days or for any 20 business days out of 30 business days at any time after January 1, 2008, the Merger Preferred will automatically convert into Depositary Units on the tenth business day thereafter. In addition to the foregoing, the Merger Preferred will carry a preferred dividend at a rate of 5% per annum computed on the liquidation value of the preferred and the dividend will be paid semi-annually on July 15 and January 15 each year and at redemption.

We are enthusiastic about a transaction with Reckson and believe the terms of our proposal provide the best way to maximize value for your shareholders.

We look forward to your prompt response.

Very truly yours,

AMERICAN REAL ESTATE PARTNERS, L.P.

By: American Property Investors Inc., its general partner

By: /s/ Carl C. Icahn, Chairman of the Board
Carl C. Icahn, Chairman of the Board

[Letter to Reckson re acquisition proposal]

MEMORANDUM OF TERMS OF NEW CONVERTIBLE PREFERRED UNITS OF AMERICAN REAL ESTATE PARTNERS, L.P.

This Memorandum of Terms summarizes the principal terms of a new series of preferred units, par value \$0.01 per unit, of American Real Estate Partners, L.P. (the "Company"), to be referred to herein as "New Convertible Preferred Units".

I. TERMS OF NEW PREFERRED UNITS

<i>Issuer</i>	American Real Estate Partners, L.P., a Delaware limited partnership.
<i>Security</i>	New Convertible Preferred Units, par value \$0.01 per unit (the " <u>New Preferred Units</u> ").
<i>Ranking</i>	The New Preferred Units will, with respect to dividend rights and liquidation rights, winding-up and dissolution, rank senior to each other class of equity securities currently outstanding or established hereafter by the Company.
<i>Liquidation Preference</i>	The aggregate liquidation preference at any date of the New Preferred Units shall be determined by multiplying the liquidation preference per Unit by the number of outstanding New Preferred Units. On the date of issuance the aggregate liquidation preference of all New Preferred Units will be \$3.3 billion plus dividend arrearages (the " <u>Liquidation Preference</u> ").
<i>Dividends</i>	The New Preferred Units shall accrue cumulative dividends at the rate of 5% per annum payable in cash, semi-annually, on January 15 and July 15 of each year. To the extent the Company fails to make any dividend payment when due and payable, the dividend rate shall increase to 7% per annum until such failure to make the dividend payment is cured
<i>Conversion</i>	Upon the issuance date, at the option of the holder of New Preferred Units, the New Preferred Units shall be convertible into the number of the Company's depositary units (the " <u>Depository Units</u> ") equal to the Liquidation Preference divided by the Conversion Price (as defined below). Upon any voluntary conversion, there shall be no credit given for dividends not yet declared, other than those in arrears. "Conversion Price" means \$104.50, subject to adjustment for anti-dilution protection".
<i>Mandatory Conversion</i>	At any time following January 1, 2008, all of the New Preferred Units will be automatically converted to Depository Units on the 10th business day after the market price of the

Depository Units exceeds 120% of the Conversion Price for at least 20 consecutive business days or for any 20 out of 30 consecutive business days.

<i>Redemption</i>	On December 31, 2018, the Company shall redeem all of the units of New Preferred Units at a price per unit equal to the Liquidation Preference plus an amount computed at the
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dividend rate from the prior payment date to the date of redemption.

Liquidation; Dissolution Upon any liquidation, dissolution or winding-up of affairs of the Company, whether voluntary or involuntary, the holders of the New Preferred Units will be entitled to receive in preference to the holders of all other equity securities an amount equal to the Liquidation Preference. For the avoidance of doubt, none of the sale, conveyance, exchange or transfer (for cash, units) securities or other consideration) of all or substantially all of the property or assets of the Company, nor the consolidation or merger of the Company with or into one or more entities shall be deemed to be a liquidation, dissolution or winding-up of the affairs of the Company.

Anti-Dilution Protection The principal anti-dilution adjustments to the Conversion Price will be for: (i) changes in equity such as paying a dividend on Depository Units in excess) of its current dividend of \$0.40 per annum or making a distribution on Depository Units consisting of additional units, subdividing or combining outstanding units, and issuing, in a reclassification of the units or other securities of the Company; (ii) distributions to all equity holders of evidences of indebtedness, units of another class of its equity, cash or other property of any nature, or any options, warrants or other right to subscribe for or purchase any of the foregoing; (iii) distributions to all equity holders of securities, cash or other property as a result of reorganization, reclassification, consolidation, merger, sale or other organic changes; and (iv) below market equity issuances.

Voting Rights Immediately following the original issuance date of the New Preferred Units the holders of the New Preferred Units shall have one vote for each unit of New Preferred Units and may vote together with the Depository Units as a single class on matters on which the Depository Units have a vote and required by law.

II. REGISTRATION RIGHTS

Registration Rights Security holders of Reckson Associates Realty Corp. and Reckson Operating Partnership, L.P, (together, "Reckson") will receive registered New Preferred Units. Security holders that are affiliates of Reckson will be provided with (i) continuous re-sale registration rights and (ii) "piggyback" registration rights; in each case, subject to customary black-outs and recommended underwriter cutbacks.

Expenses The Company shall bear all reasonable expenses (exclusive of underwriting discounts and commissions) of piggyback and resale registrations (including fees and expenses of one special counsel to all of such affiliated of Reckson whose shares are being registered).

PRESS RELEASE

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Reckson Receives Proposal From AREP To Acquire Reckson For \$3.3 Billion In Convertible Preferred Securities And \$1 Billion In Cash

(UNIONDALE, NEW YORK, December 4, 2006) – Reckson Associates Realty Corp. (NYSE: RA) confirmed today that it received a letter from American Real Estate Partners, L.P. (“AREP”), an entity 90% owned by Carl Icahn, which was faxed to the Company’s representatives early this morning, following the notification that Reckson received over the weekend that Harry Macklowe and Mack Cali had determined not to proceed with an offer for Reckson. The letter sets forth a proposal from AREP to acquire Reckson for consideration consisting of \$1 billion in cash and \$3.3 billion in a new class of AREP Preferred Units, which would carry a 5% dividend payment and be convertible into AREP Depositary Units at \$104.50 per Depositary Unit. A copy of the letter will be filed by Reckson on a Schedule 8-K. The letter states that, if the Preferred Units are valued at par, it would constitute a proposal to acquire Reckson at \$49 per share in total consideration.

Reckson cautioned that there are a number of uncertainties and potential contingencies associated with the letter it just received that will need to be further evaluated. Reckson further cautioned that since this letter appears to constitute a new proposal from a new “Person” within the meaning of the SL Green merger agreement, none of the prior determinations that were made by the Reckson Board under the SL Green merger agreement with respect to the prior Rome proposal (which formed the basis for engaging in discussions with Rome and providing it access to due diligence information), would appear to be applicable to the recently received AREP letter. Reckson indicated that the Reckson Board of Directors will therefore need to review the AREP letter with its legal and financial advisors in accordance with the terms of the Company’s pending merger agreement with SL Green before determining what, if any, discussions are appropriate with AREP with respect to the newly received letter.

Reckson is subject to a binding merger agreement with SL Green. As stated in the Reckson press release issued last night, the Reckson Board, by a vote of its independent directors, has reaffirmed its recommendation of Reckson's pending merger with SL Green.

Important Information and Where to Find It

Reckson and SL Green have filed a definitive proxy statement/prospectus as part of a registration statement regarding the proposed transaction with the Securities and Exchange Commission (SEC) on October 19, 2006. Investors and security holders are urged to read the proxy statement/prospectus because it contains important information about SL Green and Reckson and the proposed transaction. Investors and security holders may obtain a free copy of the definitive proxy statement/prospectus and other documents filed by SL Green and Reckson with the SEC at the SEC's website at www.sec.gov. The definitive proxy statement/prospectus and other relevant documents may also be obtained free of charge from SL Green or Reckson by directing such request to: SL Green, 420 Lexington Avenue, New York, NY 10170, Attention: Investor Relations, or Reckson, 625 Reckson Plaza, Uniondale, NY 11556, Attention: Investor Relations. Investors and security holders are urged to read the proxy statement, prospectus and other relevant material before making any voting or investment decisions with respect to the merger.

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Supplement to the Proxy Statement/Prospectus dated October 17, 2006

On October 17, 2006, Reckson Associates Realty Corp. filed a proxy statement/prospectus relating to its proposed merger with SL Green and its affiliates. The discussion below supplements the section thereof entitled "SPECIAL FACTORS – Background of the Merger."

On November 16, the Wall Street Journal published a story speculating that Carl Icahn and Macklowe Properties were in the process of preparing a bid for Reckson. An offer letter dated November 15 was subsequently received by Reckson on November 16. The letter stated that Rome Acquisition Limited Partnership, a partnership formed between affiliates of Harry Macklowe and William S. Macklowe and affiliates of Carl C. Icahn, was submitting a proposal to acquire all of the outstanding shares and units of Reckson in a transaction that would provide Reckson shareholders and unitholders with \$49 per share in cash. In that letter, Rome stated that it anticipated completion of due diligence and execution of a definitive acquisition agreement within 10 business days. A copy of this letter was filed as an Exhibit to Reckson's Current Report on Form 8-K dated November 17, 2006 and is incorporated herein by reference.

This letter had been preceded in mid-October 2006 by a comment by Harry and William Macklowe to Lewis S. Ranieri, one of the members of the Reckson Board of Directors, that they were disappointed they had not gotten a chance to conduct due diligence on Reckson's assets and that they likely would have been interested in bidding for them. Also, on November 2, 2006, Harry Macklowe sent an email to Reckson requesting access to due diligence materials with respect to Reckson's assets but did not make any specific proposals with respect to those assets. On November 7, 2006, Peter Quick, Reckson's lead independent director, sent a letter to Harry Macklowe informing him that his request was denied because it did not meet the requisite standard for providing such access under the terms of Reckson's merger agreement with SL Green.

In the afternoon on November 16, Reckson's board met telephonically to discuss the proposal from Rome Acquisition Limited Partnership. Reckson's board determined by a vote of its independent directors and in accordance with the terms of its existing merger agreement with SL Green that the Rome proposal met the standards set forth in the SL Green merger agreement to permit Reckson to provide nonpublic information to Rome and to participate in discussions and negotiations with Rome. Following that Board meeting, Reckson and Rome entered into a confidentiality agreement.

Later that evening on November 16, at the invitation of Reckson's board, Messrs. Harry Macklowe, William Macklowe and Carl Icahn, together with their respective legal and financial advisors, met with representatives of Goldman Sachs and Wachtell, Lipton, Rosen & Katz, the Affiliate Transaction Committee's financial and legal advisors, at the offices of Wachtell Lipton.

At the November 16 meeting, as directed by Reckson's Affiliate Transaction Committee, Goldman Sachs and Wachtell Lipton asked Messrs. Macklowe and Icahn and their advisors a number of questions about the terms of their proposal. Specifically, Reckson's advisors inquired as to the sources of Rome's expected financing and whether Rome had accurately accounted for

all costs associated with a transaction in arriving at the \$49 per share offer. Following these discussions, Rome orally confirmed that after consideration of the costs associated with a transaction they were still offering \$49 per share, subject to the terms of their initial letter. Reckson's advisors also inquired as to whether Rome could structure their proposed transaction as a cash tender offer to minimize any timing differences between Rome's proposed transaction and SL Green's proposed transaction. In addition, Reckson's advisors discussed the fact that Rome was a newly formed entity without any assets or business and requested that Rome consider mechanisms such as a letter of credit so that Reckson would have recourse to a credit worthy entity if Rome did not complete their proposed transaction with Reckson in accordance with the terms of any merger agreement they might enter into.

On November 17, Reckson's advisors reported on the events of the November 16 meeting at a meeting of Reckson's board and Affiliate Transaction Committee. Reckson immediately thereafter made an online data room available to Rome containing all of the information that had been available to other auction participants as well as updated information to reflect developments since the date of the SL Green merger agreement. Reckson also advised Citigroup, one of Reckson's financial advisors in connection with SL Green transaction, that Reckson would consent to Citigroup seeking to participate in Rome's financing as long as customary internal safeguards were utilized with respect to confidential information. Reckson's advisors requested that Rome re-confirm its \$49 per share offer and submit a proposed merger agreement by November 19.

Later in the afternoon of November 17, after discussions with SL Green, Reckson's board adjourned the date of Reckson's special meeting of stockholders to November 28, 2006.

On November 19, Rome submitted a merger agreement to Reckson's legal advisor. The merger agreement did not contemplate a cash tender offer for Reckson or a letter of credit or other mechanism to provide Reckson with recourse to a credit worthy entity as requested by Reckson's advisors at the November 16 meeting. On the evening of November 19, Reckson's board and Affiliate Transaction Committee met telephonically to discuss next steps.

On November 21, Wachtell Lipton contacted Rome's legal advisor to discuss the merger agreement submitted by Rome on November 19, including various legal issues relating to the proposal.

On November 22, Goldman Sachs contacted Rome's financial advisor to request review of Rome's financing commitment letters and an opportunity to speak to Rome's financing sources. Goldman Sachs also indicated that Reckson's board would be meeting the evening of November 26.

On November 24, Wachtell Lipton sent to Rome's legal advisor a mark-up of the merger agreement previously submitted by Rome on November 19 and requested that the parties discuss the merger agreement the next day. Rome did not respond to this request for discussion.

On November 26, Wachtell Lipton tried again to contact Rome's legal advisor to discuss the merger agreement. No response was received nor did Rome provide financing commitment letters.

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On the evening of November 26, the Reckson board and Affiliate Transaction Committee met and discussed the status of developments with respect to the Rome proposal. Reckson received a letter from Rome later that night on November 26 again confirming Rome's proposal, subject to satisfactory completion of due diligence. The letter further stated that Rome continued to work toward completion of due diligence and anticipated delivering a definitive, binding proposal, in the form of an executed definitive acquisition agreement along with binding commitments from its lenders, by no later than Monday, December 4, 2006. A copy of this letter was filed as an Exhibit to Reckson's Current Report on Form 8-K dated November 27, 2006 and is incorporated herein by reference.

On November 27, the Reckson Board of Directors and Affiliate Transaction Committee met to discuss the status of the Rome proposal and Reckson issued a press release confirming the receipt of the letter and announcing that Reckson would adjourn its special meeting of shareholders to approve its pending merger with SL Green to December 6, 2006.

On the evening of November 27, Reckson responded to Rome's letter of November 26 by letter sent to Messrs. Icahn and Macklowe requesting that Rome provide complete information on Rome's proposed financing structure as well as setting forth certain legal and structural issues concerning the proposal. Reckson publicly filed the letter on November 28, 2006.

Also on November 27, Goldman Sachs reiterated Reckson's request that Rome provide it with financing commitment papers and that Rome schedule a call between Goldman Sachs and Rome's lenders to provide an update on the status of Rome's financing.

On November 28, Rome requested that Reckson provide access to confidential evaluation materials relating to Reckson and its properties to a number of other potential bidding parties. After determining that given Reckson's lack of information with respect to the role of such potential bidding parties, such a request could be inconsistent with the terms of Reckson's pending merger agreement with SL Green and the confidentiality agreement with Rome, Reckson denied such access.

On the evening of November 28, Rome made a new proposal to Reckson to add Mack-Cali Realty Corp. as a participant in Rome. Rome and Mack-Cali represented to Reckson that Mack-Cali was a bona fide member of Rome and that Rome was making a proposal to acquire Reckson at \$49 per share and on the terms Rome had previously outlined to Reckson and in the time frame previously discussed. In addition, Rome and Mack-Cali represented that Mack-Cali would be providing an additional \$300 million or more of equity to Rome to increase the equity of Rome to \$1.5 billion or more.

On the morning of November 29, Reckson's board of directors and Affiliate Transaction Committee met to consider Rome's revised proposal to include Mack-Cali as a potential bidding partner and determined that the revised proposal met the standards set forth in the SL Green merger agreement to provide nonpublic information and participate in discussions and negotiations with Rome, including Mack-Cali. As a condition of such access, Reckson requested that Mack-Cali and Rome confirm in writing their representations and that Mack-Cali agree to be bound by the Rome confidentiality agreement. Such confirmation did not occur until November 30.

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On November 29, Reckson's executive management held an in-person diligence session with representatives from Rome (exclusive of Mack-Cali).

Throughout this period, Goldman Sachs tried to reach Rome's lenders to discuss the status of Rome's financing but was unable to have a substantive conversation with Rome's potential financing sources.

Throughout this period, representatives of Reckson requested that SL Green consider amending the merger agreement to increase the consideration it would pay for shares of Reckson common stock.

On November 30, SL Green filed a prospectus supplement and commenced a public offering of 3,700,000 shares of SL Green common stock for gross proceeds of approximately \$497.65 million.

On November 30, Reckson sent a letter to Rome requesting that Rome clarify its proposal. Reckson also noted that Mack-Cali and Rome had not yet responded to Reckson's request on November 29 that Mack-Cali and Rome confirm their representations to Reckson. Subsequent to Rome's receipt of the letter, Rome sent a letter to Reckson stating that Mack-Cali was a partner of Rome

and documents supporting that fact. Based on the letter and the supporting documents, Reckson's board of directors and Affiliate Transaction Committee promptly determined that under the standard of the SL Green merger agreement upon the execution of a joinder to the Rome confidentiality agreement, Mack-Cali was entitled to receive nonpublic information concerning Reckson and to enter into discussions with Reckson pursuant to the pending merger agreement with SL Green.

On December 1, which marked the end of the ten business days of due diligence Rome had indicated it needed to make a definitive proposal, Reckson issued a press release announcing that it had again called on Rome to provide definitive financial, legal, and structural information regarding its proposal to acquire Reckson.

On December 2, Mack-Cali sent Reckson a letter indicating that it had elected to cease to be a limited partner of Rome and that it would not be making any additional capital contributions to Rome. Further, on December 3, Harry Macklowe advised Reckson that he and his affiliates also had withdrawn from Rome and were no longer proceeding with the \$49 cash proposal.

Later that day, Mr. Icahn advised Reckson that Icahn affiliated parties might deliver a revised proposal to acquire Reckson and that the proposal would contain cash and a significant portion of preferred equity. Early in the day on December 4, American Real Estate Partners, L.P., an entity 90% controlled by Mr. Icahn, delivered a letter to Reckson, proposing to acquire all of the outstanding shares of Reckson through a transaction in which shareholders would receive an aggregate consideration consisting of \$1 billion in cash and the balance of \$3.3 billion in a new class of AREP Preferred Units, which would be convertible into Depositary Units at a 30% premium above the December 1, 2006 closing price of \$80.35 for the Depositary Units, resulting in the conversion price of \$104.50 per Depositary Unit.

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Reckson publicly announced that its receipt of the letter and also noted that the letter appeared to be a new proposal from a new "Person" within the meaning of the SL Green merger agreement which would require a separate review by the Board subject to the provisions of Reckson's pending merger with SL Green.

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