

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2000

OR
 Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from to
Commission File Number 1-13762

RECKSON OPERATING PARTNERSHIP, L. P.
(Exact name of registrant as specified in its charter)

DELAWARE 11-3233647
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

225 BROADHOLLOW ROAD, 11747
MELVILLE, NY
(Address of principal (Zip Code)
executive offices)

Registrant's telephone number, including area code: (631) 694-6900

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K, or any amendment to this Form 10-K.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement of Reckson Associates Realty Corp. relating to its Annual Shareholder's Meeting to be held May 24, 2001 are incorporated by reference into Part III.

As of March 22, 2001, 4,839,782 common units of limited partnership interest were held by non-affiliates of the Registrant. There is no established trading market for such units.

TABLE OF CONTENTS

ITEM NO.		PAGE
-----		-----
	PART I	
1.	Business	I-1
2.	Properties	I-8
3.	Legal Proceedings	I-18
4.	Submission of Matters to a Vote of Security Holders	I-18
	PART II	
5.	Market for Registrant's Common Equity and Related Security Matters	II-1
6.	Selected Financial Data	II-2
7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	II-3
7(a).	Quantitative and Qualitative Disclosures about Market Risk	II-11
8.	Financial Statements and Supplementary Data	II-12
9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	II-12
	PART III	
10.	Directors and Executive Officers of the Registrant	III-1
11.	Executive Compensation	III-1
12.	Security Ownership of Certain Beneficial Owners and Management	III-1
13.	Certain Relationships and Related Transactions	III-1
	PART IV	
14.	Financial Statements and Schedules, Exhibits and Reports on Form 8-K	IV-1

PART I

ITEM 1. BUSINESS

GENERAL

Reckson Operating Partnership, L. P. (the "Operating Partnership") commenced operations on June 2, 1995. Reckson Associates Realty Corp. (the "Company"), which serves as the sole general partner of the Operating Partnership, is a fully integrated, self administered and self managed real estate investment trust ("REIT"). The Operating Partnership and the Company were formed for the purpose of continuing the commercial real estate business of Reckson Associates, its affiliated partnerships and other entities ("Reckson").

For more than 40 years, Reckson has been engaged in the business of owning, developing, acquiring, constructing, managing and leasing office and industrial properties in the New York tri-state area (the "Tri-State Area"). Based on industry surveys, management believes that the Operating Partnership is one of the largest owners and operators of Class A suburban and commercial business district ("CBD") office properties and industrial properties in the Tri-State Area. As of December 31, 2000, the Operating Partnership owned 188 properties (the "Properties") (including 10 joint venture properties) in the Tri-State Area encompassing approximately 21.3 million rentable square feet, all of which are managed by the Operating Partnership. The Properties consist of 65 Class A suburban office properties (the "Suburban Office Properties") encompassing approximately 9.1 million rentable square feet, 17 Class A CBD Office Properties (the "CBD Office Properties") encompassing approximately 5.3 million rentable square feet (together, the "Office Properties"), 104 industrial properties (the "Industrial Properties") encompassing approximately 6.8 million rentable square feet and two 10,000 square foot retail properties. The Operating Partnership also owns a 357,000 square foot office building located in Orlando, Florida. In addition, as of December 31, 2000, the Operating Partnership had approximately \$6.4 million invested in certain mortgage indebtedness encumbering approximately 101 acres of land, approximately \$17.1 million in a note receivable secured by a partnership interest in Omni Partners, L. P., owner of the Omni, a 575,000 square foot Class A Office Property located in Uniondale, New York and \$36.5 million under three notes which are secured by a minority partner's preferred unit interest in the Operating Partnership (the "Note Receivable Investments"). As of December 31, 2000, the Operating Partnership is in the process of developing a 315,000 square foot office building and also owned approximately 290 acres of land in 13 separate parcels on which the Operating Partnership can develop approximately 1.4 million square feet of office space and approximately 224,000 square feet of industrial space.

During 1999 and 2000, the Operating Partnership made investments in REIT-qualified joint ventures with Reckson Strategic Venture Partners, LLC ("RSVP"), a venture capital fund created as a research and development vehicle for the Operating Partnership to invest in alternative real estate sectors (see Corporate Strategies and Growth Opportunities). RSVP is managed by an affiliate of FrontLine Capital Group ("FrontLine"). The Operating Partnership has committed up to \$100 million for investments in the form of either (i) RSVP-controlled (REIT-qualified) joint ventures or (ii) loans to FrontLine for FrontLine's investment in RSVP. As of December 31, 2000, the Operating Partnership has invested approximately \$41.1 million in RSVP -- controlled (REIT-qualified) joint ventures. In March 2001, the Operating Partnership increased the RSVP Commitment to \$110 million and advanced approximately \$24 million under the RSVP Commitment to fund additional RSVP-controlled (REIT-qualified) joint ventures.

The Office Properties are Class A office buildings and are well-located, well-maintained and professionally managed. In addition, these properties are modern with high finishes or have been modernized to successfully compete with newer buildings and achieve among the highest rent, occupancy and tenant retention rates within their markets. The majority of the Suburban Office Properties are located in ten planned office parks. The Office Properties are tenanted by a diverse industry group of national firms which include consumer products, telecommunication, health care, insurance, financial services and professional service firms such as accounting firms and securities brokerage houses. The Industrial Properties are utilized for distribution, warehousing, research and development and light manufacturing / assembly activities and are located primarily in three planned industrial parks developed by Reckson.

All of the Company's interests in the Properties, the Note Receivable Investments and land are held directly or indirectly by, and all of its operations are conducted through, the Operating Partnership. The Company controls the Operating Partnership as the sole general partner and as of December 31, 2000, owned approximately 88% of the Operating Partnership's outstanding Class A common units of limited partnership and Class B common units of limited partnership interest.

The Operating Partnership seeks to maintain cash reserves for normal repairs, replacements, improvements, working capital and other contingencies. The Operating Partnership has established an unsecured credit facility (the "Credit Facility") with a maximum borrowing amount of \$575 million scheduled to mature on September 7, 2003. The Credit Facility requires the Operating Partnership to comply with a number of financial and other covenants on an ongoing basis.

There are numerous commercial properties that compete with the Operating Partnership in attracting tenants and numerous companies that compete in selecting land for development and properties for acquisition.

The Operating Partnership's executive offices are located at 225 Broadhollow Road, Melville, New York 11747 and its telephone number at that location is (631) 694-6900. At December 31, 2000, the Operating Partnership had approximately 317 employees.

RECENT DEVELOPMENTS

Acquisition Activity.

Set forth below is a brief description of the Operating Partnership's major acquisition activity during 2000.

On January 13, 2000, the Operating Partnership acquired 1350 Avenue of the Americas, a 540,000 square foot, 35 story, CBD Office Property located in New York City, for a purchase price of approximately \$126.5 million. This acquisition was financed through a \$70 million secured debt financing and a draw under the Credit Facility.

On August 15, 2000, the Operating Partnership acquired 538 Broadhollow Road, a 180,000 square foot Suburban Office Property located in Melville, New York for a purchase price of approximately \$25.6 million. This acquisition was financed, in part, through a borrowing under the Credit Facility.

In addition, as of December 31, 2000, the Operating Partnership has invested approximately \$6.4 million in certain mortgage indebtedness encumbering approximately 101 acres of land. The Operating Partnership has also loaned approximately \$17.1 million to its minority partner in Omni, its 575,000 square foot flagship Long Island Suburban Office Property, and effectively increased its economic interest in the property owning partnership.

On August 9, 1999, the Operating Partnership executed a contract for the sale, which took place in three stages, of its interest in Reckson Morris Operating Partnership, L. P. ("RMI"), which consisted of 28 properties, comprising approximately 6.1 million square feet and three other big box industrial properties to Keystone Property Trust ("KTR"). In addition, the Operating Partnership also entered into a sale agreement with the Matrix Development Group ("Matrix") relating to a first mortgage note and certain industrial land holdings (the "Matrix Sale"). The combined total sales price of \$310 million (\$52 million of which is attributable to the Morris Companies and its affiliates in the form of \$41.6 million of preferred units of KTR's operating partnership and \$10.4 million of debt relief) consisted of (i) approximately \$159.7 million in cash, (ii) \$41.5 million in convertible preferred and common stock of KTR, (iii) \$61.6 million in preferred units of KTR's operating partnership, (iv) approximately \$37.1 million of debt relief and (v) approximately \$10.1 million in purchase money mortgage notes secured by certain land that is being sold to Matrix.

As of December 31, 2000, the Matrix Sale and the sale of the Operating Partnership's interest in RMI was completed. As a result, the Operating Partnership realized a gain of approximately \$16.7 million. Such gain has been included in gain on dispositions of real estate on the Operating Partnership's consolidated statements of income. Cash proceeds from the sales were used primarily to repay

borrowings under the Operating Partnership's Credit Facility. In addition, the Operating Partnership redeemed approximately \$20 million of the preferred stock of KTR and received principal repayments of approximately \$7.2 million related to the purchase money mortgage notes, all of which was used primarily for general operating expenditures.

Leasing Activity

During the year ended December 31, 2000, the Operating Partnership leased approximately 800,000 square feet at the CBD Office Properties at an average effective rent (i.e., base rent adjusted on a straight-line basis for free rent periods, tenant improvements and leasing commissions) of \$32.80 per square foot, approximately 1.9 million square feet at the Suburban Office Properties at an average effective rent of \$22.90 per square foot and approximately 1.3 million square feet at the Industrial Properties at an average effective rent of \$7.29 per square foot. Included in this leasing data is 753,701 square feet at the Long Island Suburban Office Properties at an average effective rent of \$24.07; 590,022 square feet at the Westchester Suburban Office Properties at an average effective rent of \$23.01; 319,174 square feet at the Westchester CBD Office Properties at an average effective rent of \$23.77; 149,301 square feet at the Connecticut CBD Office Properties at an average effective rent of \$26.25; 548,878 square feet at the New Jersey Suburban Office Properties at an average effective rent of \$21.19 and 331,442 square feet at the New York City CBD Office Properties at an average effective rent of \$44.44. Also included in this leasing data is 1,222,932 square feet at the Long Island Industrial Properties at an average effective rent of \$6.88; 48,568 square feet at the Westchester Industries Properties at an average effective rent of \$17.26 and 16,150 square feet at the New Jersey Industrial Properties at an average effective rent of \$8.96.

Financing Activities

On September 7, 2000, the Operating Partnership obtained its three year \$575 million unsecured revolving Credit Facility from The Chase Manhattan Bank, as administrative agent, UBS Warburg LLC as syndication agent and Deutsche Bank as documentation agent. The Credit Facility matures in September, 2003 and borrowings under the Credit Facility are currently priced off of LIBOR plus 105 basis points.

The Credit Facility replaced the Operating Partnership's \$500 million unsecured credit facility (together with the Credit Facility, the "Credit Facility") and \$75 million term loan. As a result, certain deferred loan costs incurred in connection with such unsecured credit facility and term loan were written off. Such amount is reflected as an extraordinary loss in the Operating Partnership's consolidated statements of income.

The Operating Partnership utilizes the Credit Facility primarily to finance real estate investments, fund its real estate development activities and for working capital purposes. At December 31, 2000, the Operating Partnership had availability under the Credit Facility to borrow an additional \$358.4 million (of which, \$51.3 million has been allocated for outstanding undrawn letters of credit).

Other Financing Activities

On January 13, 2000, in connection with the acquisition of 1350 Avenue of the Americas, the Operating Partnership obtained a secured \$70 million first mortgage commitment which matures in August 2001 and bears interest at LIBOR plus 165 basis points

On November 2, 2000, the Operating Partnership obtained a three year secured \$250 million first mortgage commitment on the property located at 919 Third Avenue, New York N. Y. Interest rates on borrowings under the commitment are based on LIBOR plus a spread ranging from 110 basis points to 140 basis points based upon the outstanding balance. At closing, \$200 million was funded under the commitment at an interest rate of LIBOR plus 120 basis points. In addition, in connection with the \$200 million initial funding, the Operating Partnership purchased a LIBOR interest rate hedge that provides for a maximum LIBOR rate of 9.25%. The initial funding was used primarily to repay outstanding borrowings under the Operating Partnership's Credit Facility.

Unit Issuances

On June 20, 2000, in conjunction with the Company's exchange of 4,181,818 shares of its Class A common stock for four million shares of its Series B preferred stock, the Operating Partnership issued 4,181,818 Class A common units in exchange for four million shares of Series E preferred units with a liquidation preference value of \$100 million.

OPERATING STRATEGIES AND GROWTH OPPORTUNITIES

The Operating Partnership's primary business objectives are to maximize current return to its partners through increases in distributable cash flow and to increase partner's long-term total return through the appreciation in the value of its Class A common units and Class B common units. The Operating Partnership plans to achieve these objectives by continuing Reckson's operating strategies and capitalizing on the internal and external growth opportunities as described below.

Operating Strategies. Management believes that throughout its 40-year operating history, Reckson has created value in its properties through a variety of market cycles by implementing the operating strategies described below. These operating strategies include the implementation of: (i) a multidisciplinary leasing approach that involves architectural design and construction personnel as well as leasing professionals, (ii) innovative property marketing programs such as the broker frequent leasing points program which was established by the Operating Partnership to enhance relationships with the brokerage community and which allows brokers to accumulate points for leasing space in the Operating Partnership's portfolio which can be redeemed for luxurious prizes, (iii) a comprehensive tenant service program and property amenities designed to maximize tenant satisfaction and retention, (iv) cost control management and systems that take advantage of economies of scale that arise from the Operating Partnership's market position and efficiencies attributable to the state-of-the-art energy control systems at many of the Office Properties and (v) an acquisition and development strategy that is continuously adjusted in light of anticipated changes in market conditions and that seeks to capitalize on management's multidisciplinary expertise and market knowledge to modify, upgrade and reposition a property in its marketplace in order to maximize value.

The Operating Partnership also intends to adhere to a policy of maintaining a debt ratio (defined as the total debt of the Operating Partnership as a percentage of the sum of the Operating Partnership's total debt and the value of its equity) of less than 50%. As of December 31, 2000, the Operating Partnership's debt ratio was approximately 40.6%. This calculation is net of minority partners' proportionate share of debt and including the Operating Partnership's share of unconsolidated joint venture debt. This debt ratio is intended to provide the Operating Partnership with financial flexibility to select the optimal source of capital (whether through debt or partners contributions) with which to finance external growth.

Growth Opportunities. The Operating Partnership intends to achieve its primary business objectives by applying its operating strategies to the internal and external growth opportunities described below.

Internal Growth. To the extent the Long Island, Westchester, New Jersey and Southern Connecticut suburban office and industrial markets remain strong with supply constrained markets management believes the Operating Partnership is well positioned to benefit from rental revenue growth through: (i) contractual annual compounding of 3-4% Base Rent increases (defined as fixed gross rental amounts that excludes payments on account of real estate taxes, operating expense escalations and base electrical charges) on approximately 85% of existing leases at the Long Island Properties, (ii) periodic contractual increases in Base Rent on existing leases at the Westchester Properties, the New Jersey Properties and the Southern Connecticut Properties and (iii) the potential for increases to Base Rents as leases expire and space is re-leased at the higher rents that exist in the current market environment as a result of continued tightening of the office and industrial markets with limited new supply.

In connection with the Operating Partnership's acquisition and merger transaction with Tower Realty Trust, Inc. (see External Growth below) the Operating Partnership entered the New York City office market. The New York City office market is currently experiencing favorable supply and demand

characteristics exceeding those currently in the Operating Partnership's suburban markets and is also characterized by similar lack of available land supply and other barriers to entry that limit competition. The Operating Partnership's New York City office buildings offer similar potential for increase in Base Rents as described in (iii) above.

External Growth. The Operating Partnership seeks to acquire multi-tenant suburban and CBD Class A office and industrial properties located in the Tri-State Area. Management believes that the Tri-State Area presents opportunities to acquire or invest in properties at attractive yields. The Operating Partnership believes that its (i) capital structure, in particular its Credit Facility providing for a maximum borrowing amount of up to \$575 million, (ii) ability to acquire a property for Class A common units and thereby defer the seller's income tax on gain, (iii) operating economies of scale, (iv) relationships with financial institutions and private real estate owners, (v) fully integrated operations in its five existing divisions and (vi) its dominant position and franchise in the submarkets in which it owns Properties will enhance the Operating Partnership's ability to identify and capitalize on acquisition opportunities. The Operating Partnership also intends to selectively develop new Class A suburban and CBD office and industrial properties and to continue to redevelop existing Properties as these opportunities arise. For the near future, the Operating Partnership will concentrate its development activities on industrial and Class A Suburban and CBD office properties within the Tri-State Area. The Operating Partnership's expansion into the New York City office market and the opening of its New York City division provides it with additional opportunities to acquire interests in properties at attractive yields. The Operating Partnership also believes that the addition of its New York City division provides additional leasing and operational facilities and enhances its overall franchise value by being the only real estate operating company in the Tri-State Area with significant presence in both Manhattan and each of the surrounding sub-markets.

During 1997, the Company formed FrontLine (formerly Reckson Service Industries, Inc.) and RSVP. In connection with the formation of FrontLine, the Operating Partnership established a credit facility with FrontLine (the "FrontLine Facility") in the amount of \$100 million for FrontLine to use in its investment activities, operations and other general corporate purposes. As of December 31, 2000, the Operating Partnership had advanced approximately \$93.4 million under the FrontLine Facility. In addition, the Operating Partnership approved the funding of investments of up to \$100 million with or in RSVP (the "RSVP Commitment"), through RSVP-controlled joint ventures (for REIT-qualified investments) or advances made to FrontLine under terms similar to the FrontLine Facility. As of December 31, 2000, approximately \$83.2 million had been funded through the RSVP Commitment, of which \$41.1 million represents investments in RSVP-controlled (REIT-qualified) joint ventures and \$42.1 million represents advances. In March 2001, the Operating Partnership increased the RSVP Commitment to \$110 million and advanced approximately \$24 million under the RSVP Commitment to fund additional RSVP-controlled (REIT-qualified) joint ventures. In addition, as of December 31, 2000, the Operating Partnership, through its Credit Facility, has allocated approximately \$3.2 million in outstanding undrawn letters of credit for the benefit of FrontLine. Both the FrontLine Facility and the RSVP Commitment have a term of five years and advances under each are recourse obligations of FrontLine. Interest accrues on advances made under the credit facilities at a rate equal to the greater of (a) the prime rate plus two percent and (b) 12% per annum, with the rate on amounts that are outstanding for more than one year increasing annually at a rate of four percent of the prior year's rate. Prior to maturity, interest is payable quarterly but only to the extent of net cash flow of FrontLine and on an interest-only basis. As of December 31, 2000, interest accrued under the FrontLine Facility and RSVP Commitment was approximately \$13.8 million.

FrontLine currently has two distinct operating units: one of which represents its interest in HQ Global Holdings, Inc., the largest provider of flexible officing solutions in the world, and the other which represents interests in technology based partner companies. RSVP invests primarily in real estate and real estate related operating companies generally outside of the Operating Partnership's core office and industrial focus.

On August 27, 1998 the Operating Partnership announced the formation of a joint venture with RSVP and the Dominion Group, an Oklahoma-based, privately-owned group of companies that focuses on the development, acquisition and ownership of government occupied office buildings and correctional

facilities. The new venture, Dominion Properties LLC (the "Dominion Venture"), is owned by Dominion Venture Group LLC, and by a subsidiary of the Operating Partnership. The Dominion Venture is primarily engaged in acquiring, developing and/or owning government-occupied office buildings and privately operated correctional facilities. Under the Dominion Venture's operating agreement, RSVP may invest up to \$100 million, some of which may be invested by the Operating Partnership (the "RSVP Capital"). The initial contribution of RSVP Capital was approximately \$39 million of which approximately \$10.1 million was invested by a subsidiary of the Operating Partnership. The Operating Partnership's investment was funded through the RSVP Commitment. In addition, the Operating Partnership advanced approximately \$3.3 million to FrontLine through the RSVP Commitment for an investment in RSVP which was then invested on a joint venture basis with the Dominion Group in certain service business activities related to the real estate activities. As of December 31, 2000, the Operating Partnership had invested, through the RSVP Commitment, approximately \$20.6 million in the Dominion Venture which had investments in 13 government office buildings and three correctional facilities.

As of December 31, 2000, the Operating Partnership has invested approximately \$11.1 million, through a subsidiary, in RAP Student Housing Properties, LLC ("RAP-SHP"), a company that engages primarily in the acquisition and development of off-campus student housing projects. The Operating Partnership's investment was funded through the RSVP Commitment. In addition, the Operating Partnership has advanced approximately \$3.5 million to FrontLine through the RSVP Commitment for an investment in RSVP which was then invested in certain service business activities related to student housing. As of December 31, 2000, RAP-SHP had investments in seven off-campus student housing projects. Additionally, during 2000, RAP-SHP entered into an off-campus development joint venture with Titan Investments II, a third party national developer. The purpose of the venture is to develop or reposition off-campus student housing projects across the United States.

As of December 31, 2000, the Operating Partnership has invested approximately \$3.4 million, through a subsidiary, in RAP MD, LLC ("RAP-MD"), a company that engages primarily in the acquisition, ownership, management and development of medical office properties. The Operating Partnership's investment was funded through the RSVP Commitment. As of December 31, 2000, RAP-MD had investments in eight medical office properties.

On September 28, 2000, the Operating Partnership formed a joint venture (the "Tri-State JV") with Teachers Insurance and Annuity Association ("TIAA") and contributed eight Office Properties aggregating approximately 1.5 million square feet to the Tri-State JV in exchange for approximately \$136 million and a 51% majority ownership interest in the Tri-State JV. As a result, the Operating Partnership realized a gain of approximately \$15.2 million. Such gain has been included in gain on dispositions of real estate on the Operating Partnership's consolidated statements of income. Cash proceeds received were used primarily to repay borrowings under the Credit Facility.

In July 1998, the Operating Partnership formed a joint venture, Metropolitan Partners LLC ("Metropolitan"), with Crescent Real Estate Equities Company, a Texas REIT ("Crescent") for the purpose of acquiring Tower Realty Trust, Inc. ("Tower"). On May 24, 1999 the Company completed the merger with Tower and acquired three Class A CBD Office Properties located in New York City totaling 1.6 million square feet and one Suburban Office Property located on Long Island totaling approximately 101,000 square feet. In addition, pursuant to the merger, the Company also acquired certain office properties, a property under development and land located outside of the Tri-State Area.

The Company controls Metropolitan and owns 100% of the common equity; Crescent owns a \$85 million preferred equity investment in Metropolitan. Crescent's investment accrues distributions at a rate of 7.5% per annum for a two-year period (May 24, 1999 through May 24, 2001) and may be redeemed by Metropolitan at any time during that period for \$85 million, plus an amount sufficient to provide a 9.5% internal rate of return. If Metropolitan does not redeem the preferred interest, upon the expiration of the two-year period, Crescent must convert its \$85 million preferred interest into either (i) a common membership interest in Metropolitan or (ii) shares of the Company's Class A common stock at a conversion price of \$24.61 per share.

Prior to the closing of the merger, the Company arranged for the sale of four of Tower's Class B New York City properties, comprising approximately 701,000 square feet for approximately \$84.5 million. Subsequent to the closing of the merger, the Company has sold a real estate joint venture interest and all of the property located outside the Tri-State Area other than one office property located in Orlando, Florida for approximately \$171.1 million. The combined consideration consisted of approximately \$143.8 million in cash and approximately \$27.3 million of debt relief. Net cash proceeds from the sales were used primarily to repay borrowings under the Operating Partnership's Credit Facility. As a result of incurring certain sales and closing costs in connection with the sale of the assets located outside the Tri-State Area, the Operating Partnership has incurred a loss of approximately \$4.4 million which has been included in gain (loss) on dispositions of real estate on the Operating Partnership's consolidated statements of income.

Subsequent to the closing of the merger, the Operating Partnership acquired title to 919 Third Avenue and 1350 Avenue of the Americas located in New York City. The Operating Partnership holds all of the Properties in its New York City division through Metropolitan.

ENVIRONMENTAL MATTERS

Under various Federal, state and local laws, ordinances and regulations, an owner of real estate is liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. These laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefore as to any property is generally not limited under such enactments and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate such substances, may adversely affect the owner's ability to sell or rent such property or to borrow using such property as collateral. Persons who arrange for the disposal or treatment of hazardous or toxic substances may also be liable for the costs of removal or remediation of such substances at a disposal or treatment facility, whether or not such facility is owned or operated by such person. Certain environmental laws govern the removal, encapsulation or disturbance of asbestos-containing materials ("ACMs") when such materials are in poor condition, or in the event of renovation or demolition. Such laws impose liability for release of ACMs into the air and third parties may seek recovery from owners or operators of real properties for personal injury associated with ACMs. In connection with the ownership (direct or indirect), operation, management and development of real properties, the Operating Partnership may be considered an owner or operator of such properties or as having arranged for the disposal or treatment of hazardous or toxic substances and, therefore, potentially liable for removal or remediation costs, as well as certain other related costs, including governmental fines and injuries to persons and property.

All of the Office Properties and all of the Industrial Properties have been subjected to a Phase I or similar environmental audit after April 1, 1994 (which involved general inspections without soil sampling, ground water analysis or radon testing and, for the Properties constructed in 1978 or earlier, survey inspections to ascertain the existence of ACMs were conducted) completed by independent environmental consultant companies (except for 35 Pinelawn Road which was originally developed by Reckson and subjected to a Phase 1 in April 1992). These environmental audits have not revealed any environmental liability that would have a material adverse effect on the Operating Partnership's business.

ITEM 2. PROPERTIES

GENERAL

As of December 31, 2000, the Operating Partnership owned and operated 188 Properties (including 10 joint venture office properties but excluding the RSVP-controlled joint ventures) in the Tri-State Area encompassing approximately 21.3 million square feet. These properties consist of 65 Class A Suburban Office Properties encompassing approximately 9.1 million square feet and 17 Class A CBD Office Properties encompassing approximately 5.3 million square feet, 104 Industrial Properties encompassing approximately 6.8 million rentable square feet and two free-standing 10,000 square foot retail properties. The Operating Partnership also owns a 357,000 square foot Class A office building in Orlando, Florida. The rentable square feet of each property has been determined for these purposes based on the aggregate leased square footage specified in currently effective leases and, with respect to vacant space, management's estimate. In addition, as of December 31, 2000, the Operating Partnership is in the process of developing a 315,000 square foot office building and owned approximately 290 acres of land in 13 separate parcels of on which the Operating Partnership can develop approximately 1.4 million square feet of office space and approximately 224,000 square feet of industrial space.

Reckson has historically emphasized the development and acquisition of properties that are in strong CBD markets or are part of large scale office and industrial parks. Approximately 37% (measured by rentable square footage) of the Office Properties are CBD Office Properties. In addition, approximately 67% of the Suburban Office Properties and approximately 59% of the Industrial Properties are located in such parks (measured by rentable square footage). The Operating Partnership believes that owning properties in planned office and industrial parks provides certain strategic advantages, including the following: (i) certain tenants prefer being located in a park with other high quality companies to enhance their corporate image, (ii) parks afford tenants certain aesthetic amenities such as a common landscaping plan, standardization of signage and common dining and recreational facilities, (iii) tenants may expand (or contract) their business within a park, enabling them to centralize business functions and (iv) a park provides tenants with access to other tenants and may facilitate business relationships between tenants.

Set forth below is a summary of certain information relating to the Properties, categorized by Office and Industrial Properties, as of December 31, 2000.

OFFICE PROPERTIES

General

As of December 31, 2000, the Operating Partnership owned or had an interest in 65 Class A Suburban Office Properties encompassing approximately 9.1 million square feet and 17 Class A CBD Office Properties encompassing approximately 5.3 million square feet. As of December 31, 2000, these Office Properties were approximately 97.2% leased (percent leased excludes properties under development) to approximately 1,100 tenants.

The Office Properties are Class A office buildings and are well-located, well-maintained and professionally managed. In addition, these properties are modern with high finishes and achieve among the highest rent, occupancy and tenant retention rates within their sub-markets. Forty two of the 65 Suburban Office Properties are located in the following ten planned office parks: the North Shore Atrium, the Huntington Melville Corporate Center, the Nassau West Corporate Center, the Tarrytown Corporate Center, the Executive Hill Office Park, the Reckson Executive Park, the University Square Office Complex, the Summit at Valhalla, the Mt. Pleasant Corporate Center, and the Short Hills Office Complex. The buildings in these office parks offer a full array of amenities including health clubs, racquetball courts, sun decks, restaurants, computer controlled HVAC access systems and conference centers. Management believes that the location, quality of construction and amenities as well as the Operating Partnership's reputation for providing a high level of tenant service have enabled the Operating Partnership to attract and retain a national tenant base. The office tenants include national service companies, such as telecommunications firms, "Big Five" accounting firms, securities brokerage houses, insurance companies and health care providers.

The Office Properties are leased to both national and local tenants. Leases on the Office Properties are typically written for terms ranging from five to ten years and require: (i) payment of a fixed gross rental amount that excludes payments on account of real estate tax, operating expense escalations and base electrical charges ("Base Rent"), (ii) payment of a base electrical charge, (iii) payment of real estate tax escalations over a base year, (iv) payment of compounded annual increases to Base Rent and/or payment of operating expense escalations over a base year, (v) payment of overtime HVAC and electric and (vi) payment of electric escalations over a base year. In virtually all leases, the landlord is responsible for structural repairs. Renewal provisions typically provide for renewal rates at market rates or a percentage thereof, provided that such rates are not less than the most recent renewal rates.

The following table sets forth certain information as of December 31, 2000 for each of the Office Properties.

PROPERTY	PERCENTAGE OWNERSHIP	OWNERSHIP INTEREST (GROUND LEASE EXPIRATION DATE) (1)	YEAR CONSTRUCTED	LAND AREA (ACRES)
Office Properties:				
Huntington Melville Corporate Center, Melville, NY				
		Leasehold		
395 North Service Rd	100%	(2,081)	1988	7.5
200 Broadhollow Rd	100%	Fee	1981	4.6
48 South Service Rd	100%	Fee	1986	7.3
35 Pinelawn Rd	100%	Fee	1980	6.0
275 Broadhollow Rd	51%	Fee	1970	5.8
58 South Service Rd (3)	100%	Fee	2000	16.5
1305 Old Walt Whitman Rd	51%	Fee	1998(5)	18.1

Total--Huntington Melville Corporate Center (4)				65.8

North Shore Atrium, Syosset, NY				
6800 Jericho Turnpike (North Shore Atrium I)	100%	Fee	1977	13.0
6900 Jericho Turnpike (North Shore Atrium II)	100%	Fee	1982	5.0

Total--North Shore Atrium				18.0

Nassau West Corporate Center, Mitchel Field, NY				
50 Charles Lindbergh Blvd. (Nassau West Corporate Center II)	100%	Leasehold (2,082)	1984	9.1
60 Charles Lindbergh Blvd. (Nassau West Corporate Center I)	100%	Leasehold (2,082)	1989	7.8
51 Charles Lindbergh Blvd.	100%	Leasehold (2,084)	1989	6.6
55 Charles Lindbergh Blvd.	100%	Leasehold (2,082)	1982	10.0
333 Earl Ovington Blvd. (The Omni)	60%	Leasehold (2,088)	1991	30.6
90 Merrick Ave.	51%	Leasehold (2,084)	1985	13.2

Total--Nassau West Corporate Center				77.3

Tarrytown Corporate Center Tarrytown, NY				
505 White Plains Road	100%	Fee	1974	1.4
520 White Plains Road	60%	Fee(6)	1981	6.8
555 White Plains Road	100%	Fee	1972	4.2
560 White Plains Road	100%	Fee	1980	4.0
580 White Plains Road	100%	Fee	1977	6.1
660 White Plains Road	100%	Fee	1983	10.9

Total--Tarrytown Corporate Center				33.4

Reckson Executive Park Rye Brook, NY				
1 International Dr.	100%	Fee	1983	N/A
2 International Dr.	100%	Fee	1983	N/A

PROPERTY	NUMBER OF FLOORS	RENTABLE SQUARE FEET	PERCENT LEASED	ANNUAL BASE RENT (2)	ANNUAL BASE RENT PER LEASED SQ. FT.	NUMBER OF TENANT LEASES
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Office Properties:

Huntington Melville Corporate Center, Melville, NY

395 North Service Rd	4	187,393	99.3%	\$ 4,924,316	\$ 26.47	4
200 Broadhollow Rd	4	67,432	100.0%	\$ 1,553,502	\$ 23.04	13
48 South Service Rd	4	125,372	100.0%	\$ 3,145,035	\$ 25.08	8
35 Pinelawn Rd	2	105,241	92.5%	\$ 2,011,350	\$ 20.66	25
275 Broadhollow Rd	4	124,441	99.6%	\$ 2,833,490	\$ 22.85	13
58 South Service Rd (3)	4	277,500	--	--	--	--
1305 Old Walt Whitman Rd	3	167,400	98.1%	\$ 4,124,735	\$ 25.13	6
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Total--Huntington Melville

Corporate Center (4)		1,054,779	98.6%	\$18,592,428	\$ 24.28	69
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North Shore Atrium, Syosset, NY

6800 Jericho Turnpike (North Shore Atrium I)	2	209,028	96.0%	\$ 4,094,898	\$ 20.41	44
6900 Jericho Turnpike (North Shore Atrium II)	4	95,149	100.0%	\$ 2,156,644	\$ 22.67	14
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Total--North Shore Atrium		304,177	97.3%	\$ 6,251,542	\$ 21.12	58
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Nassau West Corporate Center, Mitchel Field, NY

50 Charles Lindbergh Blvd. (Nassau West Corporate Center II)	6	211,845	96.5%	\$ 4,567,615	\$ 22.34	23
60 Charles Lindbergh Blvd. (Nassau West Corporate Center I)	2	195,998	100.0%	\$ 4,578,271	\$ 23.36	7
51 Charles Lindbergh Blvd.	1	108,000	100.0%	\$ 2,275,649	\$ 21.07	1
55 Charles Lindbergh Blvd.	2	214,581	100.0%	\$ 2,606,170	\$ 12.15	2
333 Earl Ovington Blvd. (The Omni)	10	575,000	99.3%	\$16,083,501	\$ 28.17	32
90 Merrick Ave.	9	221,839	97.3%	\$ 4,997,745	\$ 23.15	20
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Total--Nassau West Corporate

Center		1,527,263	98.9%	\$35,108,951	\$ 23.24	85
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Tarrytown Corporate Center

Tarrytown, NY						
505 White Plains Road	2	26,468	95.3%	\$ 426,143	\$ 16.90	21
520 White Plains Road	6	171,761	100.0%	\$ 3,727,762	\$ 21.70	2
555 White Plains Road	5	121,585	94.1%	\$ 2,692,386	\$ 23.53	8
560 White Plains Road	6	126,471	92.7%	\$ 2,220,688	\$ 18.95	14
580 White Plains Road	6	170,726	94.6%	\$ 3,525,079	\$ 21.82	17
660 White Plains Road	6	258,715	92.7%	\$ 5,090,460	\$ 21.23	38
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Total--Tarrytown Corporate

Center		875,726	94.8%	\$17,682,518	\$ 21.30	100
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Reckson Executive Park

Rye Brook, NY						
1 International Dr.	3	90,000	100.0%	\$ 1,170,000	\$ 13.00	1
2 International Dr.	3	90,000	100.0%	\$ 1,170,000	\$ 13.00	1

PROPERTY	PERCENTAGE OWNERSHIP	OWNERSHIP INTEREST (GROUND LEASE EXPIRATION DATE) (1)	YEAR CONSTRUCTED	LAND AREA (ACRES)
3 International Dr.	100%	Fee	1983	N/A
4 International Dr.	100%	Fee	1986	N/A
5 International Dr.	100%	Fee	1986	N/A
6 International Dr.	100%	Fee	1986	N/A
Total--Reckson Executive Park				44.4

Summit at Valhalla Valhalla, NY				
100 Summit Dr.	100%	Fee	1988	11.3
200 Summit Dr.	100%	Fee	1990	18.0
500 Summit Dr.	100%	Fee	1986	29.1
Total -- Summit at Valhalla				58.4

Mt. Pleasant Corporate Center				
115/117 Stevens Ave.	100%	Fee	1984	5.0
Total -- Mt Pleasant Corporate Center				5.0

Landmark Square Stamford, CT				
One Landmark Square	100%	Fee	1973	N/A
Two Landmark Square	100%	Fee	1976	N/A
Three Landmark Square	100%	Fee	1978	N/A
Four Landmark Square	100%	Fee	1977	N/A
Five Landmark Square	100%	Fee	1976	N/A
Six Landmark Square	100%	Fee	1984	N/A
Total -- Landmark Square				7.2

Stamford Towers Stamford, CT				
680 Washington Blvd.	51%	Fee	1989	1.3
750 Washington Blvd.	51%	Fee	1989	2.4
Total--Stamford Towers				3.7

Stand-alone Long Island Properties				
400 Garden City Plaza Garden City, NY	51%	Fee	1989	5.7
88 Duryea Rd. Melville, NY	100%	Fee	1986	1.5
310 East Shore Rd. Great Neck, NY	100%	Fee	1981	1.5
333 East Shore Rd. Great Neck, NY	100%	Leasehold (2,030)	1976	1.5
520 Broadhollow Rd. Melville, NY	100%	Fee	1978	7.0
1660 Walt Whitman Rd. Melville, NY	100%	Fee	1980	6.5
125 Baylis Rd. Melville, NY	100%	Fee	1980	8.2
150 Motor Parkway Hauppauge, NY	100%	Fee	1984	11.3
1979 Marcus Ave. Lake Success, NY	100%	Fee	1987	8.6
120 Mineola Blvd. Mineola, NY	100%	Fee	1989	0.7
538 Broadhollow Road Melville, NY	100%	Fee	1986	7.5
50 Marcus Drive, Melville, NY	100%	Fee	2000(5)	12.9
Total--Stand-alone Long Island				72.9

Stand-alone Westchester Properties				
155 White Plains Road, Tarrytown, NY	100%	Fee	1963	13.2
235 Main Street, White Plains, NY	100%	Fee	1974(5)	0.4
245 Main Street White Plains, NY	100%	Fee	1983	0.4
120 White Plains Rd. Tarrytown, NY	51%	Fee	1984	9.7

RENTABLE ANNUAL ANNUAL BASE RENT PER NUMBER

PROPERTY	NUMBER OF FLOORS	SQUARE FEET	PERCENT LEASED	BASE RENT (2)	LEASED SQ. FT.	OF TENANT LEASES
3 International Dr.	3	91,174	100.0%	\$ 2,015,775	\$ 22.10	5
4 International Dr.	3	86,694	89.3%	\$ 2,014,051	\$ 26.01	8
5 International Dr.	3	90,000	100.0%	\$ 2,181,374	\$ 24.24	1
6 International Dr.	3	94,016	100.0%	\$ 1,656,258	\$ 17.62	8
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Total--Reckson Executive Park		541,884	98.3%	\$10,207,458	\$ 19.16	24
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Summit at Valhalla Valhalla, NY						
100 Summit Dr.	4	249,551	95.7%	\$ 5,125,534	\$ 21.45	9
200 Summit Dr.	4	240,834	89.7%	\$ 4,610,306	\$ 21.34	13
500 Summit Dr.	4	208,660	100.0%	\$ 5,633,820	\$ 27.00	1
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Total -- Summit at Valhalla		699,045	94.9%	\$15,369,660	\$ 23.17	23
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Mt. Pleasant Corporate Center						
115/117 Stevens Ave.	3	162,004	95.6%	\$ 2,895,825	\$ 18.70	15
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Total -- Mt Pleasant Corporate Center		162,004	95.6%	\$ 2,895,825	\$ 18.70	15
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Landmark Square Stamford, CT						
One Landmark Square	22	296,716	89.2%	\$ 6,311,100	\$ 23.83	58
Two Landmark Square	3	39,701	87.8%	\$ 717,196	\$ 20.58	10
Three Landmark Square	6	128,286	100.0%	\$ 1,687,016	\$ 13.15	18
Four Landmark Square	5	104,446	93.9%	\$ 1,723,990	\$ 17.57	16
Five Landmark Square	3	57,273	100.0%	\$ 302,731	\$ 5.29	3
Six Landmark Square	10	171,899	96.9%	\$ 3,920,672	\$ 23.53	8
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Total -- Landmark Square		798,321	94.0%	\$14,662,705	\$ 19.54	113
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Stamford Towers Stamford, CT						
680 Washington Blvd.	11	132,759	99.5%	\$ 3,786,544	\$ 28.66	7
750 Washington Blvd.	11	192,108	99.6%	\$ 4,675,265	\$ 24.44	11
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Total--Stamford Towers		324,867	99.6%	\$ 8,461,809	\$ 21.15	18
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Stand-alone Long Island Properties						
400 Garden City Plaza Garden City, NY	5	176,073	96.6%	\$ 4,100,754	\$ 24.12	25
88 Duryea Rd. Melville, NY	2	25,061	96.7%	\$ 406,370	\$ 16.77	4
310 East Shore Rd. Great Neck, NY	4	50,000	91.2%	\$ 1,056,684	\$ 23.17	20
333 East Shore Rd. Great Neck, NY	2	17,715	99.6%	\$ 452,678	\$ 25.65	9
520 Broadhollow Rd. Melville, NY	1	83,176	71.1%	\$ 1,193,719	\$ 20.19	2
1660 Walt Whitman Rd. Melville, NY	1	73,115	99.9%	\$ 1,435,770	\$ 19.66	5
125 Baylis Rd. Melville, NY	2	98,329	95.3%	\$ 1,842,756	\$ 19.66	15
150 Motor Parkway Hauppauge, NY	4	191,447	96.1%	\$ 4,152,752	\$ 22.56	23
1979 Marcus Ave. Lake Success, NY	4	326,612	100.0%	\$ 7,159,400	\$ 21.92	29
120 Mineola Blvd. Mineola, NY	6	101,000	100.0%	\$ 2,398,421	\$ 23.75	16
538 Broadhollow Road Melville, NY	4	180,339	95.7%	\$ 4,121,324	\$ 23.89	12
50 Marcus Drive, Melville, NY	2	163,762	100.0%	\$ 1,074,688	\$ 6.56	1
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Total--Stand-alone Long Island		1,486,629	96.6%	\$29,395,316	\$ 22.26	161
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Stand-alone Westchester Properties						
155 White Plains Road, Tarrytown, NY	2	60,909	99.6%	\$ 1,168,551	\$ 19.27	5
235 Main Street, White Plains, NY	6	83,237	93.8%	\$ 1,513,711	\$ 19.38	29
245 Main Street White Plains, NY	6	73,543	93.3%	\$ 1,216,955	\$ 17.75	15
120 White Plains Rd. Tarrytown, NY	6	197,785	99.6%	\$ 4,730,530	\$ 24.03	11

PROPERTY	PERCENTAGE OWNERSHIP	OWNERSHIP INTEREST (GROUND LEASE EXPIRATION DATE) (1)	YEAR CONSTRUCTED	LAND AREA (ACRES)	NUMBER OF FLOORS
80 Grasslands Elmsford, NY	100%	Fee	1989	4.9	3
360 Hamilton Avenue White Plains, NY	100%	Fee	1977	1.5	12
140 Grand Street White Plains, NY	100%	Fee	1991	2.2	9
Total Stand-alone Westchester Properties				32.3	
Executive Hill Office Park West Orange, NJ					
100 Executive Dr	100%	Fee	1978	10.1	3
200 Executive Dr	100%	Fee	1980	8.2	4
300 Executive Dr	100%	Fee	1984	8.7	4
10 Rooney Circle	100%	Fee	1971	5.2	3
Total--Executive Hill Office Park				32.2	
University Square Princeton, NJ					
100 Campus Dr.	100%	Fee	1987	N/A	1
104 Campus Dr.	100%	Fee	1987	N/A	1
115 Campus Dr.	100%	Fee	1987	N/A	1
Total University Square				11.0	
Short Hills Office Complex Short Hills, NJ					
101 West John F. Kennedy Parkway	100%	Fee	1981	9.0	6
101 East John F. Kennedy Parkway	100%	Fee	1981	6.0	4
51 John F Kennedy Parkway	51%	Fee	1988	11.0	5
Total -- Short Hills Office				26.0	
Stand-alone New Jersey Properties					
1 Paragon Drive Montvale, NJ	100%	Fee	1980	11	2
99 Cherry Hill Road Parsippany, NJ	100%	Fee	1982	8.8	3
119 Cherry Hill Road Parsippany, NJ	100%	Fee	1982	9.3	3
One Eagle Rock Hanover, NJ	100%	Fee	1986	10.4	3
155 Passaic Ave. Fairfield, NJ	100%	Fee	1984	3.6	4
3 University Plaza Hackensack, NJ	100%	Fee	1985	10.6	6
1255 Broad Street Clifton, NJ	100%	Fee	1968	11.1	2
492 River Rd, Nutley, NJ	100%	Fee	1952	17.3	13
Total Stand-alone New Jersey Properties				82.1	
New York City Properties					
120 W. 45th Street New York, NY	100%	Fee	1989	0.4	40
100 Wall Street New York, NY	100%	Fee	1969	0.5	29
810 Seventh Avenue New York, NY	100%	Fee	1970	0.6	42
919 Third Avenue New York, NY	100%	Fee(7)	1971	1.5	47
1350 Avenue of the Americas New York, NY	100%	Fee	1966	0.6	35
Total -- New York City Office Properties				3.6	
Total--Office Properties (4)				573.3	

RENTABLE SQUARE	PERCENT	ANNUAL BASE	ANNUAL BASE RENT PER LEASED	NUMBER OF TENANT
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PROPERTY	FEET	LEASED	RENT (2)	SQ. FT.	LEASES
80 Grasslands Elmsford, NY	85,104	100.0%	\$ 1,695,536	\$ 19.92	5
360 Hamilton Avenue White Plains, NY	382,000	96.5%	\$ 7,465,521	\$ 20.26	15
140 Grand Street White Plains, NY	130,136	93.0%	\$ 2,663,153	\$ 22.00	17
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Total Stand-alone Westchester Properties	1,012,714	96.7%	\$ 20,453,957	\$ 20.89	97
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Executive Hill Office Park West Orange, NJ					
100 Executive Dr	92,872	100.0%	\$ 1,917,717	\$ 20.65	11
200 Executive Dr	102,630	99.9%	\$ 2,204,345	\$ 20.94	16
300 Executive Dr	126,196	100.0%	\$ 2,213,881	\$ 17.54	11
10 Rooney Circle	69,684	100.0%	\$ 1,406,904	\$ 20.19	2
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Total--Executive Hill Office Park	391,382	100.0%	\$ 7,742,847	\$ 19.78	40
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University Square Princeton, NJ					
100 Campus Dr.	27,350	100.0%	\$ 622,621	\$ 22.76	3
104 Campus Dr.	70,155	100.0%	\$ 1,515,517	\$ 21.60	2
115 Campus Dr.	33,600	100.0%	\$ 721,107	\$ 21.46	2
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Total University Square	131,105	100.0%	\$ 2,859,245	\$ 21.81	7
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Short Hills Office Complex Short Hills, NJ					
101 West John F. Kennedy Parkway	185,233	100.0%	\$ 2,963,728	\$ 16.00	1
101 East John F. Kennedy Parkway	122,841	100.0%	\$ 655,152	\$ 5.33	1
51 John F Kennedy Parkway	248,962	100.0%	\$ 8,790,239	\$ 33.79	18
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Total -- Short Hills Office	557,036	100.0%	\$ 12,409,119	\$ 22.28	20
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Stand-alone New Jersey Properties					
1 Paragon Drive Montvale, NJ	104,599	81.6%	\$ 1,763,074	\$ 20.67	16
99 Cherry Hill Road Parsippany, NJ	93,250	99.0%	\$ 1,746,078	\$ 18.92	16
119 Cherry Hill Road Parsippany, NJ	95,724	99.9%	\$ 1,908,205	\$ 19.96	17
One Eagle Rock Hanover, NJ	140,000	100.0%	\$ 3,223,210	\$ 23.02	8
155 Passaic Ave. Fairfield, NJ	87,986	100.0%	\$ 1,348,254	\$ 15.32	5
3 University Plaza Hackensack, NJ	216,403	93.2%	\$ 4,041,680	\$ 20.04	21
1255 Broad Street Clifton, NJ	193,574	100.0%	\$ 4,259,924	\$ 22.01	2
492 River Rd, Nutley, NJ	130,009	100.0%	\$ 1,358,105	\$ 10.45	1
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Total Stand-alone New Jersey Properties	1,061,545	96.9%	\$ 19,648,530	\$ 19.10	86
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New York City Properties					
120 W. 45th Street New York, NY	443,109	100.0%	\$ 15,908,898	\$ 35.90	44
100 Wall Street New York, NY	458,626	99.3%	\$ 14,063,841	\$ 30.89	38
810 Seventh Avenue New York, NY	692,060	95.1%	\$ 23,323,658	\$ 35.44	36
919 Third Avenue New York, NY	1,374,966	99.1%	\$ 32,217,043	\$ 23.95	22
1350 Avenue of the Americas New York, NY	540,000	92.8%	\$ 15,848,017	\$ 31.62	77
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Total -- New York City Office Properties	3,508,761	97.0%	\$101,361,457	\$ 29.45	217
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Total--Office Properties (4)	14,437,238	97.2%	\$323,103,367	\$ 23.48	1,133
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(1) Ground lease expirations assume exercise of renewal options by the lessee.

- (2) Represents Base Rent of signed leases at December 31, 2000 adjusted for scheduled contractual increases during the 12 months ending December 31, 2001. Total Base Rent for these purposes reflects the effect of any lease expirations that occur during the 12-month period ending December 31, 2001. Amounts included in rental revenue for financial reporting purposes have been determined on a straight-line basis rather than on the basis of contractual rent as set forth in the foregoing table.
- (3) Property is currently under development.
- (4) Percent leases excludes properties under development.
- (5) Year renovated.
- (6) The actual fee interest in is held by the County of Westchester Industrial Development Agency. The fee interest in 520 White Plains Road may be acquired if the outstanding principal under certain loan agreements and annual basic installments are prepaid in full.
- (7) There is a ground lease in place on a small portion of the land which expires in 2066.

INDUSTRIAL PROPERTIES

General.

As of December 31, 2000, the Operating Partnership owned or had an interest in 104 Industrial Properties that encompass approximately 6.8 million rentable square feet. As of December 31, 2000, the Industrial Properties were approximately 97.5% leased (percentage leased excludes properties under development) to approximately 230 tenants. Many of the Industrial Properties have been constructed with high ceiling heights (i.e., above 18 feet), upscale office building facades, parking in excess of zoning requirements, drive-in and/or loading dock facilities and other features which permit them to be leased for industrial and/or office purposes.

The Industrial Properties are leased to both national and local tenants. These tenants utilize the Industrial Properties for distribution, warehousing, research and development and light manufacturing/assembly activities. Leases on the Industrial Properties are typically written for terms ranging from three to seven years and require: (i) payment of a Base Rent, (ii) payments of real estate tax escalations over a base year, (iii) payments of compounded annual increases to Base Rent and (iv) reimbursement of all operating expenses. Electric costs are borne and paid directly by the tenant. Certain leases are "triple net" (i.e., the tenant is required to pay in addition to annual Base Rent, all operating expenses and real estate taxes). In virtually all leases, the landlord is responsible for structural repairs. Renewal provisions typically provide for renewal rents at market rates, provided that such rates are not less than the most recent rental rates.

Approximately 86% of the Industrial Properties, measured by square footage, are located on Long Island. Sixty eight percent of these properties, as measured by square footage, are located in the following three Industrial Parks developed by Reckson: (i) Vanderbilt Industrial Park, (ii) Airport International Plaza and (iii) County Line Industrial Center.

In addition to the Industrial Properties on Long Island, the Operating Partnership owns nine Industrial Properties in the other suburban markets. These properties encompass approximately 940,000 square feet and were approximately 93 % leased as of December 31, 2000.

The following table sets forth certain information as of December 31, 2000 for each of the Industrial Properties.

PROPERTY	PERCENTAGE OWNERSHIP	OWNERSHIP INTEREST (GROUND LEASE EXPIRATION DATE)	YEAR CONSTRUCTED	LAND AREA (ACRES)	CLEARANCE HEIGHT (FEET)
Industrial Properties:					
Vanderbilt Industrial Park					
Hauppauge, NY					
360 Vanderbilt Motor Parkway					
	100%	Fee	1967	4.2	16
410 Vanderbilt Motor Parkway					
	100%	Fee	1965	3.0	15
595 Old Willets Path					
	100%	Fee	1968	3.5	14
611 Old Willets Path					
	100%	Fee	1963	3.0	14
631/641 Old Willets Path..					
	100%	Fee	1965	1.9	14
651/661 Old Willets Path..					
	100%	Fee	1966	2.0	14

PROPERTY	PERCENTAGE OFFICE/ RESEARCH AND DEVELOPMENT FINISH	RENTABLE SQUARE FEET	PERCENT LEASED	ANNUAL BASE RENT (2)	ANNUAL RENT PER LEASED SQ. FT.	NUMBER OF TENANTS LEASES
Industrial Properties:						
Vanderbilt Industrial Park						
Hauppauge, NY						

360 Vanderbilt Motor Parkway	62%	54,000	100.0%	\$543,780	\$ 10.07	1
410 Vanderbilt Motor Parkway	7%	41,784	90.4%	\$ 98,302	\$ 2.60	3
595 Old Willets Path	14%	31,670	100.0%	\$192,605	\$ 6.08	4
611 Old Willets Path	11%	20,000	100.0%	\$127,550	\$ 6.38	2
631/641 Old Willets Path.	31%	25,000	100.0%	\$ 95,560	\$ 3.82	4
651/661 Old Willets Path..	45%	25,000	100.0%	\$184,479	\$ 7.38	7

PROPERTY	PERCENTAGE OWNERSHIP	OWNERSHIP INTEREST (GROUND LEASE EXPIRATION DATE)		YEAR CONSTRUCTED	LAND AREA (ACRES)	CLEARANCE HEIGHT (FEET)
		EXPIRATION DATE	YEAR CONSTRUCTED			
681 Old Willets Path	100%	Fee	1961	1961	1.3	14
740 Old Willets Path	100%	Fee	1965	1965	3.5	14
325 Rabro Dr	100%	Fee	1967	1967	2.7	14
250 Kennedy Dr	100%	Fee	1979	1979	7.0	16
90 Plant Ave	100%	Fee	1972	1972	4.3	16
110 Plant Ave	100%	Fee	1974	1974	6.8	18
55 Engineers Rd	100%	Fee	1968	1968	3.0	18
65 Engineers Rd	100%	Fee	1969	1969	1.8	22
85 Engineers Rd	100%	Fee	1968	1968	2.3	18
100 Engineers Rd	100%	Fee	1968	1968	5.0	14
150 Engineers Rd	100%	Fee	1969	1969	6.8	22
20 Oser Ave	100%	Fee	1979	1979	5.0	16
30 Oser Ave	100%	Fee	1978	1978	4.4	16
40 Oser Ave	100%	Fee	1974	1974	3.1	16
50 Oser Ave	100%	Fee	1975	1975	4.1	21
60 Oser Ave	100%	Fee	1975	1975	3.3	21
63 Oser Ave	100%	Fee	1974	1974	1.2	20
65 Oser Ave	100%	Fee	1975	1975	1.2	18
73 Oser Ave	100%	Fee	1974	1974	1.2	20
80 Oser Ave	100%	Fee	1974	1974	1.1	18
85 Nicon Ct	100%	Fee	1978	1978	6.1	30
90 Oser Ave	100%	Fee	1973	1973	1.1	16
104 Parkway Dr.	100%	Fee	1985	1985	1.8	15
110 Ricefield Ln	100%	Fee	1980	1980	2.0	15
120 Ricefield Ln	100%	Fee	1983	1983	2.0	15
125 Ricefield Ln	100%	Fee	1973	1973	2.0	14
135 Ricefield Ln	100%	Fee	1981	1981	2.1	15
85 Adams Dr	100%	Fee	1980	1980	1.8	15
395 Oser Ave	100%	Fee	1980	1980	6.1	14
185 Oser Ave	100%	Fee	1974	1974	2.0	18
25 Davids Dr	100%	Fee	1975	1975	3.2	20
45 Adams Ave	100%	Fee	1979	1979	2.1	18
225 Oser Ave	100%	Fee	1977	1977	1.2	14
180 Oser Ave	100%	Fee	1978	1978	3.4	16
360 Oser Ave	100%	Fee	1981	1981	1.3	18
400 Oser Ave	100%	Fee	1982	1982	9.5	16
375 Oser Ave	100%	Fee	1981	1981	1.2	18
425 Rabro Drive	100%	Fee	1980	1980	4.0	16
390 Motor Parkway	100%	Fee	1980	1980	10.0	14
400 Moreland Road(3)	100%	Fee	1967	1967	6.3	17
600 Old Willets Path	100%	Fee	1965	1965	4.5	14

Total Vanderbilt Industrial Park (4) 160.4

Airport International Plaza Islip, NY						
PROPERTY	PERCENTAGE OWNERSHIP	EXPIRATION DATE	YEAR CONSTRUCTED	LAND AREA (ACRES)	CLEARANCE HEIGHT (FEET)	
20 Orville Dr	100%	Fee	1978	1.0	16	
25 Orville Dr	100%	Fee	1970	2.2	16	
50 Orville Dr	100%	Fee	1976	1.6	15	
65 Orville Dr	100%	Fee	1971	2.2	14	
70 Orville Dr	100%	Fee	1975	2.3	22	
80 Orville Dr	100%	Fee	1988	6.5	16	
85 Orville Dr	100%	Fee	1974	1.9	14	
95 Orville Dr	100%	Fee	1974	1.8	14	
110 Orville Dr	100%	Fee	1979	6.4	24	
180 Orville Dr	100%	Fee	1982	2.3	16	
1101 Lakeland Ave	100%	Fee	1983	4.9	20	
1385 Lakeland Ave	100%	Fee	1973	2.4	16	
125 Wilbur Place	100%	Fee	1977	4.0	16	
140 Wilbur Place	100%	Fee	1973	3.1	20	
160 Wilbur Place	100%	Fee	1978	3.9	16	
170 Wilbur Place	100%	Fee	1979	4.9	16	
4040 Veterans Highway	100%	Fee	1972	1.0	14	

PROPERTY	PERCENTAGE OFFICE/ RESEARCH AND DEVELOP- MENT FINISH	RENTABLE SQUARE FEET	PERCENT LEASED	ANNUAL BASE RENT (2)	ANNUAL BASE RENT PER SQ. FT.	NUMBER OF TENANTS LEASES
681 Old Willets Path	10%	15,000	100.0%	\$ 102,414	\$ 6.83	1
740 Old Willets Path	5%	30,000	100.0%	\$ 29,670	\$ 0.99	1
325 Rabro Dr	10%	35,000	100.0%	\$ 204,560	\$ 5.84	2
250 Kennedy Dr	9%	127,980	100.0%	\$ 455,298	\$ 3.56	1
90 Plant Ave	13%	75,000	100.0%	\$ 452,744	\$ 6.04	3
110 Plant Ave	8%	125,000	100.0%	\$ 156,250	\$ 1.25	1

55 Engineers Rd	8%	36,000	100.0%	\$ 351,878	\$ 9.77	1
65 Engineers Rd	10%	23,000	100.0%	\$ 131,198	\$ 5.70	1
85 Engineers Rd	5%	40,800	100.0%	\$ 221,601	\$ 5.43	2
100 Engineers Rd	11%	88,000	100.0%	\$ 79,271	\$ 0.90	1
150 Engineers Rd	11%	135,000	100.0%	\$ 414,528	\$ 3.07	1
20 Oser Ave	18%	42,000	98.7%	\$ 326,963	\$ 7.89	2
30 Oser Ave	21%	42,000	82.1%	\$ 212,926	\$ 6.17	4
40 Oser Ave	33%	59,800	80.3%	\$ 335,405	\$ 6.99	11
50 Oser Ave	15%	60,000	100.0%	\$ 240,000	\$ 4.00	1
60 Oser Ave	19%	48,000	100.0%	\$ 192,000	\$ 4.00	1
63 Oser Ave	9%	22,000	100.0%	\$ 68,961	\$ 3.13	1
65 Oser Ave	10%	20,000	100.0%	\$ 99,670	\$ 4.98	1
73 Oser Ave	15%	20,000	100.0%	\$ 21,271	\$ 1.06	1
80 Oser Ave	25%	19,500	100.0%	\$ 67,516	\$ 3.46	1
85 Nicon Ct	10%	104,000	100.0%	\$ 544,515	\$ 5.24	1
90 Oser Ave	26%	37,500	100.0%	\$ 130,779	\$ 3.49	1
104 Parkway Dr.	50%	27,600	100.0%	\$ 208,033	\$ 7.54	1
110 Ricefield Ln	25%	32,264	100.0%	\$ 166,220	\$ 5.15	1
120 Ricefield Ln	24%	33,060	100.0%	\$ 134,055	\$ 4.05	1
125 Ricefield Ln	20%	30,495	100.0%	\$ 206,643	\$ 6.78	1
135 Ricefield Ln	10%	32,340	100.0%	\$ 209,761	\$ 6.49	1
85 Adams Dr	90%	20,000	100.0%	\$ 278,817	\$ 13.94	1
395 Oser Ave	100%	50,000	99.0%	\$ 441,045	\$ 8.91	1
185 Oser Ave	40%	30,000	--	--	--	--
25 Davids Dr	90%	40,000	100.0%	\$ 334,516	\$ 8.36	1
45 Adams Ave	90%	28,000	100.0%	\$ 226,333	\$ 8.08	1
225 Oser Ave	80%	10,000	99.6%	\$ 116,175	\$ 11.67	1
180 Oser Ave	35%	61,868	89.9%	\$ 424,419	\$ 7.63	8
360 Oser Ave	35%	23,000	100.0%	\$ 96,600	\$ 4.20	1
400 Oser Ave	30%	164,936	89.3%	\$ 1,256,877	\$ 8.53	24
375 Oser Ave	40%	20,000	100.0%	\$ 154,388	\$ 7.72	1
425 Rabro Drive	25%	65,641	99.7%	\$ 469,536	\$ 7.18	1
390 Motor Parkway	4%	181,155	100.0%	\$ 813,435	\$ 4.49	1
400 Moreland Road(3)	10%	56,875	--	--	--	--
600 Old Willets Path	25%	69,627	100.0%	\$ 405,061	\$ 5.82	1

Total Vanderbilt						
Industrial Park (4)		2,379,895	96.8%	\$12,023,608	\$ 5.35	108

Airport International Plaza						
Islip, NY						
20 Orville Dr	50%	12,852	100.0%	\$ 181,720	\$ 14.09	1
25 Orville Dr	100%	32,300	100.0%	\$ 490,561	\$ 15.19	2
50 Orville Dr	20%	28,000	99.8%	\$ 254,320	\$ 9.10	3
65 Orville Dr	13%	32,000	100.0%	\$ 171,588	\$ 5.36	2
70 Orville Dr	7%	41,508	100.0%	\$ 315,731	\$ 7.61	2
80 Orville Dr	21%	92,544	100.0%	\$ 668,272	\$ 7.22	9
85 Orville Dr	20%	25,000	100.0%	\$ 160,569	\$ 6.42	2
95 Orville Dr	10%	25,000	100.0%	\$ 147,583	\$ 5.90	1
110 Orville Dr	15%	110,000	100.0%	\$ 646,433	\$ 5.88	1
180 Orville Dr	18%	37,612	100.0%	\$ 191,971	\$ 5.10	2
1101 Lakeland Ave	8%	90,411	100.0%	\$ 531,315	\$ 5.88	1
1385 Lakeland Ave	18%	35,000	64.3%	\$ 162,344	\$ 7.22	2
125 Wilbur Place	31%	62,686	77.1%	\$ 248,547	\$ 5.14	8
140 Wilbur Place	37%	48,500	100.0%	\$ 210,494	\$ 4.34	2
160 Wilbur Place	30%	62,710	100.0%	\$ 481,790	\$ 7.68	2
170 Wilbur Place	28%	72,062	100.0%	\$ 407,680	\$ 5.65	6
4040 Veterans Highway	100%	2,800	100.0%	\$ 45,051	\$ 16.09	1

PROPERTY	PERCENTAGE OWNERSHIP	OWNERSHIP INTEREST (GROUND LEASE EXPIRATION DATE)	YEAR CONSTRUCTED	LAND AREA (ACRES)	CLEARANCE HEIGHT (FEET)
120 Wilbur Place	100%	Fee	1972	2.8	16
2002 Orville Drive North	100%	Fee	2000	15.8	24
2004 Orville Drive North	100%	Fee	1998	7.4	24
2005 Orville Drive North	100%	Fee	1999	8.7	24
Total Airport International Plaza				87.1	
County Line Industrial Center Melville, NY					
5 Hub Dr	100%	Fee	1979	6.9	20
10 Hub Dr	100%	Fee	1975	6.6	20
30 Hub Drive	100%	Fee	1976	5.1	20
265 Spagnoli Rd	100%	Fee	1978	6.0	20
Total County Line Industrial Center				24.6	
Standalone Long Island Properties					
32 Windsor Pl. Islip, NY	100%	Fee	1971	2.5	18
42 Windsor Pl. Islip, NY	100%	Fee	1972	2.4	18
208 Blydenburgh Rd. Islandia, NY	100%	Fee	1969	2.4	14
210 Blydenburgh Rd. Islandia, NY	100%	Fee	1969	1.2	14
71 Hoffman Ln. Islandia, NY	100%	Fee	1970	5.8	16
135 Fell Ct. Islip, NY	100%	Fee	1965	3.2	16
Subtotal Islip/Islandia				17.5	
70 Schmitt Boulevard, Farmingdale, NY				4.4	18
105 Price Parkway, Farmingdale, NY	100%	Fee	1969	12.0	26
110 Bi County Blvd. Farmingdale, NY	100%	Fee	1984	9.5	19
Subtotal Farmingdale				25.9	
70 Maxess Rd, Melville, NY				9.3	15
20 Melville Park Rd, Melville, NY	100%	Fee	1965	4.0	23
45 Melville Park Drive, Melville, NY	100%	Fee	1998	4.2	24
65 Marcus Drive Melville, NY	100%	Fee	1968	5.0	16
Subtotal Melville				22.5	
300 Motor Parkway, Hauppauge, NY				4.2	14
1516 Motor Parkway, Hauppauge, NY	100%	Fee	1981	7.9	24
Subtotal Hauppauge				12.1	
933 Motor Parkway Smithtown, NY				5.6	20
65 S. Service Rd, Plainview, NY(5)	100%	Fee	1961	1.6	14
85 S. Service Rd. Plainview, NY	100%	Fee	1961	1.6	14
19 Nicholas Dr., Yaphank, NY (6)	100%	Fee	1989	29.6	24
48 Harbor Park Dr., Port Washington, NY	100%	Fee	1976	2.7	16
110 Marcus Dr., Huntington, NY	100%	Fee	1980	6.1	20
35 Engle St., Hicksville, NY	100%	Leasehold(7)	1966	4.0	24
100 Andrews Rd., Hicksville, NY	100%	Fee	1954	11.7	25

PROPERTY	PERCENTAGE OFFICE/ RESEARCH AND DEVELOP- MENT FINISH	RENTABLE SQUARE FEET	PERCENT LEASED	ANNUAL BASE RENT (2)	ANNUAL BASE RENT PER LEASED SQ. FT.	NUMBER OF TENANTS LEASES
120 Wilbur Place	15%	35,000	100.0%	\$ 196,470	\$ 5.61	4
2002 Orville Drive North	17%	206,000	100.0%	\$1,569,100	\$ 7.62	2
2004 Orville Drive North	20%	106,515	100.0%	\$ 732,042	\$ 6.87	1
2005 Orville Drive North	20%	130,010	100.0%	\$ 945,977	\$ 7.28	1
Total Airport International Plaza		1,288,510	98.1%	\$8,759,558	6.93	55
County Line Industrial Center Melville, NY						--
5 Hub Dr	20%	88,001	100.0%	\$ 536,268	\$ 6.09	2
10 Hub Dr	15%	95,546	100.0%	\$ 698,888	\$ 7.94	3
30 Hub Drive	18%	73,127	100.0%	\$ 483,286	\$ 6.61	2
265 Spagnoli Rd	28%	85,500	100.0%	\$ 673,610	\$ 7.87	3
Total County Line Industrial Center		342,174	100.0%	\$2,392,052	\$ 6.99	10
Standalone Long Island Properties						--
32 Windsor Pl. Islip, NY	10%	43,000	100.0%	\$ 144,127	\$ 3.35	1
42 Windsor Pl. Islip, NY	8%	65,000	100.0%	\$ 234,744	\$ 3.61	1
208 Blydenburgh Rd. Islandia, NY	17%	24,000	100.0%	\$ 125,681	\$ 5.24	4
210 Blydenburgh Rd. Islandia, NY	16%	20,000	100.0%	\$ 115,127	\$ 5.76	2
71 Hoffman Ln. Islandia, NY	10%	30,400	100.0%	\$ 193,701	\$ 6.37	1
135 Fell Ct. Islip, NY	20%	30,000	100.0%	\$ 240,992	\$ 8.03	1
Subtotal Islip/Islandia		212,400	100.0%	\$1,054,371	\$ 4.96	10
70 Schmitt Boulevard, Farmingdale, NY	10%	76,312	100.0%	\$ 559,673	\$ 7.33	1
105 Price Parkway, Farmingdale, NY	8.50%	297,000	100.0%	\$1,430,170	\$ 4.82	1
110 Bi County Blvd. Farmingdale, NY	45%	147,303	96.3%	\$1,250,320	\$ 8.82	10
Subtotal Farmingdale		520,615	98.9%	\$3,240,163	\$ 6.29	12
70 Maxess Rd, Melville, NY	38%	78,000	100.0%	\$ 692,862	\$ 8.88	1
20 Melville Park Rd, Melville, NY	66%	67,922	100.0%	\$ 393,337	\$ 5.79	1
45 Melville Park Drive, Melville, NY	22%	40,247	100.0%	\$ 562,060	\$ 13.97	1
65 Marcus Drive Melville, NY	50%	60,000	100.0%	\$ 623,162	\$ 10.39	1
Subtotal Melville		246,169	100.0%	\$2,271,421	\$ 9.23	4
300 Motor Parkway, Hauppauge, NY	100%	55,942	96.8%	\$ 907,004	\$ 16.75	9
1516 Motor Parkway, Hauppauge, NY	5%	140,000	100.0%	\$ 503,883	\$ 3.60	1
Subtotal Hauppauge		195,942	99.1%	\$1,410,887	\$ 7.27	10
933 Motor Parkway Smithtown, NY	26%	48,000	100.0%	\$ 315,600	\$ 6.58	2
65 S. Service Rd , Plainview, NY(5)	10%	10,000	100.0%	\$ 72,008	\$ 7.20	1
85 S. Service Rd. Plainview, NY	60%	20,000	100.0%	\$ 82,155	\$ 4.11	2
19 Nicholas Dr., Yaphank, NY (6)	5%	230,000	100.0%	\$1,315,250	\$ 5.72	1
48 Harbor Park Dr., Port Washington, NY	100%	35,000	100.0%	\$ 735,646	\$ 21.02	1
110 Marcus Dr., Huntington, NY	39%	78,240	100.0%	\$ 506,119	\$ 6.47	1
35 Engle St., Hicksville, NY	8%	120,000	100.0%	\$ 607,559	\$ 5.06	1
100 Andrews Rd., Hicksville, NY	12%	167,500	100.0%	\$1,146,499	\$ 6.84	2

PROPERTY	PERCENTAGE OWNERSHIP	OWNERSHIP INTEREST (GROUND LEASE EXPIRATION DATE)	YEAR CONSTRUCTED	LAND AREA (ACRES)	CLEARANCE HEIGHT (FEET)
Subtotal other				62.9	-----
Total Standalone Long Island Properties				140.9	-----
Standalone Westchester Properties					
100 Grasslands Rd., Elmsford, NY	100%	Fee	1964	3.6	16
2 Macy Rd., Harrison, NY	100%	Fee	1962	5.7	16
500 Saw Mill Rd., Elmsford, NY	100%	Fee	1968	7.3	22
Total Standalone Westchester Industrial Properties				16.6	-----
Standalone New Jersey Industrial Properties					
40 Cragwood Rd, South Plainfield, NJ	100%	Fee	1965	13.5	16
100 Forge Way, Rockaway, NJ	100%	Fee	1986	3.5	24
200 Forge Way, Rockaway, NJ	100%	Fee	1989	12.7	28
300 Forge Way, Rockaway, NJ	100%	Fee	1989	4.2	24
400 Forge Way, Rockaway, NJ	100%	Fee	1989	12.8	28
Total New Jersey Standalone Industrial Properties				46.7	-----
Standalone Connecticut Industrial Property					
710 Bridgeport Shelton, CT	100%	Fee	1971-1979	36.1	22
Total Connecticut Standalone Industrial Property				36.1	-----
Total Industrial Properties (4)				512.4	=====

PROPERTY	PERCENTAGE OFFICE/ RESEARCH AND DEVELOPMENT FINISH	RENTABLE SQUARE FEET	PERCENT LEASED	ANNUAL BASE RENT (2)	ANNUAL BASE RENT PER LEASED SQ. FT.	NUMBER OF TENANTS LEASES
Subtotal other		708,740	100.0%	\$ 4,780,836	\$ 6.75	11
Total Standalone Long Island Properties		1,883,866	99.6%	\$ 12,757,678	\$ 6.98	47
Standalone Westchester Properties						
100 Grasslands Rd., Elmsford, NY	100%	45,000	87.8%	\$ 579,637	\$ 14.67	3
2 Macy Rd., Harrison, NY	100%	26,000	100.0%	\$ 394,460	\$ 15.16	1
500 Saw Mill Rd., Elmsford, NY	17%	92,000	100.0%	\$ 846,400	\$ 9.20	1
Total Standalone Westchester Industrial Properties		163,000	96.7%	\$ 1,820,497	\$ 11.55	5
Standalone New Jersey Industrial Properties						
40 Cragwood Rd, South Plainfield, NJ	49%	135,000	57.5%	\$ 1,188,697	\$ 15.31	3
100 Forge Way,						

Rockaway, NJ	12%	20,136	100.0%	\$ 175,842	\$ 8.73	5
200 Forge Way, Rockaway, NJ	23%	72,118	100.0%	\$ 459,752	\$ 6.38	2
300 Forge Way, Rockaway, NJ	37%	24,000	100.0%	\$ 230,050	\$ 9.51	2
400 Forge Way, Rockaway, NJ	20%	73,000	100.0%	\$ 254,120	\$ 3.48	2

Total New Jersey Standalone Industrial Properties		324,254	82.4%	\$ 2,308,461	\$ 8.64	14

Standalone Connecticut Industrial Property 710 Bridgeport Shelton, CT	30%	452,414	100.0%	\$ 2,876,568	\$ 6.36	2

Total Connecticut Standalone Industrial Property		452,414	100.0%	\$ 2,876,568	\$ 6.36	2

Total Industrial Properties (4)		6,834,113	97.5%	\$ 42,938,423	\$ 6.50	241
		=====		=====		=====

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- (1) Calculated as the difference from the lowest beam to floor.
 - (2) Represents Base Rent of signed leases at December 31, 2000 adjusted for scheduled contractual increases during the 12 months ending December 31, 2001. Total Base Rent for these purposes reflects the effect of any lease expirations that occur during the 12 month period ending December 31, 2001. Amounts included in rental revenue for financial reporting purposes have been determined on a straight-line basis rather than on the basis of contractual rent as set forth in the foregoing table.
 - (3) Property under redevelopment.
 - (4) Percent leased excludes properties under redevelopment.
 - (5) A tenant has been granted an option exercisable after April 30, 1997 and prior to October 31, 2002 to purchase this property for \$600,000.
 - (6) The actual fee interest is currently held by the Town of Brookhaven Industrial Development Agency. The Company may acquire such fee interest by making a nominal payment to the Town of Brookhaven Industrial Development Agency.
 - (7) The Company has entered into a 20 year lease agreement in which it has the right to sublease the premises.

RETAIL PROPERTIES

As of December 31, 2000, the Operating Partnership owned two free-standing 10,000 square foot retail properties located in Great Neck and Huntington, New York of which one property is fully leased and one property is vacant.

DEVELOPMENTS IN PROGRESS

As of December 31, 2000, the Operating Partnership had invested approximately \$154.7 million in developments in progress. This amount includes approximately \$89.0 million relating to existing buildings encompassing approximately 1.3 million square feet. The Operating Partnership estimates that if these

projects were to be completed, total additional development costs would be approximately \$28 million. In addition, the Operating Partnership has also invested approximately \$ 65.7 million relating to approximately 13 acres of land which it can develop approximately 1.6 million square feet. The Operating Partnership estimates that if these projects were to be completed, total additional development costs would be approximately \$250 million.

THE OPTION PROPERTIES

In connection with the IPO, the Operating Partnership was granted a ten year option to acquire ten properties (the "Option Properties") which were not contributed to the Operating Partnership and are either owned by Reckson or in which Reckson owns a non controlling minority interest.

As of December 31, 2000, the Operating Partnership has acquired four of the Option Properties for an aggregate purchase price of approximately \$35 million and the issuance of approximately 475,000 Class A common units. In addition, during 1998, one of the Option Properties was sold by Reckson to a third party.

The remaining Option Properties consist of three Class A office properties encompassing approximately 311,000 square feet and two industrial properties encompassing approximately 69,000 square feet.

HISTORICAL NON-INCREMENTAL REVENUE-GENERATING CAPITAL EXPENDITURES, TENANT IMPROVEMENT COSTS AND LEASING COMMISSIONS

The following table sets forth annual and per square foot recurring, non-incremental revenue-generating capital expenditures and non-incremental revenue-generating tenant improvement costs and leasing commissions incurred by the Operating Partnership to retain revenues attributable to existing leased space for the period 1996 through 2000 for the Office Properties and the Industrial Properties. As noted, incremental revenue-generating tenant improvement costs and leasing commissions are excluded from the table set forth immediately below. The historical capital expenditures, tenant improvement costs and leasing commissions set forth below are not necessarily indicative of future recurring, non-incremental revenue-generating capital expenditures or non-incremental revenue-generating tenant improvement costs and leasing commissions.

	1996	1997	1998	1999	2000
NON-INCREMENTAL REVENUE GENERATING CAPITAL EXPENDITURES					
Office Properties					
Total	\$ 375,026	\$ 1,108,675	\$ 2,004,976	\$ 2,298,899	\$ 3,289,116
Per square foot	\$ 0.13	\$ 0.22	\$ 0.23	\$ 0.23	\$ 0.33
CBD Office Properties					
Total	N/A	N/A	N/A	N/A	\$ 946,718
Per square foot	N/A	N/A	N/A	N/A	\$ 0.38
Industrial Properties					
Total	\$ 670,751	\$ 733,233	\$ 1,205,266	\$ 1,048,688	\$ 813,431
Per square foot	\$ 0.18	\$ 0.15	\$ 0.12	\$ 0.11	\$ 0.11
NON-INCREMENTAL REVENUE GENERATING TENANT IMPROVEMENT COSTS AND LEASING COMMISSIONS					
Long Island Office Properties					
Annual Tenant Improvement Costs	\$ 523,574	\$ 784,044	\$ 1,140,251	\$ 1,009,357	\$ 2,853,706
Per square foot improved	4.28	7.00	3.98	4.73	6.99
Annual Leasing Commissions	119,047	415,822	418,191	551,762	2,208,604
Per square foot leased	0.97	4.83	1.46	2.59	4.96
Total per square foot	\$ 5.25	\$ 11.83	\$ 5.44	\$ 7.32	\$ 11.95
Westchester Office Properties					
Annual Tenant Improvement Costs	\$ 834,764	\$ 1,211,665	\$ 711,160	\$ 1,316,611	\$ 1,860,027
Per square foot improved	6.33	8.90	4.45	5.62	5.72

	1996	1997	1998	1999	2000
Annual Leasing Commissions	264,388	366,257	286,150	457,730	\$ 412,226
Per square foot leased	2.00	2.69	1.79	1.96	3.00
Total per square foot	\$ 8.33	\$ 11.59	\$ 6.24	\$ 7.58	\$ 8.72
Connecticut Office Properties					
Annual Tenant Improvement Costs	\$ 58,000	\$1,022,421	\$202,880	\$179,043	\$ 385,531
Per square foot improved	12.45	13.39	5.92	4.88	4.19
Annual Leasing Commissions	0	256,615	151,063	110,252	453,435
Per square foot leased	0	3.36	4.41	3.00	4.92
Total per square foot	\$ 12.45	\$ 16.75	\$ 10.33	\$ 7.88	\$ 9.11
New Jersey Office Properties					
Annual Tenant Improvement Costs	N/A	N/A	\$654,877	\$454,054	\$1,580,323
Per square foot improved	N/A	N/A	3.78	2.29	6.71
Annual Leasing Commissions	N/A	N/A	396,127	787,065	\$1,031,950
Per square foot leased	N/A	N/A	2.08	3.96	4.44
Total per square foot	N/A	N/A	\$ 5.86	\$ 6.25	\$ 11.15
New York Office Properties					
Annual Tenant Improvement Costs	N/A	N/A	N/A	N/A	\$ 65,267
Per square foot improved	N/A	N/A	N/A	N/A	1.79
Annual Leasing Commissions	N/A	N/A	N/A	N/A	418,185
Per square foot leased	N/A	N/A	N/A	N/A	11.50
Total per square foot	N/A	N/A	N/A	N/A	\$ 13.29
Industrial Properties					
Annual Tenant Improvement Costs	\$380,334	\$ 230,466	\$283,842	\$375,646	\$ 650,216
Per square foot improved	0.72	0.55	0.76	0.25	0.95
Annual Leasing Commissions	436,213	81,013	200,154	835,108	436,506
Per square foot leased	0.82	0.19	0.44	0.56	0.64
Total per square foot	\$ 1.54	\$ 0.74	\$ 1.20	\$ 0.81	\$ 1.59

MORTGAGE INDEBTEDNESS

The following table sets forth certain information regarding the mortgage debt of the Operating Partnership, as of December 31, 2000.

PROPERTY	PRINCIPAL AMOUNT OUTSTANDING	INTEREST RATE	MATURITY DATE	AMORTIZATION SCHEDULE
----- (IN THOUSANDS) -----				
6800 Jericho Trunpike	\$ 14,324	8.07%	7/1/10	25 year
6900 Jericho Trunpike	7,560	8.07%	7/1/10	25 year
200 Broadhollow Road	6,494	7.75%	6/02/02	30 year
395 North Service Road	20,525	6.45%	10/26/05	(2)
50 Charles Lindbergh Blvd.	15,479	7.50%	7/10/01	(3)
333 Earl Ovington Blvd (The Omni)(1)	55,641	7.72%	8/14/07	25 year
310 East Shore Road	2,322	8.00%	7/01/02	(3)
80 Orville Drive	2,616	10.10%	2/01/04	(3)
580 White Plains Road	13,057	7.86%	9/1/10	25 year
Landmark Square	46,974	8.02%	10/07/06	25 year
110 Bi-County Blvd.	4,043	9.125%	11/30/12	20 year
100 Summit Lake Drive	21,541	8.50%	4/01/07	15 year
200 Summit Lake Drive	20,133	9.25%	1/01/06	25 year
120 West 45th Street	66,103	6.82%(4)	11/01/27	28 year
810 7th Avenue	85,600	7.73%	8/1/09	25 year
100 Wall Street	37,094	7.73%	8/1/09	25 year
One Orlando Center	39,465	6.82%(4)	11/01/27	28 year
1350 Avenue of the Americas	70,000	LIBOR + 1.65%	8/1/01	(3)
919 3rd Avenue	200,000	LIBOR + 1.20%	10/31/03	(3)

Total	\$ 728,971			
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- (1) The Company has a 60% general partnership interest in the Omni and its proportionate share of the aggregate principal amount of the mortgage debt is approximately \$33.4 million.
 - (2) Principal payments of \$34,000 per month.
 - (3) Interest only
 - (4) Subject to interest rate adjustment on November 1, 2004.

ITEM 3. LEGAL PROCEEDINGS

The Operating Partnership is not presently subject to any material litigation nor, to the Operating Partnership's knowledge, is any litigation threatened against the Operating Partnership, other than routine actions for negligence or other claims and administrative proceedings arising in the ordinary course of business, some of which are expected to be covered by liability insurance and all of which collectively are not expected to have a material adverse effect on the liquidity, results of operations, business or financial condition of the Operating Partnership.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE SECURITY HOLDERS

None.

PART II

ITEM 5 MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED SECURITY MATTERS

There is no established trading market for the Registrant's common equity. As of March 23, 2001, there were 97 holders of the Registrant's common equity.

The following table sets forth, for the periods indicated, the distributions declared on the Class A common units and the Class B common units.

CLASS A COMMON UNITS

QUARTER ENDED	DISTRIBUTION
March 31, 1999	\$.33750
June 30, 1999	\$.37125 (1)
September 30, 1999	\$.37125
December 31, 1999	\$.37125
QUARTER ENDED	DISTRIBUTION
March 31, 2000	\$.37125
June 30, 2000	\$.38600 (2)
September 30, 2000	\$.38600
December 31, 2000	\$.38600

- (1) Commencing with the distribution for the quarter ending June 30, 1999, the Operating Partnership increased the quarterly distribution to \$.37125 per unit, which is equivalent to an annual distribution of \$1.485 per unit.
- (2) Commencing with the distribution for the quarter ending June 30, 2000, the Operating Partnership increased the quarterly distribution to \$.386 per unit, which is equivalent to an annual distribution of \$1.544 per unit.

CLASS B COMMON UNITS

QUARTER ENDED	DISTRIBUTION
March 31, 1999	N/A
June 30, 1999	\$.2364 (1)
September 30, 1999	\$.5600
December 31, 1999	\$.5600
QUARTER ENDED	DISTRIBUTION
March 31, 2000	\$.5600
June 30, 2000	\$.5867 (2)
September 30, 2000	\$.6000
December 31, 2000	\$.6000

- (1) Represents the period May 25, 1999 through June 30, 1999
- (2) Commencing with the distribution for the three month period ended July 31, 2001, the Operating Partnership increased the quarterly distribution to \$.60 per unit, which is equivalent to an annual distribution of \$2.40 per unit.

UNREGISTERED SALES OF EQUITY SECURITIES

On June 20, 2000, in conjunction with the Company's exchange of 4,181,818 shares of its Class A common stock for four million shares of its Series B preferred stock, the Operating Partnership issued 4,181,818 Class A common units in exchange for four million shares of Series E preferred units with a liquidation preference value of \$100 million.

ITEM 6. SELECTED FINANCIAL DATA (IN THOUSANDS EXCEPT PER UNIT DATA AND PROPERTY COUNT)

RECKSON OPERATING
PARTNERSHIP, L.P.
FOR THE YEAR ENDED DECEMBER 31,

	2000	1999
OPERATING DATA:		
Total revenues	\$ 509,917	\$ 403,142
Total expenses	371,561	297,476
Income before distribution to preferred unit holders, minority interests and extraordinary loss	138,356	105,666
Minority interests	9,120	6,802
Extraordinary (loss)	1,571	629
Preferred distributions	28,012	27,001
Net income available to common unitholders	99,653	71,234
Per Unit Data: (1)		
Net income per common unit:		
General Partner -- Class A common unit	\$ 1.50	\$ 1.21
General Partner - Class B common unit	\$ 2.30	\$ 1.94
Limited Partners	\$ 1.50	\$ 1.21
Weighted average common units outstanding:		
General Partner - Class A common unit	43,070	40,270
General Partner -- Class B common unit	10,284	6,744
Limited Partners	7,696	7,705
BALANCE SHEET DATA: (PERIOD END)		
Real estate, before accumulated depreciation	\$2,770,607	\$ 2,208,399
Total assets	2,999,794	2,734,577
Mortgage notes payable	728,971	459,174
Unsecured credit facility	216,600	297,600
Unsecured term loan	---	75,000
Senior unsecured notes	449,385	449,313
Market value of equity (2)	2,016,390	1,726,845
Total market capitalization including debt (2 and 3)	3,397,204	2,993,756
OTHER DATA:		
Funds from operations (4)	\$ 169,911	\$ 132,444
Total square feet (at end of period)	21,291	21,385
Number of properties (at end of period)	188	189

RECKSON OPERATING PARTNERSHIP, L.P.
FOR THE YEAR ENDED DECEMBER 31,

	1998	1997	1996
OPERATING DATA:			
Total revenues	\$ 266,312	\$ 153,348	\$ 96,030
Total expenses	201,003	107,639	70,935
Income before distribution to preferred unit holders, minority interests and extraordinary loss	65,309	45,709	25,095
Minority interests	2,819	920	915
Extraordinary (loss)	1,993	2,808	1,259
Preferred distributions	14,244	---	---
Net income available to common unitholders	46,253	41,981	22,921
Per Unit Data: (1)			
Net income per common unit:			
General Partner -- Class A common unit	\$.98	\$ 1.06	\$.87
General Partner - Class B common unit	\$ ---	\$ ---	\$ ---
Limited Partners	\$.98	\$ 1.03	\$.86
Weighted average common units outstanding:			
General Partner - Class A common unit	39,473	32,727	19,928
General Partner -- Class B common unit	---	---	---
Limited Partners	7,728	7,016	6,503
BALANCE SHEET DATA: (PERIOD END)			
Real estate, before accumulated depreciation	\$ 1,737,133	\$ 1,011,228	\$ 516,768
Total assets	1,854,520	1,113,105	543,391
Mortgage notes payable	253,463	180,023	161,513
Unsecured credit facility	465,850	210,250	108,500
Unsecured term loan	20,000	---	---
Senior unsecured notes	150,000	150,000	---
Market value of equity (2)	1,332,882	1,141,592	653,606
Total market capitalization including debt (2 and 3)	2,119,936	1,668,800	921,423
OTHER DATA:			
Funds from operations (4)	\$ 98,501	\$ 69,619	\$ 40,938
Total square feet (at end of period)	21,000	13,645	8,800
Number of properties (at end of period)	204	155	110

(1) Based on the weighted average common units outstanding for the period then ended.

(2) Based on the market value of the Operating Partnership's common units, the stated value of the Operating Partnership's preferred units and the number of units outstanding at the end of the period.

- (3) Debt amount is net of minority partners' proportionate share plus the Operating Partnership's share of joint venture debt.
- (4) See "Management's Discussion and Analysis" for a discussion of funds from operations.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the historical financial statements of Reckson Operating Partnership, L.P. (the "Operating Partnership") and related notes.

The Operating Partnership considers certain statements set forth herein to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to the Operating Partnership's expectations for future periods. Certain forward-looking statements, including, without limitation, statements relating to the timing and success of acquisitions and the completion of development or redevelopment of properties, the financing of the Operating Partnership's operations, the ability to lease vacant space and the ability to renew or relet space under expiring leases, involve certain risks and uncertainties. Although the Operating Partnership believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, the actual results may differ materially from those set forth in the forward-looking statements and the Operating Partnership can give no assurance that its expectation will be achieved. Certain factors that might cause the results of the Operating Partnership to differ materially from those indicated by such forward-looking statements include, among other factors, general economic conditions, general real estate industry risks, tenant default and bankruptcies, loss of major tenants, the impact of competition and acquisition, redevelopment and development risks including delays in completion and cost overruns, the ability to finance business opportunities, increases in interest rates and local real estate risks such as an oversupply of space or a reduction in demand for real estate in the Operating Partnership's real estate markets. Consequently, such forward-looking statements should be regarded solely as reflections of the Operating Partnership's current operating and development plans and estimates. These plans and estimates are subject to revisions from time to time as additional information becomes available, and actual results may differ from those indicated in the referenced statements.

OVERVIEW AND BACKGROUND

The Operating Partnership, which commenced operations on June 2 1995, is engaged in the ownership, management, operation, leasing and development of commercial real estate properties, principally office and industrial buildings, and also owns certain undeveloped land located in the New York tri-state area (the "Tri-State Area"). Reckson Associates Realty Corp. (the "Company"), is a self administered and self managed real estate investment trust ("REIT"), and serves as the sole general partner in the Operating Partnership.

As of December 31, 2000, the Operating Partnership owned and operated 82 office properties (inclusive of ten office properties which are owned through joint ventures) comprising approximately 14.4 million square feet, 104 industrial properties comprising approximately 6.8 million square feet and two retail properties comprising approximately 20,000 square feet, located in the Tri-State Area. In addition, the Operating Partnership is in the process of developing one office property encompassing approximately 315,000 square feet. The Operating Partnership also owns a 357,000 square foot office building located in Orlando, Florida and approximately 290 acres of land in 13 separate parcels of which the Operating Partnership can develop approximately 1.4 million square feet of office space and approximately 224,000 square feet of industrial space. The Operating Partnership also has invested approximately \$6.4 million in mortgage notes encumbering approximately 101 acres of land, approximately \$17.1 million in a note receivable secured by a partnership interest in Omni Partners, L.P., owner of the Omni, a 575,000 square foot Class A office property located in Uniondale, New York and \$36.5 million under three notes which are secured by a minority partner's preferred interest.

On August 9, 1999, the Operating Partnership executed a contract for the sale, which took place in three stages, of its interest in Reckson Morris Operating Partnership, L. P. ("RMI"), which consisted of 28 properties, comprising approximately 6.1 million square feet and three other big box industrial properties to Keystone Property Trust ("KTR"). In addition, the Operating Partnership also entered into a sale agreement with the Matrix Development Group ("Matrix") relating to a first mortgage note and certain industrial land holdings (the "Matrix Sale"). The combined total sales price of \$310 million (\$52

million of which is attributable to the Morris Companies and its affiliates in the form of \$41.6 million of preferred units of KTR's operating partnership and \$10.4 million of debt relief) consisted of (i) approximately \$159.7 million in cash, (ii) \$41.5 million in convertible preferred and common stock of KTR, (iii) \$61.6 million in preferred units of KTR's operating partnership, (iv) approximately \$37.1 million of debt relief and (v) approximately \$10.1 million in purchase money mortgage notes secured by certain land that is being sold to Matrix.

As of December 31, 2000, the Matrix Sale and the sale of the Operating Partnership's interest in RMI was completed. As a result, the Operating Partnership realized a gain of approximately \$16.7 million. Such gain has been included in gain on dispositions of real estate on the Operating Partnership's consolidated statements of income. Cash proceeds from the sales were used primarily to repay borrowings under the Operating Partnership's unsecured credit facility. In addition, the Operating Partnership redeemed approximately \$20 million of the preferred stock of KTR and received principal repayments of approximately \$7.2 million related to the purchase money mortgage notes, all of which was used primarily for general operating expenditures.

In July 1998, the Company formed a joint venture, Metropolitan Partners LLC ("Metropolitan"), with Crescent Real Estate Equities Company, a Texas REIT ("Crescent") for the purpose of acquiring Tower Realty Trust, Inc. ("Tower"). On May 24, 1999 the Company completed the merger with Tower and acquired three Class A office properties located in New York City totaling 1.6 million square feet and one office property located on Long Island totaling approximately 101,000 square feet. In addition, pursuant to the merger, the Company also acquired certain office properties, a property under development and land located outside of the Tri-State Area.

The Company controls Metropolitan and owns 100% of the common equity; Crescent owns a \$85 million preferred equity investment in Metropolitan. Crescent's investment accrues distributions at a rate of 7.5% per annum for a two-year period (May 24, 1999 through May 24, 2001) and may be redeemed by Metropolitan at any time during that period for \$85 million, plus an amount sufficient to provide a 9.5% internal rate of return. If Metropolitan does not redeem the preferred interest, upon the expiration of the two-year period, Crescent must convert its \$85 million preferred interest into either (i) a common membership interest in Metropolitan or (ii) shares of the Company's Class A common stock at a conversion price of \$24.61 per share.

Prior to the closing of the merger, the Company arranged for the sale of four of Tower's Class B New York City properties, comprising approximately 701,000 square feet for approximately \$84.5 million. Subsequent to the closing of the merger, the Company has sold a real estate joint venture interest and all of the property located outside the Tri-State Area other than one office property located in Orlando, Florida for approximately \$171.1 million. The combined consideration consisted of approximately \$143.8 million in cash and approximately \$27.3 million of debt relief. Net cash proceeds from the sales were used primarily to repay borrowings under the Operating Partnership's unsecured credit facility. As a result of incurring certain sales and closing costs in connection with the sale of the assets located outside the Tri-State Area, the Operating Partnership has incurred a loss of approximately \$4.4 million which has been included in gain (loss) on dispositions of real estate on the Operating Partnership's consolidated statements of income.

On September 28, 2000, the Operating Partnership formed a joint venture (the "Tri-State JV") with Teachers Insurance and Annuity Association ("TIAA") and contributed eight Class A suburban office properties aggregating approximately 1.5 million square feet to the Tri-State JV in exchange for approximately \$136 million and a 51% majority ownership interest in the Tri-State JV. As a result, the Operating Partnership realized a gain of approximately \$15.2 million. Such gain has been included in gain on dispositions of real estate on the Operating Partnership's consolidated statements of income. Cash proceeds received were used primarily to repay borrowings under the Operating Partnership's unsecured credit facility.

The Operating Partnership has announced that it has withdrawn its offer to purchase a tract of land located in Suffolk County, New York from the State of New York. As a result, as of December 31, 2000, the Operating Partnership incurred a one-time non-recurring charge of \$3.2 million in connection with

the discontinuation of this development project. Such amount has been included in gain (loss) on dispositions of real estate on the Operating Partnership's consolidated statements of income. Further, this write off will not impact the Operating Partnership's computation of Funds from Operations.

During 1997, the Company formed FrontLine Capital Group ("FrontLine") (formerly Reckson Service Industries, Inc.) and Reckson Strategic Venture Partners, LLC ("RSVP"). In connection with the formation of FrontLine, the Operating Partnership established a credit facility with FrontLine (the "FrontLine Facility") in the amount of \$100 million for FrontLine to use in its investment activities, operations and other general corporate purposes. As of December 31, 2000, the Company had advanced approximately \$93.4 million under the FrontLine Facility. In addition, the Operating Partnership approved the funding of investments of up to \$100 million with or in RSVP (the "RSVP Commitment"), through RSVP-controlled joint ventures (for REIT-qualified investments) or advances made to FrontLine under terms similar to the FrontLine Facility. As of December 31, 2000, approximately \$83.2 million had been funded through the RSVP Commitment, of which \$41.1 million represents investments in RSVP-controlled (REIT-qualified) joint ventures and \$42.1 million represents advances. In March 2001, the Operating Partnership increased the RSVP Commitment to \$110 million and advanced approximately \$24 million under the RSVP Commitment to fund additional RSVP-controlled (REIT-qualified) joint ventures. In addition, as of December 31, 2000, the Company, through its unsecured credit facility, has allocated approximately \$3.2 million in outstanding undrawn letters of credit for the benefit of FrontLine. Both the FrontLine Facility and the RSVP Commitment have a term of five years and advances under each are recourse obligations of FrontLine. Interest accrues on advances made under the credit facilities at a rate equal to the greater of (a) the prime rate plus two percent and (b) 12% per annum, with the rate on amounts that are outstanding for more than one year increasing annually at a rate of four percent of the prior year's rate. Prior to maturity, interest is payable quarterly but only to the extent of net cash flow of FrontLine and on an interest-only basis. As of December 31, 2000, interest accrued under the FrontLine Facility and RSVP Commitment was approximately \$13.8 million.

During November 1999, the Board of Directors of FrontLine and the Operating Partnership approved an amendment to the FrontLine Facility and the RSVP Commitment to permit FrontLine to incur secured debt and to pay interest thereon. In consideration of the amendments, FrontLine has paid the Operating Partnership a fee of approximately \$3.6 million in the form of shares of FrontLine common stock. Such fee is has been amortized in income over an estimated nine month benefit period.

FrontLine currently has two distinct operating units: one of which represents its interest in HQ Global Holdings, Inc., the largest provider of flexible officing solutions in the world, and the other which represents interests in technology based partner companies. RSVP invests primarily in real estate and real estate related operating companies generally outside of the Operating Partnership's core office and industrial focus.

The Operating Partnership and FrontLine have entered into an intercompany agreement (the "Reckson Intercompany Agreement") to formalize their relationship and to limit conflicts of interest. Under the Reckson Intercompany Agreement, FrontLine granted the Operating Partnership a right of first opportunity to make any REIT -qualified investment that becomes available to FrontLine. In addition, if a REIT-qualified investment opportunity becomes available to an affiliate of FrontLine, including RSVP, the Reckson Intercompany Agreement requires such affiliate to allow the Operating Partnership to participate in such opportunity to the extent of FrontLine's interest.

Under the Reckson Intercompany Agreement, the Operating Partnership granted FrontLine a right of first opportunity to provide commercial services to the Operating Partnership and its tenants. FrontLine will provide services to the Operating Partnership at rates and on terms as attractive as either the best available for comparable services in the market or those offered by FrontLine to third parties. In addition, the Operating Partnership will give FrontLine access to its tenants with respect to commercial services that may be provided to such tenants and, under the Reckson Intercompany Agreement, subject to certain conditions, the Operating Partnership granted FrontLine a right of first refusal to become the lessee of any real property acquired by the Operating Partnership if the Operating Partnership determines that, consistent with the Company's status as a REIT, it is required to enter into a "master" lease agreement.

On August 27, 1998 the Operating Partnership announced the formation of a joint venture with RSVP and the Dominion Group, an Oklahoma-based, privately-owned group of companies that focuses on the development, acquisition and ownership of government occupied office buildings and correctional facilities. The new venture, Dominion Properties LLC (the "Dominion Venture"), is owned by Dominion Venture Group LLC, and by a subsidiary of the Operating Partnership. The Dominion Venture is primarily engaged in acquiring, developing and/or owning government-occupied office buildings and privately operated correctional facilities. Under the Dominion Venture's operating agreement, RSVP may invest up to \$100 million, some of which may be invested by the Operating Partnership (the "RSVP Capital"). The initial contribution of RSVP Capital was approximately \$39 million of which approximately \$10.1 million was invested by a subsidiary of the Operating Partnership. The Operating Partnership's investment was funded through the RSVP Commitment. In addition, the Operating Partnership advanced approximately \$3.3 million to Frontline through the RSVP Commitment for an investment in RSVP which was then invested on a joint venture basis with the Dominion Group in certain service business activities related to the real estate activities. As of December 31, 2000, the Operating Partnership had invested, through the RSVP Commitment, approximately \$20.6 million in the Dominion Venture which had investments in 13 government office buildings and three correctional facilities.

As of December 31, 2000, the Operating Partnership has invested approximately \$11.1 million, through a subsidiary, in RAP Student Housing Properties, LLC ("RAP-SHP"), a company that engages primarily in the acquisition and development of off-campus student housing projects. The Operating Partnership's investment was funded through the RSVP Commitment. In addition, the Operating Partnership has advanced approximately \$3.5 million to Frontline through the RSVP Commitment for an investment in RSVP which was then invested in certain service business activities related to student housing. As of December 31, 2000, RAP-SHP had investments in seven off-campus student housing projects. Additionally, during 2000, RAP-SHP entered into an off-campus development joint venture with Titan Investments II, a third party national developer. The purpose of the venture is to develop or reposition off-campus student housing projects across the United States.

As of December 31, 2000, the Operating Partnership has invested approximately \$3.4 million, through a subsidiary, in RAP MD, LLC ("RAP-MD"), a company that engages primarily in the acquisition, ownership, management and development of medical office properties. The Operating Partnership's investment was funded through the RSVP Commitment. As of December 31, 2000, RAP-MD had investments in eight medical office properties.

The market capitalization of the Operating Partnership at December 31, 2000 was approximately \$3.4 billion. The Operating Partnership's market capitalization is calculated based on the sum of (i) the value of the Operating Partnership's Class A common units and Class B common units (which, for this purpose, is assumed to be the same per unit as the value of a share of the Company's Class A common stock and Class B common stock), (ii) the liquidation preference values of the Operating Partnership's preferred units, (iii) the contributed value of Metropolitan's preferred interest of \$85 million and (iv) approximately \$1.4 billion (including its share of joint venture debt and net of minority partners' interest) of debt outstanding at December 31, 2000. As a result, the Operating Partnership's total debt to total market capitalization ratio at December 31, 2000 equaled approximately 40.6%.

RESULTS OF OPERATIONS

The Operating Partnership's total revenues increased by \$106.8 million or 26.5% from 1999 to 2000 and \$136.8 million or 51.4% from 1998 to 1999. Property operating revenues, which include base rents and tenant escalations and reimbursements ("Property Operating Revenues") increased by \$82.9 million or 22.5% from 1999 to 2000 and \$116.7 million or 46.2% from 1998 to 1999. The 2000 increase in Property Operating Revenues is substantially attributable to the assets from the Tower Portfolio acquisition on May 24, 1999. This accounts for approximately \$31.9 million, or 38.5%, of the increase in Property Operating Revenues. Additionally, approximately \$21.0 million of Property Operating Revenues was generated from two properties acquired in 2000. Property Operating Revenues were also positively impacted by approximately \$15.3 million from increases in occupancies and rental rates in our "same store" properties, approximately \$9.6 million from newly developed properties added to the operating portfolio and

approximately \$2.3 million from 919 Third Avenue, which property operating results were included in Property Operating Revenues. These increases offset the impact of approximately \$14.8 million of Property Operating Revenues that were generated in 1999 from properties that were sold in the 1999 "Big Box" industrial transaction. The remaining balance of the increase in total revenues for 2000 is primarily attributable to an increase in gain on dispositions of real estate of approximately \$11.8 million and an increase of approximately \$8.1 million in other income related to interest earned on advances made to FrontLine through the FrontLine Facility and to RSVP through the RSVP Commitment.

The 1999 increase in Property Operating Revenues is substantially attributable to the Tower Portfolio acquisition on May 24, 1999. The revenue generated from these assets generated approximately \$47.5 million of revenue in 1999. Additionally, approximately \$29.1 million of revenue was generated from the Operating Partnership's June 15, 1999 acquisition of the first mortgage note secured by 919 Third Avenue which property operating results were included in Property Operating Revenues. Property Operating Revenues were also positively effected by approximately \$9.9 million from increases in occupancies and rental rates in our "same store" properties and approximately \$27.2 million in additional revenue generated from properties acquired during 1998 and new development activity. The remaining balance of the increase in total revenues in 1999 is primarily attributable to the gain on dispositions of real estate of \$10.1 million and an increase of approximately \$8.7 million in other income related to interest earned on advances made to FrontLine through the FrontLine Facility and to RSVP through the RSVP Commitment.

The Operating Partnership's base rent reflects the positive impact of the straight-line rent adjustment of \$38.8 million in 2000, \$10.7 million in 1999 and \$7.7 million in 1998. The 2000 straight-line rent adjustment includes \$23.3 million at 919 3rd Avenue which is attributable to rental abatement periods for the three largest tenants.

Property operating expenses, real estate taxes and ground rents ("Property Expenses") increased by \$31.5 million or 25.0% from 1999 to 2000 and by \$41.7 million or 49.5% from 1998 to 1999. These increases are primarily due to the acquisition of the properties included in the Tower Portfolio acquisition on May 24, 1999 and the June 15, 1999 acquisition of the first mortgage note secured by 919 Third Avenue which property operating results were included in Property Expenses. Gross operating margins (defined as Property Operating Revenues less Property Expenses, taken as a percentage of Property Operating Revenues) for 2000, 1999, and 1998 were 65.2%, 65.9% and 66.6%, respectively. The slight decrease in the gross operating margin percentages resulted from a larger proportionate share of gross operating margin derived from office properties, which has a lower gross margin percentage. The higher proportionate share of the gross operating margin attributable to the office properties was a result of the two office properties acquired in 2000, the office properties acquired in the Tower Portfolio acquisition and the disposition of net leased industrial properties in the "Big Box" industrial transaction. This shift in the composition of the portfolio was offset by increases in rental rates and operating efficiencies realized as a result of operating a larger portfolio of properties with concentration of properties in office and industrial parks or in its established sub-markets.

Marketing, general and administrative expenses were \$25.2 million in 2000, \$22.3 million in 1999 and \$16.0 million in 1998. The increase in marketing, general and administrative expenses is due to the increased costs of opening and maintaining the Operating Partnership's New York City division and the increase in corporate management and administrative costs associated with the growth of the Operating Partnership. The Operating Partnership's business strategy has been to expand further into the Tri-State Area suburban markets and the New York City market by applying its standards for high quality office and industrial space and premier tenant service to its New Jersey, Westchester, Southern Connecticut and New York City divisions. In doing this, the Operating Partnership seeks to create a superior franchise value that it enjoys in its home base of Long Island. Over the past three years the Operating Partnership has supported this effort by increasing the marketing programs in the other divisions and strengthening the resources and operating systems in these divisions. The cost of these efforts are reflected in both marketing, general and administrative expenses as well as the revenue growth of the Operating Partnership. Marketing, general and administrative expense as a percentage of total revenues were 4.9% in 2000, 5.5% in 1999 and 6.0% in 1998.

Interest expense was \$96.3 million in 2000, \$74.7 million in 1999 and \$47.8 million in 1998. The increase of \$21.6 million from 1999 to 2000 is attributable to (i) a full year of interest on the mortgage debt relating to the Tower Portfolio acquisition (ii) interest on a \$70 million mortgage note for the 1350 Avenue of the Americas acquisition which occurred on January 13, 2000 and (iii) a full year of interest on the \$300 million of senior unsecured notes issued in March 1999. The increase of \$26.9 million from 1998 to 1999 is attributable to (i) an increase in mortgage debt including approximately \$232 million relating to the Tower Portfolio acquisition (ii) the issuance of \$300 million of senior unsecured notes in March 1999 and (iii) an increased average balance on the Operating Partnership's unsecured credit facilities and unsecured term loan. The weighted average balance outstanding on the Operating Partnership's unsecured credit facilities and unsecured term loan was \$416.5 million for 2000, \$423.8 million for 1999 and \$377.9 million for 1998.

Included in depreciation and amortization expense is amortized financing costs of \$4.1 million in 2000, \$3.4 million in 1999 and \$1.6 million in 1998. The increase of approximately \$700,000 from 1999 to 2000 is primarily attributable to the secured financings of 919 Third Avenue and 1350 Avenue of the Americas. The increase of \$1.8 million from 1998 to 1999 is primarily attributable to the increased loan costs incurred in connection with the Operating Partnership increasing its unsecured term loan in January 1999 to \$75 million, the issuance of \$300 million of senior unsecured notes in March 1999 and the Operating Partnership's \$130 million unsecured bridge facility obtained in connection with the Tower Portfolio acquisition in May 1999.

Extraordinary losses, net of minority interest resulted in a \$1.6 million loss in 2000, a \$629,000 loss in 1999 and a \$2.0 million loss in 1998. The extraordinary losses were all attributed to the write-offs of certain deferred loan costs incurred in connection with the Operating Partnership's restructuring of its unsecured credit facilities and term loans.

LIQUIDITY AND CAPITAL RESOURCES

Summary of Cash Flows

Net cash provided by operating activities totaled \$170.6 million in 2000, \$155.0 million in 1999 and \$121.1 million in 1998. Increases for each year were primarily attributable to the growth in cash flow provided by the acquisition of properties, the increased occupancy levels of the Operating Partnership's development properties and the increase in rental rates in all of the Operating Partnership's markets.

Net cash used in investing activities totaled \$281.6 million in 2000, \$392.2 million in 1999 and \$615.2 million in 1998. Cash used in investing activities related primarily to investments in real estate properties including development costs. The 1999 cash flows were also impacted by the acquisition of the first mortgage note securing 919 Third Avenue and by proceeds from the sales of real estate. In addition, during 1998, the Operating Partnership purchased \$40 million of preferred stock of Tower Realty Trust, Inc. in connection with the Tower Portfolio acquisition.

Net cash provided by financing activities totaled \$106.5 million in 2000, \$256.1 million in 1999 and \$474.6 million in 1998. Cash provided by financing activities in 2000 was primarily attributable to secured debt financings, the redemption of preferred stock of KTR, minority partner contributions, and advances under the Operating Partnership's unsecured credit facilities and term loan. Cash provided by financing activities in 1999 and 1998 was primarily attributable to proceeds from the issuances of common and preferred units, senior unsecured notes, secured borrowings, minority partner contributions and advances under the Operating Partnership's unsecured credit facilities and term loan.

On June 20, 2000, the Operating Partnership issued 4,181,818 Class A common units in exchange for four million shares of Series E preferred units with a liquidation preference value of \$100 million.

Investing Activities

On January 13, 2000, the Operating Partnership acquired 1350 Avenue of the Americas, a 540,000 square foot, 35 story, Class A office property, located in New York City, for a purchase price of approximately \$126.5 million. This acquisition was financed through a \$70 million secured debt financing and a draw under the Operating Partnership's unsecured credit facility.

On August 15, 2000, the Operating Partnership acquired 538 Broadhollow Road, a 180,000 square foot Class A office property located in Melville, New York for a purchase price of approximately \$25.6 million. This acquisition was financed, in part, through a borrowing under the Operating Partnership's unsecured credit facility.

In June 1998, the Operating Partnership established the FrontLine Facility in the amount of \$100 million for FrontLine's investment activities, operations and for other general corporate purposes. As of December 31, 2000, approximately \$93.4 million had been advanced to FrontLine under this facility. In addition, the Operating Partnership approved the commitment to fund investments of up to \$100 million with or in RSVP. As of December 31, 2000, the Operating Partnership has funded approximately \$83.2 million under this commitment, of which \$41.1 million represents investments in RSVP-controlled (REIT -qualified) joint ventures and \$42.1 million represents advances. In March 2001, the Operating Partnership increased the RSVP Commitment to \$110 million and advanced approximately \$24 million under the RSVP Commitment to fund additional RSVP-controlled (REIT-qualified) joint ventures.

Financing Activities

As of December 31, 2000, the Operating Partnership had a three year \$575 million unsecured revolving credit facility (the "Credit Facility") from The Chase Manhattan Bank, as administrative agent, UBS Warburg LLC as syndication agent and Deutsche Bank as documentation agent. The Credit Facility matures in September, 2003 and borrowings under the Credit Facility are currently priced off of LIBOR plus 105 basis points.

The Credit Facility replaced the Operating Partnership's \$500 million unsecured credit facility (together with the Credit Facility, the "Credit Facility") and \$75 million term loan. As a result, certain deferred loan costs incurred in connection with such unsecured credit facility and term loan were written off. Such amount is reflected as an extraordinary loss in the Operating Partnership's consolidated statements of income.

The Operating Partnership utilizes the Credit Facility primarily to finance real estate investments, fund its real estate development activities and for working capital purposes. At December 31, 2000, the Operating Partnership had availability under the Credit Facility to borrow an additional \$358.4 million (of which, \$51.3 million has been allocated for outstanding undrawn letters of credit).

On November 2, 2000, the Operating Partnership obtained a three year secured \$250 million first mortgage commitment on the property located at 919 Third Avenue, New York N. Y. Interest rates on borrowings under the commitment are based on LIBOR plus a spread ranging from 110 basis points to 140 basis points based upon the outstanding balance. At closing, \$200 million was funded under the commitment at an interest rate of LIBOR plus 120 basis points. In addition, in connection with the \$200 million initial funding, the Operating Partnership purchased a LIBOR interest rate hedge that provides for a maximum LIBOR rate of 9.25%. The initial funding was used primarily to repay outstanding borrowings under the Operating Partnership's Credit Facility.

As of December 31, 2000, in conjunction with the Company's Class B common stock buy back program, the Operating Partnership purchased and retired 1,410,804 Class B common units for approximately \$30.3 million.

Capitalization

The Operating Partnership's indebtedness at December 31, 2000 totaled approximately \$1.4 billion (including its share of joint venture debt and net of the minority partners' interests) and was comprised of \$216.6 million outstanding under the Credit Facility, approximately \$449.4 million of senior unsecured notes and approximately \$714.8 million of mortgage indebtedness. Based on the Operating Partnership's total market capitalization of approximately \$3.4 billion at December 31, 2000, (calculated based on the value of the Operating Partnership's Class A common units and Class B common units (which, for this purpose, is assumed to be the same per unit as the value of a share of the Company's Class A common stock and Class

B common stock), the liquidation preference value of the Operating Partnership's preferred units, the contributed value of Metropolitan's preferred interest of \$85 million and the \$1.4 billion of debt), the Operating Partnership's debt represented approximately 40.6% of its total market capitalization.

Historically, rental revenue has been the principal source of funds to pay operating expenses, debt service and capital expenditures, excluding non-recurring capital expenditures of the Operating Partnership. The Operating Partnership expects to meet its short term liquidity requirements generally through its net cash provided by operating activities along with the Credit Facility previously discussed. The Operating Partnership expects to meet certain of its financing requirements through long-term secured and unsecured borrowings and the issuance of debt securities and additional equity securities of the Operating Partnership. The Operating Partnership also expects certain strategic dispositions of assets or interests in assets to generate cash flows. The Operating Partnership will refinance existing mortgage indebtedness or indebtedness under the Credit Facility at maturity or retire such debt through the issuance of additional debt securities or additional equity securities. The Operating Partnership anticipates that the current balance of cash and cash equivalents and cash flows from operating activities, together with cash available from borrowings and debt and equity offerings, will be adequate to meet the capital and liquidity requirements of the Operating Partnership in both the short and long-term.

In order to qualify as a REIT for federal income tax purposes, the Company is required to make distributions to its stockholders of at least 90% of REIT taxable income. As a result, it is anticipated that the Operating Partnership will make distributions in amounts sufficient to meet this requirement. The Operating Partnership expects to use its cash flow from operating activities for distributions to unit holders and for payment of recurring, non-incremental revenue-generating expenditures. The Operating Partnership intends to invest amounts accumulated for distribution in short-term investments.

On October 16, 2000, the Company's Board of Directors announced that it adopted a Shareholder Rights Plan designed to protect its shareholders from various abusive takeover tactics, including attempts to acquire control of the Company at an inadequate price, depriving its shareholders of the full value of their investment. The Operating Partnership has adopted a similar rights plan (the "Rights Plan") which would be triggered in the event the Company's Shareholder Rights Plan is triggered. A description of the Rights Plan is included in the Notes to Financial Statements of the Operating Partnership.

INFLATION

The office leases generally provide for fixed base rent increases or indexed escalations. In addition, certain office leases provide for separate escalations of real estate taxes and electric costs over a base amount. The industrial leases also generally provide for fixed base rent increases, direct pass through of certain operating expenses and separate real estate tax escalation over a base amount. The Operating Partnership believes that inflationary increases in expenses will generally be offset by contractual rent increases and expense escalations described above.

The Credit Facility and certain mortgage notes payable bear interest at a variable rate, which will be influenced by changes in short-term interest rates, and are sensitive to inflation.

FUNDS FROM OPERATIONS

Management believes that funds from operations ("FFO") is an appropriate measure of the performance for the Operating Partnership. FFO is defined by the National Association of Real Estate Investment Trusts (NAREIT) as net income or loss, excluding gains or losses from debt restructuring and sales of properties plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO does not represent cash generated from operating activities in accordance with GAAP and is not indicative of cash available to fund cash needs. FFO should not be considered as an alternative to net income as an indicator of the Company's operating performance or as an alternative to cash flow as a measure of liquidity. (See Selected Financial Data). In November 1999, NAREIT issued a "White Paper" analysis to address certain interpretive issues under its definition of FFO. The White Paper provides that FFO should include both recurring and non-recurring operating results, except those results defined as "extraordinary items" under GAAP. This revised definition is effective for all periods beginning on or after January 1, 2000.

Since all companies and analysts do not calculate FFO in a similar fashion, the Operating Partnership's calculation of FFO presented herein may not be comparable to similarly titled measures as reported by other companies.

The following table presents the Operating Partnership's FFO calculation for the years ended December 31, (in thousands):

	2000	1999	1998
Income before extraordinary loss	\$ 101,224	\$ 71,863	\$ 48,246
Less:			
Extraordinary loss	1,571	629	1,993
Net Income	99,653	71,234	46,253
Adjustment for Funds From Operations:			
Add:			
Real estate depreciation and amortization	90,552	72,124	51,424
Minority interests' in consolidated partnerships	9,120	6,802	2,819
Extraordinary loss	1,571	629	1,993
Less:			
Gain (loss) on dispositions of real estate	18,669	10,052	--
Amount distributed to minority partners in consolidated partnerships	12,316	8,293	3,988
Funds From Operations	\$ 169,911	\$ 132,444	\$ 98,501
Weighted average units outstanding	61,050	54,719	47,201

ITEM 7 (A). QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The primary market risk facing the Operating Partnership is interest rate risk on its long term debt, mortgage notes and notes receivable. The Operating Partnership will, when advantageous, hedge its interest rate risk using financial instruments. The Operating Partnership is not subject to foreign currency risk.

The Operating Partnership manages its exposure to interest rate risk on its variable rate indebtedness by borrowing on a short-term basis under its Credit Facility until such time as it is able to retire the short-term variable rate debt with either a long-term fixed rate debt offering, long term mortgage debt, general partner contributions or through sales or partial sales of assets.

The fair market value ("FMV") of the Operating Partnership's long term debt, mortgage notes and notes receivable is estimated based on discounting future cash flows at interest rates that management believes reflects the risks associated with long term debt, mortgage notes and notes receivable of similar risk and duration.

The following table sets forth the Operating Partnership's long term debt obligations by scheduled principal cash flow payments and maturity date, weighted average interest rates and estimated fair market value FMV at December 31, 2000 (dollars in thousands):

	FOR THE YEAR ENDED DECEMBER 31,				
	2001	2002	2003	2004	2005
Long term debt:					
Fixed rate	\$ 23,225	\$ 17,011	\$ 8,905	\$ 112,370	\$ 10,467
Weighted average interest rate	7.59%	7.80%	7.79%	7.50%	7.81%
Variable rate	\$ 70,000	\$ --	\$ 416,600	\$ --	\$ --
Weighted average interest rate	8.43%	--	7.91%	--	--
	THEREAFTER	TOTAL (1)	F M V		
Long term debt:					
Fixed rate	\$ 736,993	\$ 908,971	\$ 908,971		
Weighted average interest rate	7.56%	7.56%			
Variable rate	\$ --	\$ 486,600	\$ 486,600		
Weighted average interest rate	--	7.98%			

(1) Includes unamortized issuance discounts of \$615,000 on the 5 and 10 year senior unsecured notes issued on March 26, 1999 which are due at maturity.

In addition, the Operating Partnership has assessed the market risk for its variable rate debt, which is based upon LIBOR, and believes that a one percent increase in the LIBOR rate would have an approximate \$4.9 million annual increase in interest expense based on approximately \$486.6 million outstanding at December 31, 2000.

The following table sets forth the Operating Partnership's mortgage notes and note receivables by scheduled maturity date, weighted average interest rates and estimated FMV at December 31, 2000 (dollars in thousands):

	FOR THE YEAR ENDED DECEMBER 31,						TOTAL (2)	F M V
	2001	2002	2003	2004	2005	THEREAFTER		
Mortgage notes and notes receivable:								
Fixed rate	\$ 15	\$ 4,209	\$ ---	\$ 36,500	\$ ---	\$ 16,990	\$ 57,714	\$ 57,714
Weighted average interest rate	9.00%	10.08%	---	10.23%	---	11.65%	10.63%	

(2) Excludes mortgage note receivable acquisition costs and interest receivables aggregating approximately \$506,000.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The response to this item is included in a separate section of this Form 10-K

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEMS 10, 11, 12, AND 13.

The Company is the sole managing general partner of the Operating Partnership. All of the Company's business is conducted through the Operating Partnership. As a result, the information required by items 10, 11, 12, and 13 is identical to the information contained in Items 10, 11, 12 and 13 of the Company's Form 10-K, which incorporates by reference information appearing in the Company's Proxy Statement furnished to shareholders in connection with the Company's 2001 Annual Meeting. Such information is incorporated by reference in this Form 10-K.

PART IV

ITEM 14. FINANCIAL STATEMENTS AND SCHEDULES, EXHIBITS AND REPORTS ON FORM 8-K

(a)(1 and 2) Financial Statements and Schedules

The following consolidated financial information is included as a separate section of this annual report on Form 10-K:

	PAGE

RECKSON OPERATING PARTNERSHIP, L.P.	
Report of Independent Auditors	IV-5
Consolidated Balance Sheets as of December 31, 2000 and December 31, 1999	IV-6
Consolidated Statements of Income for the years ended December 31, 2000, 1999, and 1998	IV-7
Consolidated Statement of Partners' Capital for the years ended December 31, 2000, 1999, and 1998	IV-8
Consolidated Statements of Cash Flows for the years ended December 31, 2000, 1999, and 1998.	IV-9
Notes to Financial Statements	IV-10
Schedule III -- Real Estate and Accumulated Depreciation	IV-25

All other schedules are omitted since the required information is not present in amounts sufficient to require submission of the schedule or because the information required is included in the financial statements and notes thereto.

(3) Exhibits

EXHIBIT NUMBER	FILING REFERENCE	DESCRIPTION
3.1	a	Amended and Restated Agreement of Limited Partnership of the Registrant
3.2	f	Supplement to the Amended and Restated Agreement of Limited Partnership of the Registrant Establishing Series A Preferred Units of Limited Partnership Interest
3.3	f	Supplement to the Amended and Restated Agreement of Limited Partnership of the Registrant Establishing Series B Preferred Units of Limited Partnership Interest
3.4	f	Supplement to the Amended and Restated Agreement of Limited Partnership of the Registrant Establishing Series C Preferred Units of Limited Partnership Interest
3.5	f	Supplement to the Amended and Restated Agreement of Limited Partnership of the Registrant Establishing Series D Preferred Units of Limited Partnership Interest
3.6	m	Supplement to the Amended and Restated Agreement of Limited Partnership of the Registrant Establishing Series B Common Units of Limited Partnership Interest
3.7	m	Supplement to the Amended and Restated Agreement of Limited Partnership of the Registrant Establishing Series E Preferred Partnership Units of Limited Partnership
3.8		Supplement to the Amended and Restated Agreement of Limited Partnership of the Registrant Establishing Series F Junior Participating Preferred Partnership Units Issuable Under the Rights Plan
4.1	h	Form of 7.40% Notes due 2004 of the Registrant
4.2	h	Form of 7.75% Notes due 2009 of the Registrant
4.3	h	Indenture, dated March 26, 1999, among the Registrant, Reckson Associates Realty Corp. (the "Company"), and The Bank of New York, as trustee
4.4		Rights Agreement, dated as of October 13, 2000, between the Registrant and American Stock Transfer and Trust Company
10.1	d	Third Amended and Restated Agreement of Limited Partnership of Omni Partners, L.P.
10.2	n	Amendment and Restatement of Employment and Non-Competition Agreement, dated as of August 15, 2000 between the Company and Donald Rechler
10.3	n	Amendment and Restatement of Employment and Non-Competition Agreement, dated as of August 15, 2000 between the Company and Scott Rechler
10.4	n	Amendment and Restatement of Employment and Non-Competition Agreement, dated as of August 15, 2000 between the Company and Mitchell Rechler
10.5	n	Amendment and Restatement of Employment and Non-Competition Agreement, dated as of August 15, 2000 between the Company and Gregg Rechler
10.6	n	Amendment and Restatement of Employment and Non-Competition Agreement, dated as of August 15, 2000 between the Company and Roger Rechler
10.7	n	Amendment and Restatement of Employment and Non-Competition Agreement, dated as of August 15, 2000 between the Company and Michael Maturo
10.8	n	Amendment and Restatement of Employment and Non-Competition Agreement, dated as of August 15, 2000 between the Company and Jason Barnett
10.9	a	Purchase Option Agreements relating to the Reckson Option Properties
10.10	a	Purchase Option Agreements relating to the Other Option Properties
10.11	c	Amended 1995 Stock Option Plan
10.12	c	1996 Employee Stock Option Plan
10.13	b	Ground Leases for certain of the properties
10.14	g	Third Amended and Restated Agreement of Limited Partnership of Reckson FS Limited Partnership
10.15	a	Indemnity Agreement relating to 100 Oser Avenue
10.16	d	Amended and Restated 1997 Stock Option Plan
10.17	d	1998 Stock Option Plan
10.18	d	Note Purchase Agreement for the Senior Unsecured Notes
10.19	n	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Donald Rechler
10.20	n	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Scott Rechler
10.21	n	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Mitchell Rechler
10.22	n	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Gregg Rechler
10.23	n	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Roger Rechler
10.24	n	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Michael Maturo
10.25	n	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Jason Barnett
10.26	e	Amended and Restated Operating Agreement of Metropolitan Partners LLC, dated December 8, 1998
10.27	g	Intercompany Agreement by and between the Registrant and Reckson Service Industries, Inc., dated May 13, 1998
10.28	m	Amended and Restated Credit Agreement dated as of August 4, 1999 between Reckson Service Industries, Inc., as borrower and the Registrant, as Lender relating to Reckson Strategic Venture Partners, LLC ("RSVP Credit Agreement")
10.29	m	Amended and Restated Credit Agreement dated as of August 4, 1999 between Reckson Service Industries, Inc., as borrower and the Registrant, as Lender relating to the operations of Reckson Service Industries, Inc. ("RSI Credit Agreement")
10.30	m	Letter Agreement, dated November 30, 1999, amending the RSVP Credit Agreement and the RSI Credit Agreement
10.31	j	Consolidated, Amended and Restated Fee and Leasehold Mortgage Note relating to 919 Third Avenue
10.32	l	Agreement of Purchase and Sale, between NBBRE 919 Third Avenue Associates, L.P., as Seller, and the Registrant, as Purchaser
10.33	j	Side Letter to Agreement of Purchase and Sale between NBRE 919 Third Avenue Associates, L.P., as Seller and the Registrant as Purchaser
10.34	k	Contribution and Exchange Agreement by and between Reckson Morris Industrial Trust, Reckson Morris Industrial Interim GP, LLC, the Registrant, Robert Morris, Joseph D. Morris,

		Ronald Schram, Mark M. Bava, The Drew Morris Trust, The Justin Morris Trust, The Keith Morris Trust, Joseph D. Morris Family Limited Partnership and Robert Morris Family Limited Partnership, and American Real Estate Investment L.P. and American Real Estate Corporation
10.35	n	\$575 million Credit Facility dated as of September 7, 2000 among the Registrant, The Chase Manhattan Bank, NBS Warburg Dillion Read, Deutsche Bank and Chase Securities, Inc.
10.36	n	Guaranty Agreement dated as of September 7, 2000 among the Company, the Chase Manhattan Bank and UBS Warburg LLC
10.37	n	Operating Agreement dated as of September 28, 2000 between Reckson Tri-State Member LLC (together with its permitted successors and assigns) and TIAA Tri-State LLC
10.38	p	Secured Loan Agreement among Metropolitan 919 3rd Avenue LLC (as borrower), Merrill Lynch Mortgage Capital Inc., Bayerische Landesbank, Cayman Islands Branch, Commerzbank AG New York and Grand Cayman Branches, Wells Fargo Bank, National Association and the other lenders signatory thereto
10.39	p	Loan Agreement between 1350 LLC, as Borrower, and Secore Financial Corporation, as Lender

EXHIBIT NUMBER	FILING REFERENCE	DESCRIPTION
10.40	p	Agreement of Spreader, Consolidation and Modification of Mortgage Security Agreement among Metropolitan 810 7th Ave., LLC, 100 Wall Company LLC and Monumental Life Insurance Company
10.41	p	Consolidated, Amended and Restated Secured Promissory Note relating to Metropolitan 810 7th Ave., LLC and 100 Wall Company LLC
12.1		Statement of Ratios of Earnings to Fixed Charges
21.1		Statement of Subsidiaries
23.0		Consent of Independent Auditors
24.1		Power of Attorney (included in Part IV of the Form 10-K)

- (a) Previously filed as an exhibit to Registration Statement Form S-11 (No. 333-1280) and incorporated herein by reference.
- (b) Previously filed as an exhibit to Registration Statement Form S-11 (No. 33-84324) and incorporated herein by reference.
- (c) Previously filed as an exhibit to the Company's Form 8-K report filed with the SEC on November 25, 1996 and incorporated herein by reference.
- (d) Previously filed as an exhibit to the Company's Form 10-K filed with the SEC on March 26, 1998 and incorporated herein by reference.
- (e) Previously filed as an exhibit to the Registrant's Form 8-K report filed with the SEC on December 22, 1998 and incorporated herein by reference.
- (f) Previously filed as an exhibit to the Company's Form 8-K report filed with the SEC on March 1, 1999 and incorporated herein by reference.
- (g) Previously filed as an exhibit to the Company's Form 10-K filed with the SEC on March 16, 1999 and incorporated herein by reference.
- (h) Previously filed as an exhibit to the Registrant's Form 8-K filed with SEC on March 26, 1999 and incorporated herein by reference.
- (i) Previously filed as an exhibit to the Registrant's Form 8-K filed with SEC on June 7, 1999 and incorporated herein by reference.
- (j) Previously filed as an exhibit to the Registrant's Form 8-K filed with SEC on June 25, 1999 and incorporated herein by reference.
- (k) Previously filed as an exhibit to the Registrant's Form 8-K filed with SEC on August 25, 1999 and incorporated herein by reference.
- (l) Previously filed as an exhibit to the Company's Form 8-K filed with SEC on January 14, 2000 and incorporated herein by reference.
- (m) Previously filed as an exhibit to the Company's Form 10-K filed with the SEC on March 17, 2000 and incorporated herein by reference.
- (n) Previously filed as an exhibit to the Registrant's Form 8-K filed with the SEC on October 17, 2000 and incorporated herein by reference.
- (o) Previously filed as an exhibit to the Registrant's Form 10-Q filed with the SEC on August 11, 2000 and incorporated herein by reference.
- (p) Previously filed as an exhibit to the Company's Form 10-K filed with the SEC on March 21, 2001 and incorporated herein by reference.

(b) Reports on Form 8-K

On October 17, 2000, the Registrant filed a report on Form 8-K relating to:

- (i) the authorization by the Company's Board of Directors of a dividend distribution of one preferred share purchase right for each outstanding shares of Class A common stock of the Company under a shareholder rights plans;
- (ii) the purchase by a subsidiary of Teachers Insurance and Annuity Association of America from a subsidiary of the Registrant of a 49% interest in RT Tri-State LLC for approximately \$136 million;
- (iii) the Registrant entering into an unsecured revolving credit facility of up to \$575 million with The Chase Manhattan Bank, UBS Warburg LLC, Deutsche Bank and Chase Securities Inc;
- (iv) the Company's entering into employment and noncompetition agreements and severance agreements with each of its executive officers; and
- (v) the adoption by the Company's Board of Directors of a new bylaw provision.

On November 2, 2000, the Company submitted a report on Form 8-K under Item 9 thereof in order to submit its third quarter presentation in satisfaction of the requirements of Regulation FD.

On November 3, 2000, the Company submitted a report on Form 8-K under Item 9 thereof in order to submit supplemental operating and financial data for the third quarter presentation in satisfaction of the requirements of Regulation FD.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 22, 2001.

RECKSON OPERATING PARTNERSHIP, L.P.

By: RECKSON ASSOCIATES REALTY CORP.,
its general partner

By: /s/ Donald J. Rechler

Donald J. Rechler,
Chairman of the Board and Co-Chief
Executive Officer

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of Reckson Associates Realty Corp. ("Reckson Associates"), the corporate general partner of the registrant, hereby severally constitutes and appoints Scott H. Rechler, Michael Maturo and Mitchell D. Rechler, and each of them, his attorney-in-fact and agent, with full power of substitution and resubstitution for him in any and all capacities, to sign any or all amendments to this annual report on Form 10-K for the fiscal year ended December 31, 2000, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto such attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary in connection with such matters and hereby ratifying and confirming all that such attorney-in-fact or his substitutes may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities indicated on March 22, 2001.

SIGNATURE	TITLE	SIGNATURE	TITLE
/s/ Donald J. Rechler ----- Donald J. Rechler	Chairman of the Board, Co-Chief Executive Officer and Director (Principal Executive Officer) of Reckson Associates	/s/ Scott H. Rechler ----- Scott H. Rechler	President, Co-Chief Executive Officer and Director of Reckson Associates
/s/ Roger M. Rechler ----- Roger M. Rechler	Vice-Chairman of the Board, Executive Vice President and Director of Reckson Associates	/s/ Michael Maturo ----- Michael Maturo	Executive Vice President, Treasurer and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) of Reckson Associates
/s/ Mitchell D. Rechler ----- Mitchell D. Rechler	Executive Vice President, Co-Chief Operating Officer and Director of Reckson Associates	/s/ Harvey R. Blau ----- Harvey R. Blau	Director of Reckson Associates
/s/ Leonard Feinstein ----- Leonard Feinstein	Director of Reckson Associates	/s/ Herve A. Kevenides ----- Herve A. Kevenides	Director of Reckson Associates
/s/ John V. N. Klein ----- John V. N. Klein	Director of Reckson Associates	/s/ Lewis S. Ranieri ----- Lewis S. Ranieri	Director of Reckson Associates
/s/ Conrad D. Stephensen ----- Conrad D. Stephensen	Director of Reckson Associates		

REPORT OF INDEPENDENT AUDITORS

To the Partners
Reckson Operating Partnership, L.P.

We have audited the accompanying consolidated balance sheets of Reckson Operating Partnership, L. P. (the "Operating Partnership") as of December 31, 2000 and 1999, and the related consolidated statements of income, partners' capital, and cash flows for each of the three years in the period ended December 31 2000. We have also audited the financial statement schedule listed in the index at item 14 (a). These financial statements and financial statement schedule are the responsibility of the Operating Partnership's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Reckson Operating Partnership, L. P. at December 31, 2000 and 1999, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

ERNST & YOUNG LLP

New York, New York
February 13, 2001

RECKSON OPERATING PARTNERSHIP, L.P.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS EXCEPT UNIT DATA)

	DECEMBER 31,	
	2000	1999
ASSETS		
Commercial real estate properties, at cost (Notes 2, 3, 5, 6, and 8)		
Land	\$ 396,482	\$ 276,204
Buildings and improvements	2,219,448	1,802,611
Developments in progress:		
Land	60,918	60,894
Development costs	93,759	68,690
Furniture, fixtures and equipment	7,138	6,473
	-----	-----
	2,777,745	2,214,872
Less accumulated depreciation	(288,479)	(218,385)
	-----	-----
	2,489,266	1,996,487
Investments in real estate joint ventures (Note 8)	43,534	31,531
Investment in mortgage notes and notes receivable (Note 6)	58,220	352,466
Cash and cash equivalents (Note 9)	16,624	21,122
Tenant receivables	11,511	5,117
Investments in and advances to affiliates (Note 8)	180,593	179,762
Deferred rents receivable	67,930	32,132
Prepaid expenses and other assets	68,759	66,855
Contract and land deposits and pre-acquisition costs	1,676	9,585
Deferred lease and loan costs, less accumulated amortization of \$32,773 and \$24,484, respectively	61,681	39,520
	-----	-----
Total Assets	\$ 2,999,794	\$ 2,734,577
	-----	-----
LIABILITIES		
Mortgage notes payable (Note 2)	\$ 728,971	\$ 459,174
Unsecured credit facility (Note 3)	216,600	297,600
Unsecured term loan (Note 3)	--	75,000
Senior unsecured notes (Note 4)	449,385	449,313
Accrued expenses and other liabilities (Note 5)	93,520	81,265
Distributions payable	28,801	27,166
	-----	-----
Total Liabilities	1,517,277	1,389,518
	-----	-----
Commitments and other comments (Notes 9, 10, and 13)	--	--
Minority interests' in consolidated partnerships	226,350	93,086
	-----	-----
PARTNERS' CAPITAL (Note 7)		
Preferred Capital, 11,234,518 and 15,234,518 units outstanding, respectively	313,126	413,126
General Partner's Capital:		
Class A common units, 45,352,286 and 40,375,506 outstanding, respectively	575,570	477,172
Class B common units, 10,283,513 and 10,283,763 outstanding, respectively	270,118	270,689
Limited Partners' Capital, 7,694,642 and 7,701,142 units outstanding, respectively	97,353	90,986
	-----	-----
Total Partners' Capital	1,256,167	1,251,973
	-----	-----
Total Liabilities and Partners' Capital	\$ 2,999,794	\$ 2,734,577
	=====	=====

(see accompanying notes to financial statements)

RECKSON OPERATING PARTNERSHIP, L.P.
CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT UNIT DATA)

FOR THE YEAR ENDED DECEMBER 31,

	2000	1999	1998
REVENUES (Note 10):			
Base rents	\$ 397,327	\$ 324,146	\$ 224,703
Tenant escalations and reimbursements	54,750	44,989	27,744
Equity in earnings of service companies and real estate joint ventures	4,383	2,148	1,836
Interest income on mortgage notes and notes receivable	8,212	7,944	7,739
Gain (loss) on disposition of real estate (Note 6)	18,669	10,052	--
Investment and other income	26,576	13,863	4,290
Total Revenues	509,917	403,142	266,312
EXPENSES:			
Property operating expenses	157,456	125,994	84,280
Marketing, general and administrative	25,221	22,269	15,971
Interest	96,337	74,709	47,795
Depreciation and amortization	92,547	74,504	52,957
Total Expenses	371,561	297,476	201,003
Income before distributions to preferred unit holders, minority interests and extraordinary loss	138,356	105,666	65,309
Preferred unit distributions	(28,012)	(27,001)	(14,244)
Minority partners' interest in consolidated partnerships	(9,120)	(6,802)	(2,819)
Income before extraordinary loss	101,224	71,863	48,246
Extraordinary loss on extinguishment of debts (Note 3)	(1,571)	(629)	(1,993)
Net income available to common unit holders	\$ 99,653	\$ 71,234	\$ 46,253
Net income available to:			
General Partner - Class A common units	\$ 64,552	\$ 48,791	\$ 38,667
General Partner - Class B common units	23,607	13,110	--
Limited Partners'	11,494	9,333	7,586
Total	\$ 99,653	\$ 71,234	\$ 46,253
Net income per weighted average units:			
General Partner - per Class A common unit before extraordinary loss	\$ 1.52	\$ 1.22	\$ 1.02
Extraordinary loss per Class A general partnership unit	(.02)	(.01)	(.04)
Net income per weighted average Class A general partnership common unit	\$ 1.50	\$ 1.21	\$.98
General Partner - per Class B common unit before extraordinary loss	\$ 2.34	\$ 1.96	\$ --
Extraordinary loss per Class B general partnership unit	(.04)	(.02)	--
Net income per weighted average Class B general partnership unit	\$ 2.30	\$ 1.94	\$ --
Limited Partners' - per common unit before extraordinary loss	\$ 1.52	\$ 1.22	\$ 1.02
Extraordinary loss per limited partnership unit	(.02)	(.01)	(.04)
Net income per weighted average limited partnership unit	\$ 1.50	\$ 1.21	\$.98
Weighted average common units outstanding:			
General Partner - Class A common units	43,070,000	40,270,000	39,473,000
General Partner - Class B common units	10,284,000	6,744,000	--
Limited Partners	7,696,000	7,705,000	7,728,000

(see accompanying notes to financial statements)

RECKSON OPERATING PARTNERSHIP, L.P.
CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL
(IN THOUSANDS)

	GENERAL PARTNER'S CAPITAL				
	PREFERRED CAPITAL	CLASS B COMMON UNITS	CLASS A COMMON UNITS	LIMITED PARTNERS' CAPITAL	TOTAL PARTNERS' CAPITAL
BALANCE JANUARY 1, 1998	\$ --	\$ --	\$ 446,702	\$ 85,750	\$ 532,452
Net Income	--	--	38,667	7,586	46,253
Contributions	263,126	--	54,089	11,484	328,699
Distributions	--	--	(55,193)	(10,695)	(65,888)
Contribution of a 1% interest in Reckson FS Limited Partnership	--	--	1,076	--	1,076
BALANCE DECEMBER 31, 1998	263,126	--	485,341	94,125	842,592
Net Income	--	13,110	48,791	9,333	71,234
Contributions	150,000	302,653	1,601	--	454,254
Distributions	--	(14,787)	(58,561)	(10,987)	(84,335)
Retirement of units	--	(30,287)	--	(1,485)	(31,772)
BALANCE DECEMBER 31, 1999	413,126	270,689	477,172	90,986	1,251,973
Net Income	--	23,607	64,552	11,494	99,653
Contributions	--	--	6,701	--	6,701
Distributions	--	(24,132)	(66,096)	(11,765)	(101,993)
Retirement / redemption of units	(100,000)	(46)	93,241	6,638	(167)
BALANCE DECEMBER 31, 2000	\$ 313,126	\$ 270,118	\$ 575,570	\$ 97,353	\$1,256,167
	=====	=====	=====	=====	=====

(see accompanying notes to financial statements)

RECKSON OPERATING PARTNERSHIP, L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	FOR THE YEAR ENDED DECEMBER 31,		
	2000	1999	1998
Income before distributions to preferred unit holders	\$ 127,665	\$ 98,235	\$ 60,497
Adjustments to reconcile income before distributions to preferred unit holders to net cash provided by operating activities:			
Depreciation and amortization	92,547	74,504	52,957
Extraordinary loss on extinguishment of debts	1,571	629	1,993
Minority partners' interests in consolidated partnerships	9,120	6,802	2,819
Gain (loss) on dispositions of real estate, securities and mortgage repayment	(18,669)	(9,657)	(52)
Distribution from investments in real estate joint ventures	368	442	470
Equity in earnings of service companies and real estate joint ventures	(4,383)	(2,148)	(1,836)
Changes in operating assets and liabilities:			
Prepaid expenses and other assets	(9,568)	(24,292)	(4,597)
Tenant and affiliate receivables	(6,394)	42	(184)
Deferred rents receivable	(35,798)	(2,158)	(7,553)
Accrued expenses and other liabilities	14,152	12,618	16,605
Net cash provided by operating activities	170,611	155,017	121,119
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of commercial real estate properties	(190,548)	(284,741)	(449,241)
Investment in mortgage notes and notes receivable	--	(295,048)	4,072
Increase (decrease) in contract deposits and preacquisition costs	(2,023)	(12,650)	8,839
Additions to developments in progress	(13,392)	(9,615)	(97,570)
Additions to commercial real estate properties	(89,818)	(28,135)	(21,181)
Payment of leasing costs	(24,082)	(16,467)	(8,802)
Investments in securities	--	--	(42,299)
Additions to furniture, fixtures and equipment	(742)	(461)	(2,071)
Investments in real estate joint ventures	(10,780)	(15,033)	(7,773)
Distribution from service companies	--	--	15
Proceeds from dispositions of real estate, securities and mortgage note receivable repayments	49,810	269,916	809
Net cash used in investing activities	(281,575)	(392,234)	(615,202)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from secured borrowings	297,163	125,548	11,458
Principal payments on secured borrowings	(27,367)	(4,714)	(4,735)
Proceeds from redemption of KTR preferred stock	19,903		
Proceeds from issuance of senior unsecured notes, net of issuance costs	--	299,262	--
Payment of loan costs and prepayment penalties	(11,649)	(8,264)	(4,738)
Investments in and advances to affiliates	(14,568)	(126,249)	(24,409)
Proceeds from unsecured credit facilities and term loans	689,600	397,500	413,100
Principal payments on unsecured credit facilities and term loans	(845,600)	(510,750)	(137,500)
Contributions	4,010	149,512	272,734
Distributions	(128,369)	(104,246)	(57,683)
Retirement of units	--	(30,287)	--
Contributions by minority partners in consolidated partnerships	135,975	75,500	10,000
Distributions to minority partners in consolidated partnerships	(12,632)	(6,701)	(3,592)
Net cash provided by financing activities	106,466	256,111	474,635
Net increase (decrease) in cash and cash equivalents	(4,498)	18,894	(19,448)
Cash and cash equivalents at beginning of period	21,122	2,228	21,676
Cash and cash equivalents at end of period	\$ 16,624	\$ 21,122	\$ 2,228
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for interest, including interest capitalized	\$ 106,106	\$ 77,014	\$ 52,622

(see accompanying notes to financial statements)

RECKSON OPERATING PARTNERSHIP, L.P.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2000

1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS

Reckson Operating Partnership, L.P. (the "Operating Partnership") is engaged in the ownership, management, operation, leasing and development of commercial real estate properties, principally office and industrial buildings and also owns certain undeveloped land (collectively, the "Properties") located in the New York tri-state area (the "Tri-State Area").

ORGANIZATION AND FORMATION OF THE OPERATING PARTNERSHIP

The Operating Partnership commenced operations on June 2, 1995. The sole general partner in the Operating Partnership, Reckson Associates Realty Corp. (the "Company") is a self administered and self managed real estate investment trust ("REIT"). During June, 1995, the Company contributed approximately \$162 million in cash to the Operating Partnership in exchange for an approximate 73% general partnership interest.

The Operating Partnership executed various option and purchase agreements whereby it issued units in the Operating Partnership ("Units") to the continuing investors and assumed certain indebtedness in exchange for interests in certain property partnerships, fee simple and leasehold interests in properties and development land, certain business assets of the executive center entities and 100% of the non-voting preferred stock of the management and construction companies.

During July 1998, the Company formed Metropolitan Partners, LLC ("Metropolitan") for the purpose of acquiring Tower Realty Trust, Inc. ("Tower"). On May 24, 1999 the Company completed the merger with Tower and acquired three Class A office properties located in New York City totaling 1.6 million square feet and one office property located on Long Island totaling approximately 101,000 square feet. In addition, pursuant to the merger, the Company also acquired certain office properties, a property under development and land located outside of the Tri-State Area. All of the assets acquired in the merger, located outside the Tri-State Area, other than a 357,000 square foot office property located in Orlando, Florida, have been sold (see note 6).

BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements include the consolidated financial position of the Operating Partnership and its subsidiaries at December 31, 2000 and 1999 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000. The Operating Partnership's investments in Metropolitan, Omni Partners, L.P. ("Omni"), the Tri-State JV (see note 6) and certain industrial joint venture properties formerly owned by Reckson Morris Operating Partnership, L.P. ("RMI") are reflected in the accompanying financial statements on a consolidated basis with a reduction for minority partners' interest. The Operating Partnership's investment in RMI was reflected in the accompanying financial statements on a consolidated basis with a reduction for minority partner's interest through September 26, 1999. On September 27, 1999, the Operating Partnership sold its interest in RMI to Keystone Property Trust ("KTR"). The operating results of the service businesses currently conducted by Reckson Management Group, Inc. ("RMG") and Reckson Construction Group, Inc. ("RCG") are reflected in the accompanying financial statements on the equity method of accounting. The Operating Partnership also invests in real estate joint ventures where it may own less than a controlling interest, such investments are also reflected in the accompanying financial statements on the equity method of accounting. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

RECKSON OPERATING PARTNERSHIP, L.P.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

The minority interests at December 31, 2000 represent a convertible preferred interest in Metropolitan, a 49% interest in the Tri-State JV and a 40% interest in Omni.

The merger with Tower was accounted for as a purchase in accordance with Accounting Principles Board Opinion No. 16. Accordingly, the fair value of the consideration given by the Operating Partnership, in accordance with the accounting principles generally accepted in the United States ("GAAP"), was used as the valuation basis for the merger. The assets acquired and liabilities assumed by the Operating Partnership were recorded at the fair value as of the closing date of the merger.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Real Estate

Depreciation is computed utilizing the straight-line method over the estimated useful lives of ten to thirty years for buildings and improvements and five to ten years for furniture, fixtures and equipment. Tenant improvements, which are included in buildings and improvements, are amortized on a straight-line basis over the term of the related leases.

Cash Equivalents

The Operating Partnership considers highly liquid investments with a maturity of three months or less when purchased, to be cash equivalents.

Tenant's lease security deposits aggregating approximately \$6.1 million and \$5.1 million at December 31, 2000 and 1999, respectively have been included in cash and cash equivalents on the accompanying balance sheets.

Deferred Costs

Tenant leasing commissions and related costs incurred in connection with leasing tenant space are capitalized and amortized over the life of the related lease. In addition, loan costs incurred are capitalized and amortized over the term of the related loan.

Income Taxes

No provision has been made for income taxes in the accompanying consolidated financial statements since such taxes, if any, are the responsibility of the individual partners.

Revenue Recognition

Minimum rental income is recognized on a straight-line basis over the term of a lease. The excess of rents recognized over amounts contractually due are included in deferred rents receivable on the accompanying balance sheets. Contractually due but unpaid rents are included in tenant receivables on the accompanying balance sheets. Certain lease agreements provide for reimbursement of real estate taxes, insurance, common area maintenance costs and indexed rental increases, which are recorded on an accrual basis.

The Operating Partnership records interest income on investments in mortgage notes and notes receivable on an accrual basis of accounting. The Operating Partnership does not accrue interest on impaired loans where, in the judgment of management, collection of interest according to the contractual

RECKSON OPERATING PARTNERSHIP, L.P.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

terms is considered doubtful. Among the factors the Operating Partnership considers in making an evaluation of the collectibility of interest are: the status of the loan, the value of the underlying collateral, the financial condition of the borrower and anticipated future events.

Gain (loss) on dispositions of real estate are recorded when title is conveyed to the buyer, subject to the buyer's financial commitment being sufficient to provide economic substance to the sale.

Net Income Per Common Partnership Unit

Net income per Class A common partnership unit and Class B Common partnership unit is determined by allocating net income after preferred distributions and minority partners' interest in consolidated partnerships income to the general and limited partners based on their weighted average distribution per common partnership units outstanding during the respective periods presented.

Distributions to Preferred Unit Holders

Holders of preferred units of limited and general partnership interest are entitled to distributions based on the stated rates of return (subject to adjustment) for those units.

Segment Reporting

In 1997, the FASB issued Statement No. 131 "Disclosures about segments of an Enterprise and Related Information" ("Statement 131") which is effective for fiscal years beginning after December 15, 1997. Statement 131 establishes standards for reporting information about operating segments in annual financial statements and in interim financial reports. It also establishes standards for related disclosures about products and services, geographic areas and major customers. The adoption of this standard had no impact on the Operating Partnership's financial position or results of operations but did affect the disclosure of segment information (see Note 11).

Recent Pronouncements

In June 1999, the FASB issued Statement No. 137, amending Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities", which extended the required date of adoption to the years beginning after June 15, 2000. The Operating Partnership will adopt the new Statement effective January 1, 2001. Because of the Operating Partnership's minimal use of derivatives, management does not anticipate that the adoption of the new Statement will have a significant effect on earnings or the financial position of the Operating Partnership.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

2. MORTGAGE NOTES PAYABLE

At December 31, 2000, there were 19 mortgage notes payable with an aggregate outstanding principal amount of approximately \$729 million. Properties with an aggregate carrying value at December 31, 2000 of approximately \$1,362 million are pledged as collateral against the mortgage notes payable. In addition, approximately \$47 million of the \$729 million are recourse to the Operating Partnership. The mortgage notes bear interest at rates ranging from 6.45% to 10.10%, and mature between 2001 and 2027. The weighted average interest rates on the outstanding mortgage notes payable at December 31, 2000, 1999 and 1998 were approximately 7.8%, 7.6% and 7.8%, respectively. Certain of the mortgage notes payable are guaranteed by certain minority partners in the Operating Partnership.

RECKSON OPERATING PARTNERSHIP, L.P.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

2. MORTGAGE NOTES PAYABLE - (CONTINUED)

Scheduled principal repayments during the next five years and thereafter are as follows (in thousands):

YEAR ENDED DECEMBER 31,

2001	\$ 93,225
2002	17,011
2003	208,905
2004	12,370
2005	10,467
Thereafter	386,993

	\$ 728,971
	=====

On January 13, 2000, in connection with the acquisition of 1350 Avenue of the Americas, the Operating Partnership obtained a secured \$70 million first mortgage commitment which matures in August 2001 and bears interest at LIBOR plus 165 basis points.

On November 2, 2000, in connection with the acquisition of 919 Third Avenue, the Operating Partnership obtained a three year secured \$250 million first mortgage commitment. Interest rates on borrowings under the commitment are based on LIBOR plus a spread ranging from 110 basis points to 140 basis points based upon the outstanding balance. At closing, \$200 million was funded under the commitment at an interest rate of LIBOR plus 120 basis points. In addition, in connection with the \$200 million initial funding, the Operating Partnership purchased a LIBOR interest rate hedge that provides for a maximum LIBOR rate of 9.25%. The initial funding was used primarily to repay outstanding borrowings under the Operating Partnership's unsecured credit facility.

3. UNSECURED CREDIT FACILITY

As of December 31, 2000, the Operating Partnership had a three year \$575 million unsecured revolving credit facility (the "Credit Facility") from The Chase Manhattan Bank, as administrative agent, UBS Warburg LLC as syndication agent and Deutsche Bank as documentation agent. The Credit Facility matures in September, 2003 and borrowings under the Credit Facility are currently priced off of LIBOR plus 105 basis points.

The Credit Facility replaced the Operating Partnership's \$500 million unsecured credit facility (together with the Credit Facility, the "Credit Facility") and \$75 million term loan. As a result, certain deferred loan costs incurred in connection with such unsecured credit facility and term loan were written off. Such amount is reflected as an extraordinary loss in the accompanying consolidated statements of income.

The Operating Partnership utilizes the Credit Facility primarily to finance real estate investments, fund its real estate development activities and for working capital purposes. At December 31, 2000, the Operating Partnership had availability under the Credit Facility to borrow an additional \$358.4 million (of which, \$51.3 million has been allocated for outstanding undrawn letters of credit).

The Operating Partnership capitalized interest incurred on borrowings to fund certain development costs in the amount of \$11.5 million, \$9.8 million and \$7.3 million for the years ended December 31, 2000, 1999 and 1998, respectively.

RECKSON OPERATING PARTNERSHIP, L.P.
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

4. SENIOR UNSECURED NOTES

As of December 31, 2000, the Operating Partnership had outstanding approximately \$449.4 million (net of issuance discounts) of senior unsecured notes (the "Senior Unsecured Notes"). The following table sets forth the Operating Partnership's Senior Unsecured Notes and other related disclosures (dollars in thousands):

ISSUANCE	FACE AMOUNT	COUPON RATE	TERM	MATURITY
August 27, 1997	\$ 150,000	7.20%	10 years	August 28, 2007
March 26, 1999	\$ 100,000	7.40%	5 years	March 15, 2004
March 26, 1999	\$ 200,000	7.75%	10 years	March 15, 2009

Interest on the Senior Unsecured Notes is payable semiannually with principal and unpaid interest due on the scheduled maturity dates. In addition, the Senior Unsecured Notes issued on March 26, 1999 were issued at an aggregate discount of \$738,000. Such discount is being amortized over the term of the Senior Unsecured Notes to which they relate.

5. LAND LEASES AND AIR RIGHTS

The Operating Partnership leases, pursuant to noncancellable operating leases, the land on which fourteen of its buildings were constructed. The leases, which contain renewal options, expire between 2009 and 2236. The leases either contain provisions for scheduled increases in the minimum rent at specified intervals or for adjustments to rent based upon the fair market value of the underlying land or other indexes at specified intervals. Minimum ground rent is recognized on a straight-line basis over the terms of the leases. The excess of amounts recognized over amounts contractually due is approximately \$2.7 million and \$2.6 million at December 31, 2000 and 1999, respectively. These amounts are included in accrued expenses and other liabilities on the accompanying balance sheets.

In addition, the Operating Partnership, through the acquisition of certain properties, is subject to three air rights lease agreements. These lease agreements have terms expiring between 2048 and 2236, including renewal options.

Future minimum lease commitments relating to the land leases and air rights lease agreements during the next five years and thereafter are as follows (in thousands):

YEAR ENDED DECEMBER 31,	LAND LEASES	AIR RIGHTS
2001	\$ 2,114	\$ 940
2002	2,059	941
2003	2,058	944
2004	2,182	954
2005	2,185	954
Thereafter	51,084	137,791
	-----	-----
	\$ 61,682	\$ 142,524
	=====	=====

6. COMMERCIAL REAL ESTATE INVESTMENTS

The Tower Merger

In July 1998, the Company formed a joint venture, Metropolitan Partners LLC ("Metropolitan"), with Crescent Real Estate Equities Company, a Texas REIT ("Crescent") for the purpose of acquiring Tower Realty Trust, Inc. ("Tower"). On May 24, 1999 the Company completed the merger with Tower

6. COMMERCIAL REAL ESTATE INVESTMENTS - (CONTINUED)

and acquired three Class A office properties located in New York City totaling 1.6 million square feet and one office property located on Long Island totaling approximately 101,000 square feet. In addition, pursuant to the merger, the Company also acquired certain office properties, a property under development and land located outside of the Tri-State Area.

The Company controls Metropolitan and owns 100% of the common equity; Crescent owns a \$85 million preferred equity investment in Metropolitan. Crescent's investment accrues distributions at a rate of 7.5% per annum for a two-year period (May 24, 1999 through May 24, 2001) and may be redeemed by Metropolitan at any time during that period for \$85 million, plus an amount sufficient to provide a 9.5% internal rate of return. If Metropolitan does not redeem the preferred interest, upon the expiration of the two-year period, Crescent must convert its \$85 million preferred interest into either (i) a common membership interest in Metropolitan or (ii) shares of the Company's Class A common stock at a conversion price of \$24.61 per share.

Prior to the closing of the merger, the Company arranged for the sale of four of Tower's Class B New York City properties, comprising approximately 701,000 square feet for approximately \$84.5 million. Subsequent to the closing of the merger, the Company has sold a real estate joint venture interest and all of the property located outside the Tri-State Area other than one office property located in Orlando, Florida for approximately \$171.1 million. The combined consideration consisted of approximately \$143.8 million in cash and approximately \$27.3 million of debt relief. Net cash proceeds from the sales were used primarily to repay borrowings under the Credit Facility. As a result of incurring certain sales and closing costs in connection with the sale of the assets located outside the Tri-State Area, the Operating Partnership has incurred a loss of approximately \$4.4 million which has been included in gain (loss) on dispositions of real estate on the accompanying consolidated statements of income.

"Big Box" Industrial Investment Activity

On August 9, 1999, the Operating Partnership executed a contract for the sale, which took place in three stages, of its interest in RMI, which consisted of 28 properties, comprising approximately 6.1 million square feet and three other big box industrial properties to KTR. In addition, the Operating Partnership also entered into a sale agreement with the Matrix Development Group ("Matrix") relating to a first mortgage note and certain industrial land holdings (the "Matrix Sale"). The combined total sales price of \$310 million (\$52 million of which is attributable to the Morris Companies and its affiliates in the form of \$41.6 million of preferred units of KTR's operating partnership and \$10.4 million of debt relief) consisted of (i) approximately \$159.7 million in cash, (ii) \$41.5 million in convertible preferred and common stock of KTR, (iii) \$61.6 million in preferred units of KTR's operating partnership, (iv) approximately \$37.1 million of debt relief and (v) approximately \$10.1 million in purchase money mortgage notes secured by certain land that is being sold to Matrix.

As of December 31, 2000, the Matrix Sale and the sale of the Operating Partnership's interest in RMI was completed. As a result, the Operating Partnership realized a gain of approximately \$16.7 million. Such gain has been included in gain on dispositions of real estate on the accompanying consolidated statements of income. Cash proceeds from the sales were used primarily to repay borrowings under the Credit Facility. In addition, the Operating Partnership redeemed approximately \$20 million of the preferred stock of KTR and received principal repayments of approximately \$7.2 million related to the purchase money mortgage notes, all of which was used primarily for general operating expenditures.

Other Real Estate Investment Activities

On April 13, 1999, the Operating Partnership received approximately \$25.8 million from the redemption of a mortgage note receivable which secured three office properties located in Garden City,

6. COMMERCIAL REAL ESTATE INVESTMENTS - (CONTINUED)

Long Island, encompassing approximately 400,000 square feet. As a result, the Operating Partnership recognized a gain of approximately \$4.3 million. Such gain has been included in gain on dispositions of real estate on the accompanying consolidated statements of income.

On June 15, 1999, the Operating Partnership acquired the first mortgage note secured by a 47 story, 1.4 million square foot Class A office property located at 919 Third Avenue in New York City for approximately \$277.5 million. The first mortgage note entitled the Operating Partnership to all the net cash flow of the property and to substantial rights regarding the operations of the property, with the Operating Partnership anticipating to ultimately obtain title to the property. This acquisition was financed with proceeds from the issuance of six million Series E preferred units of general partnership interest (see note 7) and through an advance under the Credit Facility. Current financial accounting guidelines provides that where a lender has virtually the same risks and potential rewards as those of a real estate owner it should recognize the full economics associated with the operations of the property. As such, the Operating Partnership has recognized real estate operations of 919 Third Avenue in the accompanying consolidated statements of income from the date of acquisition. On July 28, 2000, the Operating Partnership consented to the filing of a consensual, pre-packaged bankruptcy plan with the current fee owner and on November 2, 2000 the Operating Partnership obtained title to the property.

On January 13, 2000, the Operating Partnership acquired 1350 Avenue of the Americas, a 540,000 square foot, 35 story, Class A office property, located in New York City, for a purchase price of approximately \$126.5 million. This acquisition was financed through a \$70 million secured debt financing and a draw under the Credit Facility.

On August 15, 2000, the Operating Partnership acquired 538 Broadhollow Road, a 180,000 square foot Class A office property located in Melville, New York for a purchase price of approximately \$25.6 million. This acquisition was financed, in part, through a borrowing under the Credit Facility.

On September 28, 2000, the Operating Partnership formed a joint venture (the "Tri-State JV") with Teachers Insurance and Annuity Association ("TIAA") and contributed eight Class A suburban office properties aggregating approximately 1.5 million square feet to the Tri-State JV in exchange for approximately \$136 million and a 51% majority ownership interest in the Tri-State JV. As a result, the Operating Partnership realized a gain of approximately \$15.2 million. Such gain has been included in gain on dispositions of real estate on the accompanying consolidated statements of income. Cash proceeds received were used primarily to repay borrowings under the Credit Facility.

In addition, as of December 31, 2000, the Operating Partnership has invested approximately \$6.4 million in mortgage notes encumbering approximately 101 acres of land, approximately \$17.1 million in a note receivable secured by a partnership interest in Omni Partner's, L.P., owner of the Omni, a 575,000 square foot Class A office property located in Uniondale, New York and \$36.5 million under three notes which bear interest at rates ranging from 10.5% to 11% per annum and are secured by a minority partner's preferred unit interest.

The Operating Partnership has announced that it has withdrawn its offer to purchase a tract of land located in Suffolk County, New York from the State of New York. As a result, as of December 31, 2000, the Company incurred a one-time non-recurring charge of \$3.2 million in connection with the discontinuation of this development project. Such amount has been included in gain (loss) on dispositions of real estate on the accompanying consolidated statements of income.

7. PARTNERS' CAPITAL

On May 24, 1999, in conjunction with the Tower acquisition, the Operating Partnership issued 11,694,567 Class B common units of general partnership interest to the Company which were valued for GAAP purposes at \$26 per unit for total consideration of approximately \$304.1 million. The Class B

7. PARTNERS' CAPITAL - (CONTINUED)

common units are entitled to receive an initial annual distribution of \$2.24 per unit which distribution is subject to adjustment annually. On July 1, 2000, the annual distribution on the Class B common units was increased to \$2.40 per unit.

The Class B common units are exchangeable at any time, at the option of the holder, into an equal number of Class A common units subject to customary antidilution adjustments. The Class B common units will be exchanged for an equal number of Class A common units upon the exchange, if any, by the Company of Class A common stock for Class B common stock at any time following November 23, 2003.

On June 2, 1999, in connection with the Company's issuance of Series B convertible preferred stock, the Operating Partnership issued six million Series E preferred units of general partnership interest to the Company in exchange for approximately \$150 million. The Series E preferred units have a liquidation preference of \$25 per unit, and an initial distribution rate of 7.85% per annum with such rate increasing to 8.35% per annum on April 30, 2000 and to 8.85% per annum from and after April 30, 2001. The Series E preferred units are convertible into Class A common units at a price of \$26.05 per unit and are redeemable by the Operating Partnership on or after March 2, 2002. Proceeds from the issuance of the Series E preferred units were used as partial consideration in the acquisition of the first mortgage note secured by 919 Third Avenue located in New York City. On June 20, 2000, the Operating Partnership issued 4,181,818 Class A common units in exchange for four million Series E preferred units with a liquidation preference value of \$100 million.

The Board of Directors of the Company has authorized a purchase buy back program for the Company's Class B common stock. As a result, as of December 31, 2000, in conjunction with the Company's Class B common stock buy back program, the Operating Partnership purchased and retired 1,410,804 Class B common units for approximately \$30.3 million.

On October 16, 2000, the Company's Board of Directors announced that it adopted a Shareholder Rights Plan designed to protect its shareholders from various abusive takeover tactics, including attempts to acquire control of the Company at an inadequate price, depriving its shareholders of the full value of their investment. The Operating Partnership has adopted a similar rights plan (the "Rights Plan") which would be triggered in the event the Company's Shareholders Rights Plan is triggered. The Rights Plan was not adopted in response to any known effort to acquire control of the Operating Partnership or the Company.

Under the Rights Plan, each Class A common unitholder will receive a dividend of one Right for each Class A common unit owned. The Rights will be exercisable only if a person or group acquires, or announces their intent to acquire, 15% or more of the Company's Class A common stock, or announces a tender offer the consummation of which would result in beneficial ownership by a person or group of 15% or more of the Company's Class A common stock. Each Right will entitle the holder to purchase one one-thousandth of a unit of a new series of junior participating preferred units of the Operating Partnership at an initial exercise price of \$84.44.

If any person acquires beneficial ownership of 15% or more of the outstanding shares of Class A common stock of the Company, then all Rights holders (except the acquiring person if such person is a holder of Rights) will be entitled to purchase the Operating Partnership's Class A common units at a discounted price. If the Company is acquired in a merger after such an acquisition, all Rights holders (except the acquiring person if such person is a holder of Rights) will also be entitled to purchase stock in the buyer at a discount in accordance with the Rights Plan.

The distribution of Rights was made to Class A common unitholders of record at the close of business on October 27, 2000 and Class A common units that are newly-issued after that date (including Class A common units issued upon conversion of the outstanding Class B common units) will also carry

7. PARTNERS' CAPITAL - (CONTINUED)

Rights until the Rights become detached from the Class A common units. The Rights will expire at the close of business on October 13, 2010, unless earlier redeemed by the Operating Partnership. The Rights distribution is not taxable to unitholders.

8. RELATED PARTY TRANSACTIONS

The Operating Partnership, through its subsidiaries and affiliates, provides management, leasing and other tenant related services to the Properties. Certain executive officers of the Company have continuing ownership interests in the unconsolidated service companies.

The Operating Partnership in connection with its formation was granted a ten year option period to acquire ten properties which are either owned by the Reckson Group, the predecessor to the Company, or in which the Reckson Group owns a non-controlling minority interest. As of December 31, 2000, one of these properties was sold by the Reckson Group to a third party and four of these properties were acquired by the Operating Partnership for an aggregate purchase price of approximately \$35 million, which included the issuance of approximately 475,000 Units valued at approximately \$8.8 million.

During July 1999, the Operating Partnership sold its interest in a 852,000 square foot development property to RCG in exchange for a \$12.3 million note. The note accrues interest annually at the rate of 12%, has a five year maturity and is prepayable in whole or in part. During October 1999, RCG made a payment to the Operating Partnership, in the form of 97 shares of its preferred stock, valued at approximately \$4.0 million, towards accrued interest and principal due under the note.

The Operating Partnership and FrontLine have entered into an intercompany agreement (the "Reckson Intercompany Agreement") to formalize their relationship and to limit conflicts of interest. Under the Reckson Intercompany Agreement, FrontLine granted the Operating Partnership a right of first opportunity to make any REIT-qualified investment that becomes available to FrontLine. In addition, if a REIT-qualified investment opportunity becomes available to an affiliate of Frontline, including RSVP, the Reckson Intercompany Agreement requires such affiliate to allow the Operating Partnership to participate in such opportunity to the extent of FrontLine's interest.

Under the Reckson Intercompany Agreement, the Operating Partnership granted FrontLine a right of first opportunity to provide commercial services to the Operating Partnership and its tenants. FrontLine will provide services to the Operating Partnership and on terms as attractive as either the best available for comparable services in the market or those offered by FrontLine to third parties. In addition, the Operating Partnership will give FrontLine access to its tenants with respect to commercial services that may be provided to such tenants and, under the Reckson Intercompany Agreement, subject to certain conditions, the Operating Partnership granted FrontLine a right of first refusal to become the lessee of any real property acquired by the Operating Partnership if the Operating Partnership determines that, consistent with the Company's status as a REIT, it is required to enter into a "master" lease agreement.

RSVP-Controlled REIT-Qualified Joint Venture Investments

On August 27, 1998 the Operating Partnership announced the formation of a joint venture with RSVP and the Dominion Group, an Oklahoma-based, privately-owned group of companies that focuses on the development, acquisition and ownership of government occupied office buildings and correctional facilities. The new venture, Dominion Properties LLC (the "Dominion Venture"), is owned by Dominion Venture Group LLC, and by a subsidiary of the Operating Partnership. The Dominion Venture is primarily engaged in acquiring, developing and/or owning government-occupied office buildings and privately operated correctional facilities. Under the Dominion Venture's operating agreement, RSVP may invest up to \$100 million, some of which may be invested by the Operating Partnership (the "RSVP

8. RELATED PARTY TRANSACTIONS - (CONTINUED)

Capital"). The initial contribution of RSVP Capital was approximately \$39 million of which approximately \$10.1 million was invested by a subsidiary of the Operating Partnership. The Operating Partnership's investment was funded through the RSVP Commitment. In addition, the Operating Partnership advanced approximately \$3.3 million to FrontLine through the RSVP Commitment for an investment in RSVP which was then invested on a joint venture basis with the Dominion Group in certain service business activities related to the real estate activities. As of December 31, 2000, the Operating Partnership had invested, through the RSVP Commitment, approximately \$20.6 million in the Dominion Venture which had investments in 13 government office buildings and three correctional facilities.

As of December 31, 2000, the Operating Partnership has invested approximately \$11.1 million, through a subsidiary, in RAP Student Housing Properties, LLC ("RAP-SHP"), a company that engages primarily in the acquisition and development of off-campus student housing projects. The Operating Partnership's investment was funded through the RSVP Commitment. In addition, the Operating Partnership has advanced approximately \$3.5 million to FrontLine through the RSVP Commitment for an investment in RSVP which was then invested in certain service business activities related to student housing. As of December 31, 2000, RAP-SHP had investments in seven off-campus student housing projects. Additionally, during 2000, RAP-SHP entered into an off-campus development joint venture with Titan Investments II, a third party national developer. The purpose of the venture is to develop or reposition off-campus student housing projects across the United States.

As of December 31, 2000, the Operating Partnership has invested approximately \$3.4 million, through a subsidiary, in RAP MD, LLC ("RAP-MD"), a company that engages primarily in the acquisition, ownership, management and development of medical office properties. The Operating Partnership's investment was funded through the RSVP Commitment. As of December 31, 2000, RAP-MD had investments in eight medical office properties.

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

In accordance with FASB Statement No. 107, "Disclosures About Fair Value of Financial Instruments", management has made the following disclosures of estimated fair value at December 31, 2000 as required by FASB Statement No. 107.

Cash equivalents and variable rate debt are carried at amounts which reasonably approximate their fair values.

The fair value of the Operating Partnership's long term debt, mortgage notes and notes receivable is estimated based on discounting future cash flows at interest rates that management believes reflects the risks associated with long term debt, mortgage notes and notes receivable of similar risk and duration. In addition, management believes that the estimated aggregate fair value of these assets and liabilities approximates their carrying values.

Considerable judgment is necessary to interpret market data and develop estimated fair value. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

10. RENTAL INCOME

The office and industrial Properties are being leased to tenants under operating leases. The minimum rental amount due under certain leases are generally either subject to scheduled fixed increases or indexed escalations. In addition, the leases generally also require that the tenants reimburse the Operating Partnership for increases in certain operating costs and real estate taxes above base year costs.

RECKSON OPERATING PARTNERSHIP, L.P.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

10. RENTAL INCOME - (CONTINUED)

Expected future minimum rents to be received over the next five years and thereafter from leases in effect at December 31, 2000 are as follows (in thousands):

2001	\$ 378,057
2002	380,665
2003	355,064
2004	324,183
2005	278,782
Thereafter	1,465,457

	\$ 3,182,208
	=====

11. SEGMENT DISCLOSURE

The Operating Partnership's portfolio consists of Class A office properties located within the New York City metropolitan area and Class A suburban office and industrial properties located and operated within the Tri-State Area (the "Core Portfolio"). The Operating Partnership's portfolio also includes one office property located in Orlando, Florida, certain industrial joint venture properties formerly owned by RMI and for the period commencing January 6, 1998 and ending September 26, 1999, industrial properties which were owned by RMI and subsequently sold to KTR. The Operating Partnership has managing directors who report directly to the Chief Operating Officer and Chief Financial Officer who have been identified as the Chief Operating Decision Makers because of their final authority over resource allocation, decisions and performance assessment.

In addition, the Operating Partnership does not consider (i) interest incurred on its Credit Facility, term loan and Senior Unsecured Notes, (ii) the operating performance of the office property located in Orlando, Florida and (iii) commencing January 1, 2000, the operating performance of the industrial joint venture properties formerly owned by RMI as part of its Core Portfolio's property operating performance.

The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies.

RECKSON OPERATING PARTNERSHIP, L.P.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

11. SEGMENT DISCLOSURE - (CONTINUED)

The following tables set forth the components of the Operating Partnership's revenues and expenses and other related disclosures, as required by Statement 131, for the years ended December 31 (in thousands):

	2000			
	CORE PORTFOLIO	OTHER	CONSOLIDATED TOTALS	
REVENUES:				
Base rents, tenant escalations and reimbursements	\$ 442,326	\$ 9,751	\$ 452,077	
Equity in earnings of real estate joint ventures and service companies	--	4,383	4,383	
Other income	1,212	52,245	53,457	
Total Revenues	443,538	66,379	509,917	
EXPENSES:				
Property expenses	154,930	2,526	157,456	
Marketing, general and administrative	20,606	4,615	25,221	
Interest	40,465	55,872	96,337	
Depreciation and amortization	84,401	8,146	92,547	
Total Expenses	300,402	71,159	371,561	
Income (loss) before preferred distributions, minority interests and extraordinary loss	\$ 143,136	\$ (4,780)	\$ 138,356	
Total assets	\$ 2,428,500	\$ 571,294	\$ 2,999,794	
	1999			
	CORE PORTFOLIO	RMI	OTHER	CONSOLIDATED TOTALS
REVENUES:				
Base rents, tenant escalations and reimbursements	\$ 340,293	\$15,394	\$ 13,448	\$ 369,135
Equity in earnings of real estate joint ventures and service companies	--	--	2,148	2,148
Other income	448	9	31,402	31,859
Total Revenues	340,741	15,403	46,998	403,142
EXPENSES:				
Property expenses	119,270	2,406	4,318	125,994
Marketing, general and administrative	16,981	548	4,740	22,269
Interest	25,167	445	49,097	74,709
Depreciation and amortization	64,097	3,663	6,744	74,504
Total Expenses	225,515	7,062	64,899	297,476
Income (loss) before preferred distributions, minority interests and extraordinary loss	\$ 115,226	\$ 8,341	\$ (17,901)	\$ 105,666
Total assets	\$ 2,142,696	\$ 0	\$ 591,881	\$ 2,734,577

12. NON-CASH INVESTING AND FINANCING ACTIVITIES

Additional supplemental disclosures of non-cash investing and financing activities are as follows:

On May 24, 1999, in conjunction with the Tower portfolio acquisition, the Operating Partnership issued 11,694,567 shares of Class B common units which were valued for GAAP purposes at approximately \$304.1 million and assumed approximately \$133.4 million of indebtedness for a total non cash investment of approximately \$437.5 million.

During June 1999, in connection with the sale of an office property, the

Operating Partnership obtained a \$1.2 million purchase money mortgage as partial consideration for the sale.

During July 1999, the Operating Partnership sold its interest in a 852,000 square foot development property to RCG in exchange for a \$12.3 million note. During October 1999, the Operating Partnership accepted 97 shares of preferred stock of RCG as payment of \$4.0 million of principal and interest due under the note.

During September 1999, in connection with the Matrix Sale and the first stage closing of RMI, the Operating Partnership received as partial consideration for the sale \$41.5 million of common and preferred stock of KTR and approximately \$10.1 million in purchase money mortgages from Matrix. In addition, the Operating Partnership was also relieved of approximately \$26.7 million of secured indebtedness.

During November 1999, the Operating Partnership received approximately \$3.6 million of common stock of FrontLine as consideration for amending the FrontLine Facility and the RSVP Commitment. In May 2000, the Operating Partnership contributed the common stock it received from FrontLine to RMG in exchange for 50 shares of non voting preferred stock, 97 shares of 8% preferred stock and a \$1.4 million note.

RECKSON OPERATING PARTNERSHIP, L.P.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

12. NON-CASH INVESTING AND FINANCING ACTIVITIES - (CONTINUED)

On June 20, 2000, in conjunction with the Company's exchange of 4,181,818 shares of its Class A common stock for four million shares of its Series B preferred stock, the Operating Partnership issued 4,181,818 Class A common units in exchange for four million shares of Series E preferred units with a liquidation preference value of \$100 million.

13. COMMITMENTS AND OTHER COMMENTS

The Operating Partnership had outstanding undrawn letters of credit against its Credit Facility of approximately \$51.3 million and \$52.3 million at December 31, 2000 and 1999, respectively.

14. QUARTERLY FINANCIAL DATA (UNAUDITED)

The following summary represents the Operating Partnership's results of operations for each fiscal quarter during 2000 and 1999 (in thousands, except unit data):

	2000			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Total revenues	\$ 117,658	\$ 125,448	\$ 140,294	\$ 126,517
Income before distributions to preferred unit holders, minority interests and extraordinary loss	\$ 28,772	\$ 35,709	\$ 44,208	\$ 29,667
Preferred unit distributions	(7,985)	(7,857)	(6,085)	(6,085)
Minority partners' interest in consolidated partnerships	(1,975)	(1,925)	(1,874)	(3,346)
Extraordinary loss	--	--	(1,571)	--
Net income available to common unit holders	\$ 18,812	\$ 25,927	\$ 34,678	\$ 20,236
Net income available to:				
General Partner -- Class A common units	\$ 11,946	\$ 16,563	\$ 22,753	\$ 13,290
General Partner -- Class B common units	4,589	6,281	8,050	4,687
Limited Partners'	2,277	3,083	3,875	2,259
Total	\$ 18,812	\$ 25,927	\$ 34,678	\$ 20,236
Net income per common unit:				
General Partner -- Class A common units	\$.30	\$.40	\$.50	\$.29
General Partner -- Class B common units	\$.45	\$.61	\$.78	\$.46
Limited Partners'	\$.30	\$.40	\$.50	\$.29
Weighted average common units outstanding:				
General Partner -- Class A common units	40,382,000	41,343,000	45,178,000	45,326,000
General Partner -- Class B common units	10,284,000	10,284,000	10,284,000	10,284,000
Limited Partners'	7,700,000	7,695,000	7,695,000	7,695,000

RECKSON OPERATING PARTNERSHIP, L.P.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
14. QUARTERLY FINANCIAL DATA (UNAUDITED) - (CONTINUED)

	1999			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Total revenues	\$ 76,107	\$ 90,846	\$ 125,731	\$ 110,458
	=====	=====	=====	=====
Income before distributions to preferred unit holders, minority interests and extraordinary loss	\$ 20,091	\$ 20,728	\$ 35,709	\$ 29,138
Preferred unit distributions	(5,041)	(5,989)	(7,985)	(7,986)
Minority partners' interest in consolidated partnerships	(1,168)	(1,615)	(2,150)	(1,869)
Extraordinary loss	--	--	(629)	--
	-----	-----	-----	-----
Net income available to common unit holders	\$ 13,882	\$ 13,124	\$ 24,945	\$ 19,283
	=====	=====	=====	=====
Net income available to:				
General Partner -- Class A common units	\$ 11,641	\$ 9,550	\$ 15,409	\$ 12,191
General Partner -- Class B common units	--	1,747	6,596	4,767
Limited Partners'	2,241	1,827	2,940	2,325
	-----	-----	-----	-----
Total	\$ 13,882	\$ 13,124	\$ 24,945	\$ 19,283
	=====	=====	=====	=====
Net income per common unit:				
General Partner -- Class A common units	\$.29	\$.24	\$.38	\$.30
General Partner -- Class B common units	\$ --	\$.36	\$.58	\$.46
Limited Partners'	\$.29	\$.24	\$.38	\$.30
Weighted average common units outstanding:				
General Partner -- Class A common units	40,049,000	40,285,000	40,367,000	40,375,000
General Partner -- Class B common units	---	4,883,000	11,457,000	10,469,000
Limited Partners'	7,710,000	7,705,000	7,702,000	7,701,000

15. PRO FORMA RESULTS (UNAUDITED)

The following unaudited pro forma operating results of the Operating Partnership for the year ended December 31, 2000 have been prepared as if the property acquisitions and dispositions made during 2000 had occurred on January 1, 2000. Unaudited pro forma financial information is presented for informational purposes only and may not be indicative of what the actual results of operations of the Operating Partnership would have been had the events occurred as of January 1, 2000, nor does it purport to represent the results of operations for future periods (in thousands except per unit data):

Total Revenues	\$ 508,381
	=====
Income before distributions to preferred unit holders, minority interests and extraordinary loss	\$ 135,532
	=====
Net income available to General Partner -- Class A common units .	\$ 54,117
	=====
Net Income per weighted average Class A common unit	\$ 1.26
	=====
Net Income available to General Partner -- Class B common units .	\$ 19,782
	=====
Net Income per weighted average Class B common unit	\$ 1.92
	=====
Net Income available to Limited Partners	\$ 9,640
	=====
Net income per weighted average limited partnership unit	\$ 1.26
	=====

16. OTHER INVESTMENTS AND ADVANCES

During 1997, the Company formed FrontLine (formerly Reckson Service Industries, Inc.) and RSVP. In connection with the formation of FrontLine, the Operating Partnership established a credit facility with FrontLine (the "FrontLine Facility") in the amount of \$100 million for FrontLine to use in its investment activities, operations and other general corporate purposes. As of December 31, 2000, the Operating Partnership had advanced approximately \$93.4 million under the FrontLine Facility. In addition, the Operating Partnership approved the funding of investments of up to \$100 million with or in RSVP (the "RSVP Commitment"), through RSVP-controlled joint ventures (for REIT-qualified investments) or advances made to FrontLine under terms similar to the FrontLine Facility. As of December 31, 2000, approximately \$83.2 million had been funded through the RSVP Commitment, of which \$41.1 million represents investments in RSVP-controlled (REIT-qualified) joint ventures and \$42.1 million represents advances.

In March 2001, the Operating Partnership increased the RSVP Commitment to \$110 million and advanced approximately \$24 million under the RSVP Commitment to fund additional RSVP-controlled (REIT-qualified) joint ventures (unaudited).

In addition, as of December 31, 2000, the Operating Partnership, through its Credit Facility, has allocated approximately \$3.2 million in outstanding undrawn letters of credit for the benefit of FrontLine. Both the FrontLine Facility and the RSVP Commitment have a term of five years and advances under each are recourse obligations of FrontLine. Interest accrues on advances made under the credit facilities at a rate equal to the greater of (a) the prime rate plus two percent and (b) 12% per annum, with the rate on amounts that are outstanding for more than one year increasing annually at a rate of four percent of the prior year's rate. Prior to maturity, interest is payable quarterly but only to the extent of net cash flow of FrontLine and on an interest-only basis. As of December 31, 2000, interest accrued under the FrontLine Facility and RSVP Commitment was approximately \$13.8 million.

During November 1999, the Board of Directors of FrontLine and the Operating Partnership approved an amendment to the FrontLine Facility and the RSVP Commitment to permit FrontLine to incur secured debt and to pay interest thereon and to issue preferred stock and to pay dividends thereon. In consideration of the amendments, FrontLine paid the Operating Partnership a fee of approximately \$3.6 million in the form of shares of FrontLine common stock. Such fee has been recognized in income over an estimated nine month benefit period.

FrontLine currently has two distinct operating units: one of which represents its interest in HQ Global Holdings, Inc., the largest provider of flexible officing solutions in the world, and the other which represents interests in technology based partner companies. RSVP invests primarily in real estate and real estate related operating companies generally outside of the Operating Partnership's core office and industrial focus.

RECKSON OPERATING PARTNERSHIP, L.P.
SCHEDULE III -- REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2000
(IN THOUSANDS)

COLUMN A DESCRIPTION	COLUMN B ENCUMBRANCE	COLUMN C INITIAL COST		COLUMN D COST CAPITALIZED, SUBSEQUENT TO ACQUISITION	
		LAND	BUILDINGS AND IMPROVEMENTS	LAND	BUILDINGS AND IMPROVEMENTS
		Vanderbilt Industrial Park, Hauppauge, New York (27 buildings in an industrial park)	--	\$ 1,940	\$ 9,955
85 Nicon Court Hauppauge, New York	--	797	2,818	--	64
104 Parkway Drive So., Hauppauge, New York	--	54	804	--	200
125 Ricefield Lane Hauppauge, New York	--	13	852	--	330
110 Ricefield Lane Hauppauge, New York	--	33	1,043	1	57
120 Ricefield Lane Hauppauge, New York	--	16	1,051	--	192
135 Ricefield Lane Hauppauge, New York	--	24	906	--	473
1997 Portfolio Acquisition, Hauppauge, New York (10 additional buildings in Vanderbilt Industrial Park)	--	930 (B)	20,619	1	3,069
425 Rabro Drive Hauppauge, New York	--	665	3,489	--	71
600 Old Willets Path Hauppauge, New York	--	295	3,521	--	727
Airport International Plaza, Islip, New York (17 buildings in an industrial park)	2,616 (C)	1,263	13,608	--	11,055
120 Wilbur Place Islip, New York	--	202	1,154	8	117
2004 Orville Drive North Islip, New York	--	633	4,226	--	1,413
2005 Orville Drive North Islip, New York	--	984	5,410	--	984
County Line Industrial Center, Melville, New York (3 buildings in an industrial park)	--	628	3,686	--	2,823
30 Hub Drive Melville, New York	--	469	1,571	--	312
32 Windsor Place, Islip, New York	--	32	321	--	46

COLUMN A DESCRIPTION	COLUMN E GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD			COLUMN F ACCUMULATED DEPRECIATION	COLUMN G DATE OF CONSTRUCTION	COLUMN H DATE ACQUIRED
	LAND	BUILDINGS AND IMPROVEMENTS	TOTAL			
	Vanderbilt Industrial Park, Hauppauge, New York (27 buildings in an industrial park)	1,940	20,563			
85 Nicon Court Hauppauge, New York	797	2,882	3,679	480	1984	1995
104 Parkway Drive So., Hauppauge, New York	54	1,004	1,058	161	1985	1996
125 Ricefield Lane Hauppauge, New York	13	1,182	1,195	296	1973	1996
110 Ricefield Lane Hauppauge, New York	34	1,100	1,134	191	1980	1996
120 Ricefield Lane Hauppauge, New York	16	1,243	1,259	168	1983	1996
135 Ricefield Lane Hauppauge, New York	24	1,379	1,403	367	1981	1996
1997 Portfolio Acquisition, Hauppauge, New York (10 additional buildings in Vanderbilt Industrial Park)	931	23,688	24,619	3,445	1974-1982	1997
425 Rabro Drive Hauppauge, New York	665	3,560	4,225	433	1980	1997

600 Old Willets Path Hauppauge, New York	295	4,248	4,543	358	1999	1999
Airport International Plaza, Islip, New York (17 buildings in an industrial park).....	1,263	24,663	25,926	15,729	1970-1988	1970-1988
120 Wilbur Place Islip, New York	210	1,271	1,481	116	1972	1998
2004 Orville Drive North Islip, New York	633	5,639	6,272	921	1998	1998
2005 Orville Drive North Islip, New York	984	6,394	7,378	387	1999	1999
County Line Industrial Center, Melville, New York (3 buildings in an industrial park)	628	6,509	7,137	4,636	1975-1979	1975-1979
30 Hub Drive Melville, New York	469	1,883	2,352	358	1976	1996
32 Windsor Place, Islip, New York	32	367	399	357	1971	1971

COLUMN A

COLUMN I

DESCRIPTION

LIFE ON WHICH
DEPRECIATION
IS COMPUTED

Vanderbilt Industrial Park, Hauppauge, New York (27 buildings in an industrial park)	10 - 30 Years
85 Nicon Court Hauppauge, New York	10 - 30 Years
104 Parkway Drive So., Hauppauge, New York	10 - 30 Years
125 Ricefield Lane Hauppauge, New York	10 - 30 Years
110 Ricefield Lane Hauppauge, New York	10 - 30 Years
120 Ricefield Lane Hauppauge, New York	10 - 30 Years
135 Ricefield Lane Hauppauge, New York	10 - 30 Years
1997 Portfolio Acquisition, Hauppauge, New York (10 additional buildings in Vanderbilt Industrial Park)	10 - 30 Years
425 Rabro Drive Hauppauge, New York	10 - 30 Years
600 Old Willets Path Hauppauge, New York	10 - 30 Years
Airport International Plaza, Islip, New York (17 buildings in an industrial park).....	10 - 30 Years
120 Wilbur Place Islip, New York	10 - 30 Years
2004 Orville Drive North Islip, New York	10 - 30 Years
2005 Orville Drive North Islip, New York	10 - 30 Years
County Line Industrial Center, Melville, New York (3 buildings in an industrial park)	10 - 30 Years
30 Hub Drive Melville, New York	10 - 30 Years
32 Windsor Place, Islip, New York	10 - 30 Years

Continued

RECKSON OPERATING PARTNERSHIP, L.P.
SCHEDULE III -- REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2000 (CONTINUED)
(IN THOUSANDS)

COLUMN A DESCRIPTION	COLUMN B ENCUMBRANCE	COLUMN C INITIAL COST		COLUMN D COST CAPITALIZED, SUBSEQUENT TO ACQUISITION	
		LAND	BUILDINGS AND IMPROVEMENTS	LAND	BUILDINGS AND IMPROVEMENTS
		42 Windsor Place Islip, New York	--	48	327
505 Walt Whitman Rd., Huntington, New York	--	140	42	--	59
1170 Northern Blvd., N. Great Neck, New York	--	30	99	--	34
50 Charles Lindbergh Blvd., Mitchel Field, New York	15,479	A	12,089	--	5,361
200 Broadhollow Road Melville, New York	6,494	338	3,354	--	3,430
48 South Service Road Melville, New York	--	1,652	10,245	--	5,108
395 North Service Road Melville, New York	20,525	A	15,551	--	7,298
6800 Jericho Turnpike Syosset, New York	14,324	582	6,566	--	9,357
6900 Jericho Turnpike Syosset, New York	7,560	385	4,228	--	3,572
300 Motor Parkway Hauppauge, New York	--	276	1,136	--	1,665
88 Duryea Road Melville, New York	--	200	1,565	--	748
210 Blydenburgh Road Islandia, New York	--	11	158	--	156
208 Blydenburgh Road Islandia, New York	--	12	192	--	147
71 Hoffman Lane Islandia, New York	--	19	260	--	172
933 Motor Parkway Hauppauge, New York	--	106	375	--	396
65 and 85 South Service Road Plainview, New York	--	40	218	--	17
333 Earl Ovington Blvd., (Omni) Mitchel Field, New York	55,641	A	67,221	--	19,025
135 Fell Court Islip, New York	--	462	1,265	--	261
40 Cragwood Road South Plainfield, New Jersey	--	725	7,131	--	5,873
110 Marcus Drive Huntington, New York	--	390	1,499	--	107

COLUMN A DESCRIPTION	COLUMN E GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD			COLUMN F ACCUMULATED DEPRECIATION	COLUMN G DATE OF CONSTRUCTION	COLUMN H DATE ACQUIRED	COLUMN I LIFE ON WHICH DEPRECIATION IS COMPUTED
	LAND	BUILDINGS AND IMPROVEMENTS	TOTAL				
42 Windsor Place Islip, New York	48	875	923	768	1972	1972	10 - 30 Years
505 Walt Whitman Rd., Huntington, New York	140	101	241	85	1950	1968	10 - 30 Years
1170 Northern Blvd., N. Great Neck, New York	30	133	163	130	1947	1962	10 - 30 Years
50 Charles Lindbergh Blvd., Mitchel Field, New York	--	17,450	17,450	9,985	1984	1984	10 - 30 Years
200 Broadhollow Road Melville, New York	338	6,784	7,122	4,087	1981	1981	10 - 30 Years
48 South Service Road Melville, New York	1,652	15,353	17,005	7,957	1986	1986	10 - 30 Years
395 North Service Road Melville, New York	--	22,849	22,849	11,974	1988	1988	10 - 30 Years
6800 Jericho Turnpike Syosset, New York	582	15,923	16,505	9,443	1977	1978	10 - 30 Years
6900 Jericho Turnpike Syosset, New York	385	7,800	8,185	4,161	1982	1982	10 - 30 Years
300 Motor Parkway							

Hauppauge, New York	276	2,801	3,077	1,510	1979	1979	10 - 30 Years
88 Duryea Road Melville, New York	200	2,313	2,513	1,359	1980	1980	10 - 30 Years
210 Blydenburgh Road Islandia, New York	11	314	325	302	1969	1969	10 - 30 Years
208 Blydenburgh Road Islandia, New York	12	339	351	337	1969	1969	10 - 30 Years
71 Hoffman Lane Islandia, New York	19	432	451	431	1970	1970	10 - 30 Years
933 Motor Parkway Hauppauge, New York	106	771	877	627	1973	1973	10 - 30 Years
65 and 85 South Service Road Plainview, New York	40	235	275	226	1961	1961	10 - 30 Years
333 Earl Ovington Blvd., (Omni) Mitchel Field, New York	--	86,246	86,246	23,633	1990	1995	10 - 30 Years
135 Fell Court Islip, New York	462	1,526	1,988	381	1965	1992	10 - 30 Years
40 Cragwood Road South Plainfield, New Jersey	725	13,004	13,729	7,381	1970	1983	10 - 30 Years
110 Marcus Drive Huntington, New York	390	1,606	1,996	1,230	1980	1980	10 - 30 Years

Continued

RECKSON OPERATING PARTNERSHIP, L.P
SCHEDULE III -- REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2000 (CONTINUED)
(IN THOUSANDS)

COLUMN A DESCRIPTION	COLUMN B ENCUMBRANCE	COLUMN C INITIAL COST		COLUMN D COST CAPITALIZED, SUBSEQUENT TO ACQUISITION		COLUMN E GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD		
		LAND	BUILDINGS AND IMPROVEMENTS	LAND	BUILDINGS AND IMPROVEMENTS	LAND	BUILDINGS AND IMPROVEMENTS	TOTAL
		333 East Shore Road Great Neck, New York	--	A	564	--	271	--
310 East Shore Road Great Neck, New York	2,322	485	2,009	--	1,610	485	3,619	4,104
70 Schmitt Blvd. Farmingdale, New York	--	727	3,408	--	33	727	3,441	4,168
19 Nicholas Drive Yaphank, New York	--	160	7,399	--	6,042	160	13,441	13,601
1516 Motor Parkway Hauppauge, New York	--	603	6,722	--	271	603	6,993	7,596
125 Baylis Road Melville, New York	--	1,601	8,626	--	2,026	1,601	10,652	12,253
35 Pinelawn Road Melville, New York	--	999	7,073	--	2,165	999	9,238	10,237
520 Broadhollow Road Melville, New York	--	457	5,572	--	1,669	457	7,241	7,698
1660 Walt Whitman Road Melville, New York	--	370	5,072	--	463	370	5,535	5,905
70 Maxess Road Melville, New York	--	367	1,859	95	2,957	462	4,816	5,278
20 Melville Park Rd., Melville, New York	--	391	2,650	--	101	391	2,751	3,142
105 Price Parkway Farmingdale, New York	--	2,030	6,327	--	469	2,030	6,796	8,826
48 Harbor Park Drive Port Washington, New York	--	1,304	2,247	--	93	1,304	2,340	3,644
60 Charles Lindbergh Mitchel Field, New York	--	A	20,800	--	1,904	--	22,704	22,704
155 White Plains Road, Tarrytown, New York	--	1,613	2,542	--	921	1,613	3,463	5,076
235 Main Street White Plains, New York	--	933	5,375	--	1,233	933	6,608	7,541
245 Main Street White Plains, New York	--	1,235	7,284	1	806	1,236	8,090	9,326
505 White Plains Road Tarrytown, New York	--	210	1,332	--	271	210	1,603	1,813
555 White Plains Road Tarrytown, New York	--	712	4,133	51	4,517	763	8,650	9,413
560 White Plains Road Tarrytown, New York	--	1,521	8,756	--	2,011	1,521	10,767	12,288

COLUMN A DESCRIPTION	COLUMN F ACCUMULATED DEPRECIATION	COLUMN G DATE OF CONSTRUCTION	COLUMN H DATE ACQUIRED	COLUMN I LIFE ON WHICH DEPRECIATION IS COMPUTED
310 East Shore Road Great Neck, New York	1,773	1981	1981	10 - 30 Years
70 Schmitt Blvd. Farmingdale, New York	613	1965	1995	10 - 30 Years
19 Nicholas Drive Yaphank, New York	1,623	1989	1995	10 - 30 Years
1516 Motor Parkway Hauppauge, New York	1,245	1981	1995	10 - 30 Years
125 Baylis Road Melville, New York	1,814	1980	1995	10 - 30 Years
35 Pinelawn Road Melville, New York	1,939	1980	1995	10 - 30 Years
520 Broadhollow Road Melville, New York	1,837	1978	1995	10 - 30 Years
1660 Walt Whitman Road Melville, New York	992	1980	1995	10 - 30 Years
70 Maxess Road Melville, New York	800	1967	1995	10 - 30 Years
20 Melville Park Rd., Melville, New York	420	1965	1996	10 - 30 Years

105 Price Parkway Farmingdale, New York	1,140	1969	1996	10 - 30 Years
48 Harbor Park Drive Port Washington, New York	391	1976	1996	10 - 30 Years
60 Charles Lindbergh Mitchel Field, New York	3,945	1989	1996	10 - 30 Years
155 White Plains Road, Tarrytown, New York	523	1963	1996	10 - 30 Years
235 Main Street White Plains, New York	1,159	1974	1996	10 - 30 Years
245 Main Street White Plains, New York	1,515	1983	1996	10 - 30 Years
505 White Plains Road Tarrytown, New York	347	1974	1996	10 - 30 Years
555 White Plains Road Tarrytown, New York	2,302	1972	1996	10 - 30 Years
560 White Plains Road Tarrytown, New York	2,602	1980	1996	10 - 30 Years

Continued

RECKSON OPERATING PARTNERSHIP, L.P
SCHEDULE III -- REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2000 (CONTINUED)
(IN THOUSANDS)

COLUMN A	COLUMN B	COLUMN C		COLUMN D		COLUMN E		
DESCRIPTION	ENCUMBRANCE	INITIAL COST		COST CAPITALIZED, SUBSEQUENT TO ACQUISITION		GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD		
		LAND	BUILDINGS AND IMPROVEMENTS	LAND	BUILDINGS AND IMPROVEMENTS	LAND	BUILDINGS AND IMPROVEMENTS	TOTAL
580 White Plains Road Tarrytown, New York	13,057	2,414	14,595	--	3,056	2,414	17,651	20,065
660 White Plains Road Tarrytown, New York	--	3,929	22,640	45	4,801	3,974	27,441	31,415
Landmark Square Stamford, Connecticut	46,974	11,603	64,466	832	27,610	12,435	92,076	104,511
110 Bi -County Blvd. Farmingdale, New York	4,043	2,342	6,665	--	187	2,342	6,852	9,194
One Eagle Rock, East Hanover, New Jersey	--	803	7,563	--	3,025	803	10,588	11,391
710 Bridgeport Avenue Shelton, Connecticut	--	5,405	21,620	7	719	5,412	22,339	27,751
101 JFK Expressway Short Hills, New Jersey	--	7,745	43,889	--	1,154	7,745	45,043	52,788
10 Rooney Circle West Orange, New Jersey	--	1,302	4,615	1	425	1,303	5,040	6,343
Executive Hill Office Park West Orange, New Jersey	--	7,629	31,288	4	1,299	7,633	32,587	40,220
3 University Plaza Hackensack, New Jersey	--	7,894	11,846	--	2,425	7,894	14,271	22,165
One Paragon Drive Montvale, New Jersey	--	2,773	9,901	--	687	2,773	10,588	13,361
150 Motor Parkway Hauppauge, New York	--	1,114	20,430	--	2,688	1,114	23,118	24,232
Reckson Executive Park Ryebrook, New York	--	18,343	55,028	--	2,168	18,343	57,196	75,539
University Square Princeton, New Jersey	--	3,288	8,888	--	419	3,288	9,307	12,595
100 Andrews Road Hicksville, New York	--	2,337	1,711	151	5,742	2,488	7,453	9,941
2 Macy Road Harrison, New York	--	642	2,131	--	66	642	2,197	2,839
80 Grasslands Elmsford, New York	--	1,208	6,728	--	436	1,208	7,164	8,372
65 Marcus Drive Melville, New York	--	295	1,966	56	883	351	2,849	3,200
Triad V -- 1979 Marcus Rd., Lake Success, New York	--	3,528	31,786	--	7,921	3,528	39,707	43,235
100 Forge Way Rockaway, New Jersey	--	315	902	--	90	315	992	1,307

COLUMN A	COLUMN F	COLUMN G	COLUMN H	COLUMN I
DESCRIPTION	ACCUMULATED DEPRECIATION	DATE OF CONSTRUCTION	DATE ACQUIRED	LIFE ON WHICH DEPRECIATION IS COMPUTED
580 White Plains Road Tarrytown, New York	3,515	1997	1996	10 - 30 Years
660 White Plains Road Tarrytown, New York	5,523	1983	1996	10 - 30 Years
Landmark Square Stamford, Connecticut	12,076	1973-1984	1996	10 - 30 Years
110 Bi -County Blvd. Farmingdale, New York	972	1984	1997	10 - 30 Years
One Eagle Rock, East Hanover, New Jersey	1,683	1986	1997	10 - 30 Years
710 Bridgeport Avenue Shelton, Connecticut	2,893	1971-1979	1997	10 - 30 Years
101 JFK Expressway Short Hills, New Jersey	5,478	1981	1997	10 - 30 Years
10 Rooney Circle West Orange, New Jersey	699	1971	1997	10 - 30 Years
Executive Hill Office Park West Orange, New Jersey	3,968	1978-1984	1997	10 - 30 Years
3 University Plaza Hackensack, New Jersey	1,785	1985	1997	10 - 30 Years
One Paragon Drive Montvale, New Jersey	1,320	1980	1997	10 - 30 Years

150 Motor Parkway Hauppauge, New York	2,986	1984	1997	10 - 30 Years
Reckson Executive Park Ryebrook, New York	6,192	1983-1986	1997	10 - 30 Years
University Square Princeton, New Jersey	940	1987	1997	10 - 30 Years
100 Andrews Road Hicksville, New York	1,194	1954	1996	10 - 30 Years
2 Macy Road Harrison, New York	234	1962	1997	10 - 30 Years
80 Grasslands Elmsford, New York	778	1989/1964	1997	10 - 30 Years
65 Marcus Drive Melville, New York	454	1968	1996	10 - 30 Years
Triad V -- 1979 Marcus Rd., Lake Success, New York	4,514	1987	1998	10 - 30 Years
100 Forge Way Rockaway, New Jersey	107	1986	1998	10 - 30 Years

Continued

RECKSON OPERATING PARTNERSHIP, L.P.
SCHEDULE III -- REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2000 (CONTINUED)
(IN THOUSANDS)

COLUMN A DESCRIPTION	COLUMN B ENCUMBRANCE	COLUMN C INITIAL COST		COLUMN D COST CAPITALIZED, SUBSEQUENT TO ACQUISITION	
		LAND	BUILDINGS AND IMPROVEMENTS	LAND	BUILDINGS AND IMPROVEMENTS
200 Forge Way Rockaway, New Jersey	--	1,128	3,228	--	178
300 Forge Way Rockaway, New Jersey	--	376	1,075	--	254
400 Forge Way Rockaway, New Jersey	--	1,142	3,267	--	179
51 - 55 Charles Lindbergh Blvd. Mitchel Field, New York	--	A	27,975	--	4,258
155 Passaic Avenue Fairfield, New Jersey	--	3 (A)	3,538	--	2,126
100 Summit Drive Valhalla, New York	21,541	3,007	41,351	--	4,140
115/117 Stevens Avenue Valhalla, New York	--	1,094	22,490	--	733
200 Summit Lake Drive Valhalla, New York	20,133	4,343	37,305	--	1,961
140 Grand Street White Plains, New York	--	1,932	18,744	--	309
500 Summit Lake Drive Valhalla, New York	--	7,052	37,309	--	7,794
99 Cherry Hill Road Parsippany, New Jersey	--	2,360	7,508	--	373
119 Cherry Hill Road Parsippany, New Jersey	--	2,512	7,622	--	879
45 Melville Park Road Melville, New York	--	355	1,487	--	1,822
500 Saw Mill River Road Elmsford, New York	--	1,542	3,796	--	185
120 W.45th Street New York, New York	66,103	28,757 (A)	162,809	(10)	1,237
1255 Broad Street Clifton, New Jersey	--	1,329	15,869	--	3,976
810 7th Avenue New York, New York	85,600	26,984 (A)	152,767	112	9,155
120 Mineola Blvd. Mineola, New York	--	1,869	10,603	5	256
100 Wall Street New York, New York	37,094	11,749	66,517	90	4,568
One Orlando Orlando, Florida	39,465	9,386	51,136	29	1,639

COLUMN A DESCRIPTION	COLUMN E GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD			COLUMN F ACCUMULATED DEPRECIATION	COLUMN G DATE OF CONSTRUCTION	COLUMN H DATE ACQUIRED	COLUMN I LIFE ON WHICH DEPRECIATION IS COMPUTED
	LAND	BUILDINGS AND IMPROVEMENTS	TOTAL				
200 Forge Way Rockaway, New Jersey	1,128	3,406	4,534	342	1989	1998	10 - 30 Years
300 Forge Way Rockaway, New Jersey	376	1,329	1,705	176	1989	1998	10 - 30 Years
400 Forge Way Rockaway, New Jersey	1,142	3,446	4,588	346	1989	1998	10 - 30 Years
51 - 55 Charles Lindbergh Blvd. Mitchel Field, New York	--	32,233	32,233	4,495	1981	1998	10 - 30 Years
155 Passaic Avenue Fairfield, New Jersey	3	5,664	5,667	623	1984	1998	10 - 30 Years
100 Summit Drive Valhalla, New York	3,007	45,491	48,498	4,441	1988	1998	10 - 30 Years
115/117 Stevens Avenue Valhalla, New York	1,094	23,223	24,317	2,128	1984	1998	10 - 30 Years
200 Summit Lake Drive Valhalla, New York	4,343	39,266	43,609	3,493	1990	1998	10 - 30 Years
140 Grand Street White Plains, New York	1,932	19,053	20,985	1,746	1991	1998	10 - 30 Years
500 Summit Lake Drive							

Valhalla, New York	7,052	45,103	52,155	3,569	1986	1998	10 - 30 Years
99 Cherry Hill Road Parsippany, New Jersey	2,360	7,881	10,241	676	1982	1998	10 - 30 Years
119 Cherry Hill Road Parsippany, New Jersey	2,512	8,501	11,013	706	1982	1998	10 - 30 Years
45 Melville Park Road Melville, New York	355	3,309	3,664	407	1998	1998	10 - 30 Years
500 Saw Mill River Road Elmsford, New York	1,542	3,981	5,523	399	1968	1998	10 - 30 Years
120 W.45th Street New York, New York	28,747	164,046	192,793	9,065	1998	1999	10 - 30 Years
1255 Broad Street Clifton, New Jersey	1,329	19,845	21,174	1,057	1999	1999	10 - 30 Years
810 7th Avenue New York, New York	27,096	161,922	189,018	8,785	1970	1999	10 - 30 Years
120 Mineola Blvd. Mineola, New York	1,874	10,859	12,733	608	1977	1999	10 - 30 Years
100 Wall Street New York, New York	11,839	71,085	82,924	3,845	1969	1999	10 - 30 Years
One Orlando Orlando, Florida	9,415	52,775	62,190	2,770	1987	1999	10 - 30 Years

Continued

RECKSON OPERATING PARTNERSHIP, L.P
SCHEDULE III -- REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2000 (CONTINUED)
(IN THOUSANDS)

COLUMN A DESCRIPTION	COLUMN B ENCUMBRANCE	COLUMN C INITIAL COST		COLUMN D COST CAPITALIZED, SUBSEQUENT TO ACQUISITION	
		LAND	BUILDINGS AND IMPROVEMENTS	LAND	BUILDINGS AND IMPROVEMENTS
1350 Avenue of the Americas New York, New York	70,000	19,222	109,168	--	6,142
919 3rd. Avenue New York, New York	200,000	101,644 (A)	205,736	--	316
538 Broadhollow Road Melville, New York	--	3,900	21,413	--	867
360 Hamilton Avenue White Plains, New York (D)	--	2,838	34,606	--	19,048
492 River Road Nutley, New Jersey	--	2,615	5,102	--	1,525
275 Broadhollow Road Melville, New York	--	3,850	12,958	--	1
400 Garden City Plaza Garden City, New York	--	9,081	17,004	--	69
90 Merrick Avenue East Meadow, New York	--	(A)	23,804	--	19
120 White Plains Road Tarrytown, New York	--	3,852	24,861	--	16
100 White Plains Road Tarrytown, New York	--	79	472	--	7
51 JFK Parkway Short Hills, New Jersey	--	10,053	62,504	1	115
680 Washington Blvd Stamford, Connecticut	--	4,561	23,698	--	6
750 Washington Blvd Stamford, Connecticut	--	7,527	31,940	--	23
1305 Walt Whitman Road Melville, New York	--	3,934	24,040	--	4
Land held for development	--	60,823	--	--	--
Developments in progress	--	--	77,076	--	--
Other property	--	--	--	--	9,777
Total	\$728,971 =====	\$ 455,920 =====	\$2,037,742 =====	\$1,480 =====	\$275,465 =====

COLUMN A DESCRIPTION	COLUMN E GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD			COLUMN F ACCUMULATED DEPRECIATION	COLUMN G DATE OF CONSTRUCTION	COLUMN H DATE ACQUIRED
	LAND	BUILDINGS AND IMPROVEMENTS	TOTAL			
1350 Avenue of the Americas New York, New York	19,222	115,310	134,532	3,500	1966	2000
919 3rd. Avenue New York, New York	101,644	206,052	307,696	1,085	1970	2000
538 Broadhollow Road Melville, New York	3,900	22,280	26,180	239	2000	2000
360 Hamilton Avenue White Plains, New York (D)	2,838	53,654	56,492	1,494	2000	2000
492 River Road Nutley, New Jersey	2,615	6,627	9,242	38	2000	2000
275 Broadhollow Road Melville, New York	3,850	12,959	16,809	896	1970	1997
400 Garden City Plaza Garden City, New York	9,081	17,073	26,154	811	1989	1997
90 Merrick Avenue East Meadow, New York	--	23,823	23,823	3,393	1985	1997
120 White Plains Road Tarrytown, New York	3,852	24,877	28,729	1,401	1984	1997
100 White Plains Road Tarrytown, New York	79	479	558	5	1984	1997
51 JFK Parkway Short Hills, New Jersey	10,054	62,619	72,673	3,201	1988	1998
680 Washington Blvd Stamford, Connecticut	4,561	23,704	28,265	1,143	1989	1998
750 Washington Blvd Stamford, Connecticut	7,527	31,963	39,490	1,482	1989	1998

1305 Walt Whitman Road Melville, New York	3,934	24,044	27,978	959	1999	1999
Land held for development	60,823	--	60,823	--	N/A	Various
Developments in progress	--	77,076	77,076	--		
Other property	--	9,777 (B)	9,777	1,209		
Total	\$457,400	\$2,313,207	\$2,770,607	\$284,315		

COLUMN A	COLUMN I
DESCRIPTION	LIFE ON WHICH DEPRECIATION IS COMPUTED
1350 Avenue of the Americas New York, New York	10 - 30 Years
919 3rd. Avenue New York, New York	10 - 30 Years
538 Broadhollow Road Melville, New York	10 - 30 Years
360 Hamilton Avenue White Plains, New York (D)	10 - 30 Years
492 River Road Nutley, New Jersey	10 - 30 Years
275 Broadhollow Road Melville, New York	10 - 30 Years
400 Garden City Plaza Garden City, New York	10 - 30 Years
90 Merrick Avenue East Meadow, New York	10 - 30 Years
120 White Plains Road Tarrytown, New York	10 - 30 Years
100 White Plains Road Tarrytown, New York	10 - 30 Years
51 JFK Parkway Short Hills, New Jersey	10 - 30 Years
680 Washington Blvd Stamford, Connecticut	10 - 30 Years
750 Washington Blvd Stamford, Connecticut	10 - 30 Years
1305 Walt Whitman Road Melville, New York	10 - 30 Years
Land held for development	N/A
Developments in progress	
Other property	
Total	

- - - - -

A These land parcels, or a portion of the land parcels, on which the building and improvements were constructed are subject to a ground lease.

B The land parcel on which the building and improvements were constructed for one property is subject to a ground lease.

C The Encumbrance of \$2,616 is related to one property.

D As of December 31, 2000, this property was partially under development. As a result, certain costs have been classified as development costs on the Company's accompanying balance sheet.

The aggregate cost of Federal Income Tax purposes was approximately \$ 2,169 million at December 31, 2000.

RECKSON OPERATING PARTNERSHIP, L.P.
SCHEDULE III -- REAL ESTATE AND ACCUMULATED DEPRECIATION
(IN THOUSANDS)

The changes in real estate for each of the periods in the three years ended December 31, 2000 are as follows:

	2000	1999	1998
	-----	-----	-----
Real estate balance at beginning of period	\$2,208,399	\$1,737,133	\$1,011,228
Improvements / revaluations	166,260	57,571	134,582
Disposal, including write-off of fully depreciated building improvements	(52,092)	(317,864)	--
Acquisitions	448,040	731,559	591,323
	-----	-----	-----
Balance at end of period	\$2,770,607	\$2,208,399	\$1,737,133
	=====	=====	=====

The changes in accumulated depreciation, exclusive of amounts relating to equipment, autos, furniture and fixtures, for each of the periods in the three years ended December 31, 2000 are as follows:

	2000	1999	1998
	-----	-----	-----
Balance at beginning of period	\$215,112	\$156,231	\$108,652
Depreciation for period	71,478	65,471	47,579
Disposal, including write-off of fully depreciated building improvements	(2,275)	(6,590)	--
	-----	-----	-----
Balance at end of period	\$284,315	\$215,112	\$156,231
	=====	=====	=====

SUPPLEMENT TO THE AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP

OF

RECKSON OPERATING PARTNERSHIP, L.P.

ESTABLISHING
SERIES F JUNIOR PARTICIPATING PREFERRED PARTNERSHIP UNITS

OF

LIMITED PARTNERSHIP INTEREST

In accordance with Sections 4.2 and 14.1 B(3) of the Amended and Restated Agreement of Limited Partnership, dated as of June 2, 1995, as amended on December 6, 1995, April 13, 1998, June 30, 1998 and May 24, 1999 (the "Partnership Agreement"), the Partnership Agreement is hereby supplemented to establish a series of up to 100,000 preferred units of limited partnership interest of Reckson Operating Partnership, L.P. (the "Partnership") which shall be designated "Series F Junior Participating Preferred Units" having the rights, preferences, powers, privileges and restrictions, qualifications and limitations substantially similar to those granted to or imposed upon the Series C Junior Participating Preferred Stock, par value \$.01 per share ("Series C Preferred Stock") of Reckson Associates Realty Corp. (the "Company") as set forth in the Articles Supplementary adopted the Company and filed with the Secretary of State of the State of Maryland which shall be issued to the Company.

Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Partnership Agreement.

WHEREAS, the Partnership and American Stock Transfer & Trust Company ("Rights Agent") have entered into a Rights Agreement dated as of January 3, 2000 ("Partnership Rights Agreement");

WHEREAS, concurrently with the entering into of Partnership Rights Agreement the Partnership shall declare and make a distribution to the holders of Class A Common Partnership Units of one Right for each Class A Common Partnership Unit held; and

WHEREAS, pursuant to Section 4.2 of the Partnership Agreement, the Partnership desires to designate the Series F Junior Participating Preferred Units with substantially similar designation, preferences and other rights to the Series C Preferred Stock;

1

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Designation of Series F Junior Participating Preferred Units.

Pursuant to Section 4.2 of the Partnership Agreement, the Partnership hereby designates 100,000 additional partnership units which shall be the Series F Junior Participating Preferred Units. The Series F Junior Participating Preferred Units will have substantially the same designation, preferences and other rights of the Series C Preferred Stock, as specified in this amendment and in Exhibit I hereto.

Section 2. Amendment to Partnership Agreement.

Pursuant to Section 14.1.B(3) of the Partnership Agreement, the General Partner, as general partner of the Partnership and as attorney-in-fact for its Limited Partners, hereby amends the Partnership Agreement as follows:

(a) Article 1 of the Partnership Agreement is hereby amended by adding the following definition of "Series F Preferred Units":

"Series F Preferred Units" means the units of limited partnership interest designated by the Partnership as of October 13, 2000, in connection with the designation of the Series C Preferred Stock by the Company.

Section 3. Continuation of Partnership Agreement.

The Partnership Agreement and this Amendment shall be read together and shall have the same force and effect as if the provisions of the Partnership Agreement and this Amendment were contained in one document. Any provisions of the Partnership Agreement not amended by this Amendment shall remain in full force and effect as provided in the Partnership Agreement immediately prior to the date hereof.

2

IN WITNESS WHEREOF, the parties hereto have executed this Supplement to the Partnership Agreement as of the 13th day of October, 2000.

GENERAL PARTNER
RECKSON ASSOCIATES REALTY CORP.

By: _____
Name:
Title:

EXISTING LIMITED PARTNERS

By: Reckson Associates Realty Corp.,
as Attorney-in-Fact for the Limited
Partners

By: _____
Name:
Title:

SERIES F JUNIOR PARTICIPATING
PREFERRED UNIT HOLDER
RECKSON ASSOCIATES REALTY CORP.

By: _____
Name:
Title:

Exhibit I

RECKSON OPERATING PARTNERSHIP, L.P. DESIGNATION OF THE VOTING POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING AND OTHER SPECIAL RIGHTS AND QUALIFICATIONS, LIMITATIONS, OR RESTRICTIONS OF THE SERIES F Junior Participating PREFERRED PARTNERSHIP UNITS.

The following are the terms of the Series F Junior Participating Junior Participating Preferred Partnership Units established pursuant to this Amendment:

SERIES F JUNIOR PARTICIPATING PREFERRED PARTNERSHIP UNITS

1. Designation and Number.

A series of preferred units of the Partnership, designated the "Series F Junior Participating Preferred Units" (the "Series F Preferred Units") is hereby established. The number the Series F Preferred Units shall be 100,000. Such number of units may be increased or decreased at the discretion of the General Partner; provided, however, that no decrease shall reduce the number of Series C Preferred Units to a number less than that of the Series F Preferred Units then outstanding plus the number of Series C Preferred Units issuable upon exercise of outstanding rights, options or warrants or upon conversion of outstanding securities issued by the Partnership.

2. Distributions.

(a) The holders of Series F Preferred Units shall be entitled to receive, when, as and if declared by the General Partner out of funds legally available for the purpose, quarterly distributions payable in cash January 31, April 30, July 31 and October 31 in each year (each such date being referred to herein as a "Quarterly Distribution Payment Date"), commencing on the first Quarterly Distribution Payment Date after the first issuance (the "First Issuance") of a unit or fraction of a unit of Series F Preferred Units, in an amount per unit (rounded to the nearest cent) equal to the greater of (i) \$10.00 and (ii) 1,000 times the aggregate per unit amount of all cash distributions and 1,000 times the aggregate per unit amount (payable in kind) of all non-cash distributions, other than a distribution payable in Class A Common Partnership Units or by way of a subdivision of the outstanding Class A Common Partnership Units, declared on the Class A Common Partnership Units, since the immediately preceding Quarterly Distribution Payment Date, or, with respect to the first Quarterly Distribution Payment Date, since the first issuance of any unit or fraction of a unit of Series F Preferred Units. In the event the Partnership shall at any time after the First Issuance declare or pay any distribution on the Class A Common Partnership Units payable in Class A Common Partnership Units, or effect a subdivision or combination or consolidation of the outstanding Class A Common Partnership Units (by reclassification or otherwise than by payment of a distribution of Class A Common Partnership Units) into a greater or lesser number of Class A Common Partnership Units, then in each such case the amount to which holders of Series F Preferred Units were entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of Class A Common Partnership Units outstanding immediately after such event and the denominator of which is the number of Class A Common Partnership Units that were outstanding immediately prior to such event.

(b) On or after the First Issuance, no distribution on Class A Common Partnership Units shall be declared unless concurrently therewith a distribution is declared on the Series F Preferred Units as provided in paragraph (a) above; and the declaration of any such distribution on the Class A Common Partnership Units shall be

expressly conditioned upon payment or declaration of and provision for a distribution on the Series F Preferred Units as above provided. In the event no distribution shall have been declared on the Class A Common Partnership Units during the period between any Quarterly Distribution Payment Date and the next subsequent Quarterly Distribution Payment Date, a distribution of \$10.00 per unit on the Series F Preferred Units shall nevertheless be payable on such subsequent Quarterly Distribution Payment Date.

(c) Whenever quarterly distributions or other distributions payable on the Series F Preferred Units as provided in paragraph (a) above are in arrears, thereafter and until all accrued and unpaid distributions, whether or not declared, on Series F Preferred Units outstanding shall have been paid in full, the Partnership shall not redeem or purchase or otherwise acquire for consideration units of any ranking junior (either as to distribution or upon liquidation, dissolution or winding up) to the Series F Preferred Units, provided that the Partnership may at any time redeem, purchase or otherwise acquire units of any such junior units in exchange for any units of the Partnership ranking junior (as to distributions and upon dissolution, liquidation or winding up) to the Series F Preferred Units.

(d) Distributions shall begin to accrue and be cumulative on outstanding Series F Preferred Units from the Quarterly Distribution Payment Date next preceding the date of issue of such Series F Preferred Units, unless the date of issue of such units is prior to the record date for the first Quarterly Distribution Payment Date, in which case distributions on such units shall begin to accrue from the date of issue of such units, or unless the date of issue is a Quarterly Distribution Payment Date or is a date after the record date for the determination of holders of Series F Preferred Units entitled to receive a quarterly distribution and before such Quarterly Distribution Payment Date, in either of which events such distributions shall begin to accrue and be cumulative from such Quarterly Distribution Payment Date. Accrued but unpaid distributions shall not bear interest. The General Partner may fix a record date for the determination of holders of Series F Preferred Units entitled to receive payment of a distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

3. Dissolution, Liquidation and Winding Up.

In the event of any voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Partnership (hereinafter referred to as a "Liquidation"), the holders of Series F Preferred Units shall be entitled to receive the greater of (a) \$10.00 per unit, plus an amount equal to accrued and unpaid distributions thereon, whether or not declared, to the date of such payment and (b) the aggregate amount per unit equal to 1,000 times the aggregate amount to be distributed per unit to holders of Class A Common Partnership Units. In the event the Partnership shall at any time after the First Issuance declare or pay any distribution on the Class A Common Partnership Units payable in Class A Common Partnership Units, or effect a subdivision or combination or consolidation of the

outstanding Class A Common Partnership Units (by reclassification or otherwise than by way of distribution in Class A Common Partnership Units) into a greater or lesser number of Class A Common Partnership Units, then in each such case the aggregate amount to which holders of Series F Preferred Units were entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of Class A Common Partnership Units outstanding immediately after such event and the denominator of which is the number of Class A Common Partnership Units that were outstanding immediately prior to such event.

4. Voting Rights.

The holders of Series F Preferred Units shall have the following voting rights:

(a) Each Series F Preferred Unit shall entitle the holder thereof to one thousand (1,000) votes on all matters submitted to a vote of the unitholders of the Partnership. In the event the Partnership shall at any time after the First Issuance declare or pay any distribution on the Class A Common Partnership Units payable in Class A Common Partnership Units, or effect a subdivision or combination or consolidation of the outstanding units of Class A Common Partnership Units (by reclassification or otherwise than by payment of a distribution in Class A Common Partnership Units) into a greater or lesser number of units of Class A Common Partnership Units, then in each such case the aggregate number of votes to which holders of Series F Preferred Units were entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such number by a fraction the numerator of which is the number of Class A Common Partnership Units outstanding immediately after such event and the denominator of which is the number of Class A Common Partnership Units that were outstanding immediately prior to such event.

(b) Except as otherwise provided herein, or by law or the Partnership Agreement, the holders of Series F Preferred Units and the holders of Class A Common Partnership Units shall vote together as one class on all matters submitted to a vote of unitholders of the Partnership.

(c) Except as otherwise set forth herein or required by law or the Partnership Agreement, holders of Series F Preferred Units shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Class A Common Partnership Units as set forth herein) for the taking of any partnership action. No consent of the holders of outstanding Series F Preferred Units at any time outstanding shall be required in order to permit the General Partner to: (i) increase the number of authorized Series F Preferred Units or to decrease such number to a number not below the sum of the number of Series F Preferred Units then outstanding and the number of units with respect to which there are outstanding rights to purchase; or (ii) issue preferred partnership units which are senior to the Series F Preferred Units, junior to the Series F Preferred Units or on a parity with the Series F Preferred Units.

5. Consolidation, Merger, etc.

In case the Partnership shall enter into any consolidation, merger, combination or other transaction in which the Class A Common Partnership Units are exchanged for or changed into other securities, cash and/or any other property, then in any such case each Series F Preferred Unit shall at the same time be similarly exchanged or changed into an amount per unit, subject to the provision for adjustment hereinafter set forth, equal to 1,000 times the aggregate amount of securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each Class A Common Partnership Unit is changed or exchanged. In the event the Partnership shall at any time after the First Issuance declare or pay any distribution on the Class A Common Partnership Units payable in Class A Common Partnership Units, or effect a subdivision or combination or consolidation of the outstanding Class A Common Partnership Units (by reclassification or otherwise than by payment of a distribution in Class A Common Partnership Unit) into a greater or lesser number of Class A Common Partnership Units, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of Series F Preferred Units shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of Class A Common Partnership Units outstanding immediately after such event and the denominator of which is the number of Class A Common Partnership Units that were outstanding immediately prior to such event.

6. Redemption.

The Series F Preferred Units shall not be redeemable.

7. Conversion Rights.

The Series F Preferred Units are not convertible into Class A Common Partnership Units or any other security of the Partnership.

8. Ranking.

The Series F Preferred Units shall rank junior to all other classes and series of the Partnership's Preferred Partnership Units as to payment of distributions and the distribution of assets, unless the terms of any such series shall provide otherwise.

RECKSON OPERATING PARTNERSHIP, L.P.
and
AMERICAN STOCK TRANSFER & TRUST COMPANY

RIGHTS AGREEMENT

Dated as of October 13, 2000

TABLE OF CONTENTS

	Page ----
Section 1. Certain Definitions.....	1
Section 2. Appointment of Rights Agent.....	5
Section 3. Issuance of Right Certificates.....	5
Section 4. Form of Right Certificate.....	6
Section 5. Countersignature and Registration.....	7
Section 6. Transfer, Split-Up, Combination and Exchange of Right Certificates; Mutilated, Destroyed, Lost or Stolen Right Certificate.....	8
Section 7. Exercise of Rights; Purchase Price; Expiration Date of Rights.....	9
Section 8. Cancellation and Destruction of Right Certificates.....	11
Section 9. Reservation and Availability of Preferred Units.....	11
Section 10. Preferred Units Record Date.....	12
Section 11. Adjustment of Purchase Price, Number and Kind of Shares or Number of Rights.....	13
Section 12. Certificate of Adjusted Purchase Price or Number of Securities.....	20
Section 13. Consolidation, Merger or Sale or Transfer of Assets or Earning Power.....	20
Section 14. Fractional Rights and Fractional Units.....	25
Section 15. Rights of Action.....	26
Section 16. Agreement of Right Holders.....	27
Section 17. Right Certificate Holder Not Deemed a Unitholder.....	27
Section 18. Concerning the Rights Agent.....	28
Section 19. Merger or Consolidation or Change of Name of Rights Agent.....	29
Section 20. Duties of Rights Agent.....	29

Section 21. Change of Rights Agent..... 32

Section 22. Issuance of New Right Certificates..... 33

Section 23. Redemption and Termination..... 33

Section 24. Exchange..... 34

Section 25. Notice of Certain Events..... 35

Section 26. Notices..... 36

Section 27. Supplements and Amendments..... 37

Section 28. Determination and Actions by the General Partner..... 38

Section 29. Successors..... 38

Section 30. Benefits of this Agreement..... 38

Section 31. Severability..... 39

Section 32. Governing Law..... 39

Section 33. Counterparts..... 39

Section 34. Descriptive Headings..... 39

Exhibit A - Form of Supplement to the Amended and Restated Agreement of
Limited Partnership

Exhibit B - Form of Right Certificate

Defined Term Cross Reference Sheet

Term	Location
Acquiring Person	Section 1(a)
Act	Section 1(b)
Adjustment Units	Section 11(a)(ii)
Adjusted Number of Units	Section 11(a)(iii)
Adjusted Purchase Price	Section 11(a)(iii)
Affiliate	Section 1(c)
Agreement	Preface
Associate	Section 1(c)
Beneficial Owner	Section 1(d)
Beneficially Own	Section 1(d)
Business Day	Section 1(e)
Close of Business	Section 1(f)
Common Shares	Section 1(g)
Corporation	Section 1(h)
current per unit market price	Section 11(d)(i)
Distribution Date	Section 3(a)
Documents	Section 18
equivalent preferred units	Section 11(b)
Excess Shares	Section 1(j)
Exchange Act	Section 1(c)
Exchange Ratio	Section 24(a)
Final Expiration Date	Section 7(a)
First Issuance	Exhibit A, Page A5
General Partner	Section 1(l)
Interested Stockholder	Section 1(m)
Liquidation	Exhibit A, Page A6
Nasdaq	Section 11(d)(i)
Ownership	Section 1(n)
Partnership	Preface
Partnership Agreement	Section 1(o)
Partnership Principal Party	Section 13(c)
Partnership Rights Agreement	Exhibit A Recitals
Partnership Section 13 Event	Section 13(a)(2)
Partnership Unit	Section 1(p)
Permitted Offer	Section 1(q)
Person	Section 1(r)
Preferred Units	Section 1(s)
Principal Party	Section 13(b)
Proration Factor	Section 11(a)(iii)
Purchase Price	Section 4(a)

Quarterly Distribution Payment Date
Record Date
Redemption Date
Redemption Price
Right
Right Certificate
Rights Agent
Section 11(a)(ii) Event
Section 13 Event
Security
Series F Preferred Units
Shares Acquisition Date
Subsidiary
then outstanding
Trading Day
Triggering Event
unit equivalent
voting securities

Exhibit A, Page A5
Preface
Section 7(a)
Section 23(a)(i)
Preface
Section 3(a)
Preface
Section 11(a)(ii)
Section 13(a)
Section 11(d)(i)
Exhibit A, Page A2
Section 1(w)
Section 1(x)
Section 1(d)(iii)
Section 11(d)(i)
Section 11(a)(ii), 13(a)
Section 11(a)(iii)
Section 13(a)

RIGHTS AGREEMENT

RIGHTS AGREEMENT, dated as of October 13, 2000 (this "Agreement"), between Reckson Operating Partnership, L.P., a limited partnership organized under the laws of Delaware (the "Partnership"), and American Stock Transfer & Trust Company (the "Rights Agent").

The General Partner (as hereinafter defined) of the Partnership has authorized and declared a distribution of one preferred unit purchase right (a "Right") for each Partnership Unit (as hereinafter defined) of the Partnership outstanding at the Close of Business on October 27, 2000 (the "Record Date"), each Right representing the right to purchase one one-thousandth of a Preferred Unit (as hereinafter defined), upon the terms and subject to the conditions herein set forth, and has further authorized and directed the issuance of one Right with respect to each Partnership Unit that shall become outstanding between the Record Date and the earliest of the Distribution Date, the Redemption Date or the Final Expiration Date (as such terms are hereinafter defined); provided, however, that Rights may be issued with respect to Partnership Units that shall become outstanding after the Distribution Date and prior to the earlier of the Redemption Date and the Final Expiration Date in accordance with the provisions of Section 22 of this Agreement.

Accordingly, in consideration of the promises and the mutual agreements herein set forth, the parties hereby agree as follows:

Section 1. Certain Definitions.

For purposes of this Agreement, the following terms have the meanings indicated:

(a) "Acquiring Person" shall mean any Person who or which, together with all Affiliates and Associates of such Person, shall be the Beneficial Owner of 15% or more of the then outstanding Common Shares (other than as a result of a Permitted Offer (as hereinafter defined)) or was such a Beneficial Owner at any time after the date hereof, whether or not such person continues to be the Beneficial Owner of 15% or more of the then outstanding Common Shares. Notwithstanding the foregoing, (A) the term "Acquiring Person" shall not include (i) the Corporation, (ii) any Subsidiary of the Corporation, (iii) any employee benefit plan of the Corporation or of any Subsidiary of the Corporation, (iv) any Person or entity organized, appointed or established by the Corporation for or pursuant to the terms of any such plan, or (v) any Person, who or which together with all Affiliates and Associates of such Person becomes the Beneficial Owner of 15% or more of the then outstanding Common Shares as a result of the acquisition of Common Shares directly from the Corporation and (B) no Person shall be deemed to be an "Acquiring Person" either (X) as a result of the acquisition of Common Shares by the Corporation which, by reducing the number of Common Shares outstanding, increases the proportional number of shares beneficially owned by such Person together with all Affiliates and Associates of such Person; except that if (i) a Person would become an

Acquiring Person (but for the operation of this subclause X) as a result of the acquisition of Common Shares by the Corporation, and (ii) after such share acquisition by the Corporation, such Person, or an Affiliate or Associate of such Person, becomes the Beneficial Owner of any additional Common Shares, then such Person shall be deemed an Acquiring Person, or (Y) if such Person became an Acquiring Person inadvertently, (i) promptly after such Person discovers that such Person would otherwise have become an Acquiring Person (but for the operation of this subclause Y), such Person notifies the Board of Directors of the Corporation that such Person did so inadvertently and (ii) within 2 days after such notification, such Person is the Beneficial Owner of less than 15% of the outstanding Common Shares.

(b) "Act" shall mean the Securities Act of 1933, as amended and as in effect on the date of this Agreement.

(c) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended and in effect on the date of this Agreement (the "Exchange Act").

(d) A Person shall be deemed the "Beneficial Owner" of and shall be deemed to "Beneficially Own" any securities:

(i) which such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly;

(ii) which such Person or any of such Person's Affiliates or Associates has (A) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, rights (other than the Rights), warrants or options, or otherwise; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to Beneficially Own, securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange; or (B) the right to vote pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to Beneficially Own, any security if the agreement, arrangement or understanding to vote such security (1) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act and (2) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(iii) which are beneficially owned, directly or indirectly, by any other Person (or any Affiliate or Associate thereof) with which such Person (or any of such

Person's Affiliates or Associates) has any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities) relating to the acquisition, holding, voting (except to the extent contemplated by the proviso to Section 1(d)(ii)(B)) or disposing of any securities of the Corporation.

Notwithstanding anything in this definition of Beneficial Ownership to the contrary, the phrase "then outstanding," when used with reference to a Person's Beneficial Ownership of securities of the Corporation, shall mean the number of such securities then issued and outstanding together with the number of such securities not then actually issued and outstanding which such Person would be deemed to own beneficially hereunder.

(e) "Business Day" shall mean any day other than a Saturday, Sunday or U.S. federal holiday.

(f) "Close of Business" on any given date shall mean 5:00 P.M., New York City, New York time, on such date; provided, however, that if such date is not a Business Day it shall mean 5:00 P.M., New York City, New York time, on the next succeeding Business Day.

(g) "Common Shares" when used with reference to the Corporation shall mean the shares of class A common stock, par value \$.01 per share, of the Corporation or, in the event of a subdivision, combination or consolidation with respect to such shares of common stock, the shares of common stock resulting from such subdivision, combination or consolidation. "Common Shares" when used with reference to any Person other than the Corporation shall mean the capital stock (or equity interest) with the greatest voting power of such other Person or, if such other Person is a Subsidiary of another Person, the Person or Persons which ultimately control such first-mentioned Person.

(h) "Corporation" means Reckson Associates Realty Corp., a Maryland corporation.

(i) "Distribution Date" shall have the meaning set forth in Section 3 hereof.

(j) "Excess Shares" means shares of "Excess Stock" as defined in the Corporation's Articles of Incorporation or "Class B Excess Common" as defined in the articles supplementary establishing the rights and preferences of the Corporation's class B common stock, par value \$.01 per share.

(k) "Final Expiration Date" shall have the meaning set forth in Section 7 hereof.

(l) "General Partner" means Reckson Associates Realty Corp., a Maryland corporation, in its capacity as the general partner of the Partnership, or any person who becomes an additional or successor general partner of the Partnership.

(m) "Interested Stockholder" shall mean any Acquiring Person or any Affiliate or Associate of an Acquiring Person or any other Person in which any such Acquiring Person, Affiliate or Associate has an interest, or any other Person acting directly or indirectly on behalf of or in concert with any such Acquiring Person, Affiliate or Associate.

(n) "Ownership" means ownership of rights or capital stock of the Corporation by a Person who is or would be treated as an owner of such rights or capital stock directly or constructively through the application of (a) section 544 of the Internal Revenue Code as modified by section 856(h) of the Internal Revenue Code or (b) section 318 of the Internal Revenue Code as modified by section 856(d)(5) of the Internal Revenue Code. "Owner", "Own" and "Owned" shall have correlative meanings.

(o) "Partnership Agreement" means the Agreement of Limited Partnership of Reckson Operating Partnership, L.P., dated June 2, 1995, as amended and restated and all supplements thereto.

(p) "Partnership Unit" means a Class A Common Partnership Unit of the Partnership.

(q) "Permitted Offer" shall mean a tender or exchange offer which is for all outstanding Common Shares at a price and on terms determined, prior to the purchase of shares under such tender or exchange offer, by at least a majority of the members of the Board of Directors of the Corporation who are not officers of the Corporation and who are not Acquiring Persons or Persons who would become Acquiring Persons as a result of the offer in question or Affiliates, Associates, nominees or representatives of any such Person, to be adequate (taking into account all factors that such Directors deem relevant including, without limitation, prices that could reasonably be achieved if the Corporation or its assets were sold on an orderly basis designed to realize maximum value) and otherwise in the best interests of the Corporation and its stockholders (other than the Person or any Affiliate or Associate thereof on whose behalf the offer is being made) taking into account all factors that such directors may deem relevant.

(r) "Person" shall mean any individual, firm, partnership, corporation, limited liability company, trust, association, joint venture or other entity, and shall include any successor (by merger or otherwise) of such entity.

(s) "Preferred Units" shall mean Series F Preferred Units of the Partnership.

(t) "Redemption Date" shall have the meaning set forth in Section 7 hereof.

(u) "Section 11(a)(ii) Event" shall mean any event described in Section 11(a)(ii) hereof.

(v) "Section 13 Event" shall mean any event described in clause (x), (y) or (z) of Section 13(a) hereof.

(w) "Shares Acquisition Date" shall mean the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to the Exchange Act) by the Corporation or an Acquiring Person that an Acquiring Person has become such; provided, that, if such Person is determined not to have become an Acquiring Person pursuant to Section 1(a)(B)(Y) hereof, then no Shares Acquisition Date shall be deemed to have occurred.

(x) "Subsidiary" of any Person shall mean any corporation or other Person of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by such Person.

(y) "Triggering Event" shall mean any Section 11(a)(ii) Event or any Section 13 Event.

Section 2. Appointment of Rights Agent.

The Partnership hereby appoints the Rights Agent to act as agent for the Partnership in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Partnership may from time to time appoint such co-Rights Agents as it may deem necessary or desirable upon ten (10) days' prior written notice to the Rights Agent. The Rights Agent shall have no duty to supervise, and shall in no event be liable for, the acts and omissions of any such co-Rights Agent.

Section 3. Issuance of Right Certificates.

(a) Until the earlier of (i) the Shares Acquisition Date or (ii) the Close of Business on the tenth day (or such later date as may be determined by the General Partner) after the date of the commencement by any Person (other than the Corporation, any Subsidiary of the Corporation, any employee benefit plan of the Corporation or of any Subsidiary of the Corporation or any Person or entity organized, appointed or established by the Corporation for or pursuant to the terms of any such plan) of, or of the first public announcement of the intention of any Person (other than the Corporation, any Subsidiary of the Corporation, any employee benefit plan of the Corporation or of any Subsidiary of the Corporation or any Person or entity organized, appointed or established by the Corporation for or pursuant to the terms of any such plan) to commence (which intention to commence remains in effect for five Business Days after such announcement), a tender or exchange offer the consummation of which would result in any Person becoming an Acquiring Person (including, in the case of both (i) and (ii), any

such date which is after the date of this Agreement and prior to the issuance of the Rights), the earlier of such dates being herein referred to as the "Distribution Date," (x) the Rights will be attached to the Partnership Units registered in the names of the holders thereof and not by separate Right Certificates, and (y) the right to receive Right Certificates will be transferable only in connection with the transfer of the underlying Partnership Units (including a transfer to the Partnership); provided, however, that if a tender or exchange offer is terminated prior to the occurrence of a Distribution Date, then no Distribution Date shall occur as a result of such tender or exchange offer. As soon as practicable after the Distribution Date, the Partnership will prepare and execute, the Rights Agent will countersign, and the Partnership will send or cause to be sent by first-class, postage-prepaid mail, to each record holder of Partnership Units as of the Close of Business on the Distribution Date, at the address of such holder shown on the records of the Partnership, a Right Certificate, substantially in the form of Exhibit B hereto (a "Right Certificate"), evidencing one Right for each Partnership Unit so held. As of and after the Distribution Date, the Rights will be evidenced solely by such Right Certificates.

(b) With respect to Partnership Units outstanding as of the Record Date, until the Distribution Date, the Rights will be attached to such Partnership Units and the surrender for transfer of any Partnership Units outstanding on the Record Date, shall also constitute the transfer of the Rights associated with such Partnership Units. As a result of the execution of this Agreement, on October 13, 2000, each Partnership Unit outstanding on such date shall, subject to the terms and conditions of this Agreement, also represent one Right and shall, subject to the terms and conditions of this Agreement, represent the right to purchase one one-thousandth of a Preferred Unit.

(c) In the event that the Partnership purchases or acquires any Partnership Units after the Record Date but prior to the Distribution Date, any Rights associated with such Partnership Units shall be deemed canceled and retired so that the Partnership shall not be entitled to exercise any Rights associated with the Partnership Units which are no longer outstanding.

Section 4. Form of Right Certificate.

(a) The Right Certificates (and the forms of election to purchase and of assignment to be printed on the reverse thereof) shall be substantially in the form set forth in Exhibit B hereto and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Partnership may deem appropriate (which do not affect the duties or responsibilities of the Rights Agent) and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any applicable law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Rights may from time to time be listed, or to conform to usage. Subject to the provisions of Section 7, Section 11 and Section 22 hereof, the Right Certificates shall entitle the holders thereof to purchase such number of one one-thousandths of a Preferred Unit as shall be set forth therein at the

price per one one-thousandth of a Preferred Unit set forth therein (the "Purchase Price"), but the amount and type of securities purchasable upon the exercise of each Right and the Purchase Price thereof shall be subject to adjustment as provided herein.

(b) Any Right Certificate issued pursuant to Section 3(a) or Section 22 hereof that represents Rights which are null and void pursuant to Section 7(e) of this Agreement and any Right Certificate issued pursuant to Section 6 or Section 11 hereof upon transfer, exchange, replacement or adjustment of any other Right Certificate referred to in this sentence, shall contain (to the extent feasible) the following legend:

"The Rights represented by this Right Certificate are or were Beneficially Owned by a Person who was or became an Acquiring Person or an Affiliate or Associate of an Acquiring Person (as such terms are defined in the Rights Agreement). Accordingly, this Right Certificate and the Rights represented hereby are null and void."

Provisions of Section 7(e) of this Agreement shall be operative whether or not the foregoing legend is contained on any such Right Certificate. The Partnership shall notify the Rights Agent to the extent that this Section 4(b) applies.

Section 5. Countersignature and Registration.

The Right Certificates shall be executed on behalf of the Partnership by the General Partner, either manually or by facsimile signature. The Right Certificates shall be countersigned by the Rights Agent and shall not be valid for any purpose unless so countersigned. In case any officer of the General Partner who shall have signed any of the Right Certificates shall cease to be an officer of the General Partner before countersignature by the Rights Agent and issuance and delivery by the General Partner, such Rights Certificates may nevertheless be countersigned by the Rights Agent and issued and delivered by the General Partner with the same force and effect as though the person who signed such Right Certificates had not ceased to be such officer of the General Partner; and any Right Certificate may be signed on behalf of the General Partner by any Person who, at the actual date of the execution of such Right Certificate, shall be a proper officer of the General Partner to sign such Right Certificate, although at the date of the execution of this Agreement any such Person was not such an officer.

Following the Distribution Date and receipt by the Rights Agent of a list of record holders of Rights, the Rights Agent will keep or cause to be kept, at its office set forth in Section 26 hereof or offices designated as the appropriate place for surrender of such Right Certificate or transfer, books for registration and transfer of the Right Certificates issued hereunder. Such books shall show the names and addresses of the respective holders of the Right Certificates, the number of Rights evidenced on its face by each of the Right Certificates and the certificate number and the date of each of the Right Certificates.

Section 6. Transfer, Split-Up, Combination and Exchange of Right Certificates; Mutilated, Destroyed, Lost or Stolen Right Certificate.

Subject to the provisions of Section 4(b), Section 7(e) and Section 14 hereof, at any time after the Close of Business on the Distribution Date, and at or prior to the Close of Business on the earlier of the Redemption Date or the Final Expiration Date, any Right Certificate or Right Certificates may be transferred, split up, combined or exchanged for another Right Certificate or Right Certificates, entitling the registered holder to purchase a like number of one one-thousandths of a Preferred Unit (or, following a Triggering Event, other securities, as the case may be) as the Right Certificate or Right Certificates surrendered then entitle such holder (or former holder in the case of a transfer) to purchase. Any registered holder desiring to transfer, split up, combine or exchange any Right Certificate or Right Certificates shall make such request in writing delivered to the Rights Agent, and shall surrender the Right Certificate or Right Certificates to be transferred, split up, combined or exchanged at the office or offices of the Rights Agent designated for such purpose. Neither the Rights Agent nor the Partnership shall be obligated to take any action whatsoever with respect to the transfer of any such surrendered Right Certificate until the registered holder shall have completed and signed the certificate contained in the form of assignment on the reverse side of such Right Certificate and shall have provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Partnership or the Rights Agent shall reasonably request. Thereupon the Rights Agent shall, subject to Section 4(b), Section 7(e) and Section 14 hereof, countersign and deliver to the Person entitled thereto a Right Certificate or Right Certificates, as the case may be, as so requested. The Partnership may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer, split up, combination or exchange of Right Certificates. If the Partnership requires the payment referred to in the immediately preceding sentence, then the Rights Agent shall not be required to process any transaction until it receives notice from the Partnership that the Partnership has received such payment.

Upon receipt by the Partnership and the Rights Agent of evidence satisfactory to them of the loss, theft, destruction or mutilation of a Right Certificate, and, in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to them, and, at the Partnership's request, reimbursement to the Partnership and the Rights Agent of all reasonable expenses incidental thereto, and upon surrender to the Rights Agent and cancellation of the Right Certificate if mutilated, the Partnership will make and deliver a new Right Certificate of like tenor to the Rights Agent for countersignature and delivery to the registered holder in lieu of the Right Certificate so lost, stolen, destroyed or mutilated.

Section 7. Exercise of Rights; Purchase Price; Expiration Date of Rights.

(a) Subject to Section 7(e) hereof, the registered holder of any Right Certificate may exercise the Rights evidenced thereby (except as otherwise provided herein) in whole or in part at any time after the Distribution Date upon surrender of the Right Certificate, with the form of election to purchase and the certificate on the reverse side thereof duly executed, to the Rights Agent at the office or offices of the Rights Agent designated for such purpose, together with payment of the aggregate Purchase Price for the total number of one one-thousandths of a Preferred Unit (or other securities, as the case may be) as to which such surrendered Rights are exercised, at or prior to the earliest of (i) the Close of Business on October 13, 2010 (the "Final Expiration Date"), (ii) the time at which the Rights are redeemed as provided in Section 23 hereof (the "Redemption Date"); (iii) the time at which the Rights are exchanged as provided in Section 24 hereof, or (iv) the consummation of a transaction contemplated by Section 13(d) hereof.

(b) The Purchase Price for each one one-thousandth of a Preferred Unit pursuant to the exercise of a Right shall initially be \$84.44, shall be subject to adjustment from time to time as provided in the next sentence and in Sections 11 and 13(a) hereof and shall be payable in accordance with paragraph (c) below. Anything in this Agreement to the contrary notwithstanding, in the event that at any time after the date of this Agreement and prior to the Distribution Date, the Partnership shall (i) declare or pay any distribution on the Partnership Units payable in Partnership Units or (ii) effect a subdivision, combination or consolidation of the Partnership Units (by reclassification or otherwise than by payment of distribution in Partnership Units) into a greater or lesser number of Partnership Units, then in any such case, each Partnership Unit outstanding following such subdivision, combination or consolidation shall continue to have one Right associated therewith and the Purchase Price following any such event shall be proportionately adjusted to equal the result obtained by multiplying the Purchase Price immediately prior to such event by a fraction the numerator of which shall be the total number of Partnership Units outstanding immediately prior to the occurrence of the event and the denominator of which shall be the total number of Partnership Units outstanding immediately following the occurrence of such event. The adjustment provided for in the preceding sentence shall be made successively whenever such a distribution is made or paid or such a subdivision, combination or consolidation is effected.

(c) Upon receipt of a Right Certificate representing exercisable Rights, with the form of election to purchase and the certificate duly executed, accompanied by payment of the Purchase Price for the Preferred Units (or other securities, as the case may be) to be purchased and an amount equal to any applicable tax or governmental charge required to be paid by the holder of such Right Certificate in accordance with Section 6 hereof by certified check, cashier's check or money order payable to the order of the Partnership, the Rights Agent shall thereupon promptly (i) (A) if the Partnership, in its sole discretion, shall have elected to deposit the Preferred Units issuable upon exercise of

the Rights hereunder into a depository, requisition from the depository agent depository receipts representing such number of one one-thousandths of a Preferred Unit as are to be purchased and the Partnership will direct the depository agent to comply with such requests, (ii) when appropriate, requisition from the Partnership the amount of cash to be paid in lieu of issuance of fractional Units in accordance with Section 14 hereof, (iii) after receipt of such depository receipts, cause the same to be delivered to or upon the order of the registered holder of such Right Certificate, registered in such name or names as may be designated by such holder, and (iv) when appropriate, after receipt thereof, deliver such cash to or upon the order of the registered holder of such Right Certificate. In the event that the Partnership is obligated to issue other securities (including Partnership Units) of the Partnership pursuant to Section 11(a) hereof, the Partnership will make all arrangements necessary so that such other securities are available for distribution by the Rights Agent, if and when necessary to comply with this Agreement.

In addition, in the case of an exercise of the Rights by a holder pursuant to Section 11(a)(ii), the Rights Agent shall return such Right Certificate to the registered holder thereof after imprinting, stamping or otherwise indicating thereon that the rights represented by such Right Certificate no longer include the rights provided by Section 11(a)(ii) of this Agreement and if less than all the Rights represented by such Right Certificate were so exercised, the Rights Agent shall indicate on the Right Certificate the number of Rights represented thereby which continue to include the rights provided by Section 11(a)(ii).

(d) In case the registered holder of any Right Certificate shall exercise less than all the Rights evidenced thereby, a new Right Certificate evidencing Rights equivalent to the Rights remaining unexercised shall be issued by the Rights Agent to the registered holder of such Right Certificate or to his duly authorized assigns, subject to the provisions of Section 6 and Section 14 hereof, or the Rights Agent shall place an appropriate notation on the Right Certificate with respect to those Rights exercised.

(e) Notwithstanding anything in this Agreement to the contrary, from and after the first occurrence of a Section 11(a)(ii) Event, any Rights Beneficially Owned by (i) an Acquiring Person or an Affiliate or Associate of an Acquiring Person, (ii) a transferee of an Acquiring Person (or of any Affiliate or Associate thereof) who becomes a transferee after the Acquiring Person becomes such, or (iii) a transferee of an Acquiring Person (or of any Affiliate or Associate thereof) who becomes a transferee prior to or concurrently with the Acquiring Person becoming such and receives such Rights pursuant to either (A) a transfer (whether or not for consideration) from the Acquiring Person to holders of equity interests in such Acquiring Person or to any Person with whom the Acquiring Person has a continuing agreement, arrangement or understanding regarding the transferred Rights or (B) a transfer which the General Partner has determined is part of an agreement, arrangement or understanding which has as a primary purpose or effect the avoidance of this Section 7(e), shall become null and void without any further action and

no holder of such Rights shall have any rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise. The Partnership shall notify the Rights Agent when this Section 7(e) applies and shall use all reasonable efforts to insure that the provisions of this Section 7(e) and Section 4(b) hereof are complied with, but neither the Partnership nor the Rights Agent shall have any liability to any holder of Right Certificates or other Person as a result of the Partnership's failure to make any determinations with respect to an Acquiring Person or its Affiliates, Associates or transferees hereunder.

(f) Notwithstanding anything in this Agreement to the contrary, neither the Rights Agent nor the Partnership shall be obligated to undertake any action with respect to a registered holder upon the occurrence of any purported exercise as set forth in this Section 7 unless such registered holder shall have (i) properly completed and signed the certificate contained in the form of election to purchase set forth on the reverse side of the Right Certificate surrendered for such exercise, and (ii) provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Partnership or the Rights Agent shall reasonably request.

Section 8. Cancellation and Destruction of Right Certificates.

All Right Certificates surrendered for the purpose of exercise, transfer, split up, combination or exchange shall, if surrendered to the Partnership or to any of its agents, be delivered to the Rights Agent for cancellation or in canceled form, or, if surrendered to the Rights Agent, shall be canceled by it, and no Right Certificates shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Agreement. The Partnership shall deliver to the Rights Agent for cancellation and retirement, and the Rights Agent shall so cancel and retire, any other Right Certificate purchased or acquired by the Partnership otherwise than upon the exercise thereof. The Rights Agent shall deliver all canceled Right Certificates to the Partnership, or shall, at the written request of the Partnership, destroy such canceled Right Certificates, and in such case shall deliver a certificate of destruction thereof to the Partnership.

Section 9. Reservation and Availability of Preferred Units.

At all times prior to the occurrence of a Section 11(a)(ii) Event, the Partnership will cause to be reserved and kept available, the number of Preferred Units that will be sufficient to permit the exercise in full of all outstanding Rights and, after the occurrence of a Section 11(a)(ii) Event, shall, to the extent reasonably practicable, so reserve and keep available a sufficient number of Common Units (and/or other securities) which may be required to permit the exercise in full of the Rights pursuant to this Agreement.

The Partnership covenants and agrees that it will take all such action as may be necessary to ensure that all Preferred Units (or Partnership Units and/or other securities,

as the case may be) delivered upon exercise of Rights shall, at the time of delivery of such units or other securities (subject to payment of the Purchase Price), be duly and validly authorized and issued (and, to the extent applicable, fully paid and non-assessable) units or securities.

The Partnership further covenants and agrees that it will pay when due and payable any and all U.S. federal and state taxes and charges (other than taxes and charges based on income) which may be payable in respect of the issuance or delivery of the Right Certificates or of any Preferred Units (or Partnership Units and/or other securities, as the case may be) upon the exercise of Rights. The Partnership shall not, however, be required to pay any tax or other charge which may be payable in respect of any transfer or delivery of Right Certificates to a Person other than, or the issuance or delivery of certificates or depositary receipts for the Preferred Units (or Partnership Units and/or other securities, as the case may be) in a name other than that of, the registered holder of the Right Certificate evidencing Rights surrendered for exercise, or to issue or to deliver any certificates or depositary receipts for Preferred Units (or Partnership Units and/or other securities, as the case may be) upon the exercise of any Rights, until any such tax or other charge shall have been paid (any such tax or other charge being payable by the holder of such Right Certificate at the time of surrender) or until it has been established to the Partnership's reasonable satisfaction that no such tax or other charge is due.

Section 10. Preferred Units Record Date.

Each Person in whose name any Preferred Units (or Partnership Units and/or other securities, as the case may be) are issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Preferred Units (or Partnership Units and/or other securities, as the case may be) represented thereby on the date upon which the Right Certificate evidencing such Rights was duly surrendered and payment of the Purchase Price (and any applicable taxes and other governmental charges) was made; provided, however, that, if the date of such surrender and payment is a date upon which the Preferred Units (or Partnership Units and/or other securities, as the case may be) transfer books of the Partnership are closed, such person shall be deemed to have become the record holder of such units on the next succeeding Business Day on which the Preferred Units (or Partnership Units and/or other securities, as the case may be) transfer books of the Partnership are open.

Section 11. Adjustment of Purchase Price, Number and Kind of Shares or Number of Rights.

The Purchase Price, the number and kind of Units covered by each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 11.

(a) (i) In the event the Partnership shall at any time after the date of this Agreement (A) declare a distribution on the Preferred Units payable in Preferred Units, (B) subdivide the outstanding Preferred Units, (C) combine the outstanding Preferred Units into a smaller number of Preferred Units or (D) issue any units in a reclassification of the Preferred Units (including any such reclassification in connection with a consolidation or merger in which the Partnership is the continuing or surviving entity), except as otherwise provided in this Section 11(a) and Section 7(e) hereof, the Purchase Price in effect at the time of the record date for such distribution or of the effective date of such subdivision, combination or reclassification, and the number and kind of units issuable on such date, shall be proportionately adjusted so that the holder of any Right exercised after such time shall be entitled to receive the aggregate number and kind of units which, if such Right had been exercised immediately prior to such date and at a time when the Preferred Units transfer books of the Partnership were open, such holder would have owned upon such exercise and been entitled to receive by virtue of such subdivision, combination or reclassification. If an event occurs which would require an adjustment under both Section 11(a)(i) and Section 11(a)(ii), the adjustment provided for in this Section 11(a)(i) shall be in addition to, and shall be made prior to, any adjustment required pursuant to Section 11(a)(ii).

(ii) In the event any Person, alone or together with its Affiliates and Associates, shall become an Acquiring Person, then proper provision shall be made so that each holder of a Right (except as provided below and in Section 7(e) hereof) shall, for a period of 60 days after the later of the occurrence of any such event or the effective date of an appropriate registration statement under the Act pursuant to Section 9 hereof, have a right to receive, upon exercise thereof at a price equal to the then current Purchase Price, in accordance with the terms of this Agreement, such number of Partnership Units (or, in the discretion of the General Partner, one one-thousandths of a Preferred Unit) as shall equal the result obtained by (x) multiplying the then current Purchase Price by the then number of one one-thousandths of a Preferred Unit for which a Right was exercisable immediately prior to the first occurrence of a Section 11(a)(ii) Event, and dividing that product by (y) 50% of the then current per unit market price of the Partnership's Partnership Units (determined pursuant to Section 11(d) hereof) on the date of such first occurrence (such number of units being referred to as the "Adjustment Units"); provided, however, that if the transaction that would otherwise give rise to the foregoing adjustment is also subject to the provisions of Section 13 hereof, then only the provisions of Section 13 hereof shall apply and no adjustment shall be made pursuant to this Section 11(a)(ii);

(iii) In the event that there shall not be sufficient securities to permit the exercise in full of the Rights in accordance with the foregoing subparagraph (ii) and the Rights become so exercisable (and the General Partner has determined to make the Rights exercisable into fractions of a Preferred Unit), notwithstanding any other provision of this Agreement, to the extent necessary and permitted by applicable law, each Right

shall thereafter represent the right to receive, upon exercise thereof at the then current Purchase Price in accordance with the terms of this Agreement, (x) a number of (or fractions of) Partnership Units (up to the maximum number of Partnership Units which may permissibly be issued) and (y) a number of (or fractions of) one one-thousandths of a Preferred Unit or a number of (or fractions of) other equity securities of the Partnership (or, in the discretion of the General Partner, debt) which the General Partner has determined to have the same aggregate current market value (determined pursuant to Section 11(d)(i) and (ii) hereof, to the extent applicable) as one Partnership Unit (such number of, or fractions of, Preferred Units, debt, or other equity securities or debt of the Partnership being referred to as a "unit equivalent") equal in the aggregate to the number of Adjustment Units; provided, however, if sufficient Partnership Units and/or unit equivalents are unavailable, then the Partnership shall, to the extent permitted by applicable law, take all such action as may be necessary to authorize additional Partnership Units or unit equivalents for issuance upon exercise of the Rights, including the calling of a meeting of or seeking the consent of unitholders, if applicable; and provided, further, that if the Partnership is unable to cause sufficient Partnership Units and/or unit equivalents to be available for issuance upon exercise in full of the Rights, then each Right shall thereafter represent the right to receive the Adjusted Number of Units upon exercise at the Adjusted Purchase Price (as such terms are hereinafter defined). As used herein, the term "Adjusted Number of Units" shall be equal to that number of (or fractions of) Partnership Units (and/or unit equivalents) equal to the product of (x) the number of Adjustment Units and (y) a fraction, the numerator of which is the number of Partnership Units (and/or equivalents) available for issuance upon exercise of the Rights and the denominator of which is the aggregate number of Adjustment Units otherwise issuable upon exercise in full of all Rights (assuming there were a sufficient number of Partnership Units available) (such fraction being referred to as the "Proration Factor"). The "Adjusted Purchase Price" shall mean the product of the Purchase Price and the Proration Factor. The General Partner may, but shall not be required to, establish procedures to allocate the right to receive Partnership Units and unit equivalents upon exercise of the Rights among holders of Rights.

(b) In case the Partnership shall fix a record date for the issuance of rights (other than the Rights), options or warrants to all holders of Preferred Units entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Preferred Units (or securities having the same rights, privileges and preferences as the Preferred Units ("equivalent preferred units")) or securities convertible into Preferred Units or equivalent preferred units at a price per Preferred Unit or equivalent preferred unit (or having a conversion price per unit, if a security convertible into Preferred Units or equivalent preferred units) less than the then current per unit market price of the Preferred Units (as determined pursuant to Section 11(d) hereof) on such record date, the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the number of Preferred Units

outstanding on such record date plus the number of Preferred Units which the aggregate offering price of the total number of Preferred Units and/or equivalent preferred units so to be offered (and/or the aggregate initial conversion price of the convertible securities so to be offered) would purchase at such current per unit market price, and the denominator of which shall be the number of Preferred Units outstanding on such record date plus the number of additional Preferred Units and/or equivalent preferred units to be offered for subscription or purchase (or into which the convertible securities so to be offered are initially convertible). In case such subscription price may be paid in a consideration part or all of which shall be in a form other than cash, the value of such consideration shall be determined in good faith by the General Partner, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights. Preferred Units owned by or held for the account of the Partnership shall not be deemed outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed; and in the event that such rights, options or warrants are not so issued, the Purchase Price shall be adjusted to be the Purchase Price which would then be in effect if such record date had not been fixed.

(c) In case the Partnership shall fix a record date for the making of a distribution to all holders of the Preferred Units (including any such distribution made in connection with a consolidation or merger in which the Partnership is the continuing or surviving entity) of evidences of indebtedness or assets (other than a regular quarterly cash distribution or a distribution payable in Preferred Units) or subscription rights or warrants (excluding those referred to in Section 11(b) hereof), the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the then current per unit market price (as determined pursuant to Section 11(d) hereof) of the Preferred Units on such record date, less the fair market value (as determined in good faith by the General Partner, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights) of the portion of the assets or evidences of indebtedness so to be distributed or of such subscription rights or warrants applicable to one Preferred Unit and the denominator of which shall be such current per unit market price of the Preferred Units. Such adjustments shall be made successively whenever such a record date is fixed; and in the event that such distribution is not so made, the Purchase Price shall again be adjusted to be the Purchase Price which would then be in effect if such record date had not been fixed.

(d) (i) For the purpose of any computation hereunder, the "current per unit market price" of any security (a "Security") that is publicly traded for the purpose of this Section 11(d)(i) on any date shall be deemed to be the average of the daily closing prices per unit of such Security for the thirty (30) consecutive Trading Days (as such term is hereinafter defined) immediately prior to and not including such date; provided, however,

that in the event that the current per unit market price of the Security is determined during a period following the announcement by the issuer of such Security of (A) a dividend or distribution on such Security payable in units of such Security or securities convertible into such units, or (B) any subdivision, combination or reclassification of such Security and prior to the expiration of thirty (30) Trading Days after and not including the ex-dividend date for such dividend or distribution, or the record date for such subdivision, combination or reclassification, then, and in each such case, the current per unit market price shall be appropriately adjusted to reflect the current market price per unit equivalent of such Security. The closing price for each day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Security is not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Security is listed or admitted to trading or, if the Security is not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices as reported on the Nasdaq Stock Market ("Nasdaq") or such other market or system then in use, or, if on any such date the Security is not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Security selected by the General Partner. If on any such date no such market maker is making a market in the Security, the fair value of the Security on such date as determined in good faith by the General Partner shall be used. The term "Trading Day" shall mean a day on which the principal national securities exchange on which the Security is listed or admitted to trading is open for the transaction of business or, if the Security is not listed or admitted to trading on any national securities exchange, a Business Day. Subject to Section 11(d)(ii), if any Security is not publicly traded, "current per unit market price" of such Security shall mean the fair market value per unit as determined in good faith by the General Partner, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights.

(ii) For the purpose of any computation hereunder, the "current per unit market price" of the Preferred Units if they are publicly traded shall be determined in accordance with the method set forth in Section 11(d)(i). If the Preferred Units are not publicly traded, the "current per unit market price" of the Preferred Units shall be conclusively deemed to be the current per unit market price of the Partnership Units as determined pursuant to Section 11(d)(i) (appropriately adjusted to reflect any split, distribution or similar transaction occurring after the date hereof), multiplied by one thousand (1,000). If neither the Partnership Units nor the Preferred Units are publicly listed or traded, "current per unit market price" shall mean the fair market value per unit as determined in good faith by the General Partner, whose determination shall be

described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights.

(e) Anything herein to the contrary notwithstanding, no adjustment in the Purchase Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Purchase Price; provided, however, that any adjustments which by reason of this Section 11(e) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 11 shall be made to the nearest cent or to the nearest one one-thousandth of a Preferred Unit or one one-thousandth of any other unit or security as the case may be. Notwithstanding the first sentence of this Section 11(e), any adjustment required by this Section 11 shall be made no later than the earlier of (i) three (3) years from the date of the transaction which mandates such adjustment or (ii) the Final Expiration Date.

(f) If as a result of an adjustment made pursuant to Section 11(a)(ii) or Section 13(a) hereof, the holder of any Right thereafter exercised shall become entitled to receive any units of the Partnership other than Preferred Units, thereafter the number of other units so receivable upon exercise of any Right shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Preferred Units contained in Section 11(a) through (c), inclusive, and the provisions of Sections 7, 9, 10, 13 and 14 with respect to the Preferred Units shall apply on like terms to any such other units.

(g) All Rights originally issued by the Partnership subsequent to any adjustment made to the Purchase Price hereunder shall evidence the right to purchase, at the Adjusted Purchase Price, the number of one one-thousandths of a Preferred Unit purchasable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.

(h) Unless the Partnership shall have exercised its election so provided in Section 11(i) hereof, upon adjustment of the Purchase Price as a result of the calculations made in Sections 11(b) and 11(c) hereof, each Right outstanding immediately prior to the making of such adjustment shall thereafter evidence the right to purchase, at the Adjusted Purchase Price, that number of one one-thousandths of a Preferred Unit calculated to the nearest one one-thousandth of a Preferred Unit) obtained by (i) multiplying (A) the number of Preferred Units covered by a Right immediately prior to this adjustment of the Purchase Price by (B) the Purchase Price in effect immediately prior to such adjustment of the Purchase Price and (ii) dividing the product so obtained by the Purchase Price in effect immediately after such adjustment of the Purchase Price.

(i) The Partnership may elect on or after the date of any adjustment of the Purchase Price to adjust the number of Rights, in lieu of any adjustment in the number of one one-thousandths of a Preferred Unit purchasable upon the exercise of a Right. Each of the Rights outstanding after such adjustment of the number of Rights shall be

exercisable for the number of one one-thousandths of a Preferred Unit for which a Right was exercisable immediately prior to such adjustment. Each Right held of record prior to such adjustment of the number of Rights shall become that number of Rights (calculated to the nearest one one-thousandth) obtained by dividing the Purchase Price in effect immediately prior to adjustment of the Purchase Price by the Purchase Price in effect immediately after adjustment of the Purchase Price. The Partnership shall make a public announcement of its election to adjust the number of Rights, indicating the record date for the adjustment, and, if known at the time, the amount of the adjustment to be made, a copy of which public announcement shall promptly be delivered to the Rights Agent. This record date may be the date on which the Purchase Price is adjusted or any day thereafter, but, if the Right Certificates have been issued, shall be at least ten (10) days later than the date of the public announcement. If Right Certificates have been issued, upon each adjustment of the number of Rights pursuant to this Section 11(i), the Partnership shall, as promptly as practicable, cause to be distributed to holders of record of Right Certificates on such record date Right Certificates evidencing, subject to Section 14 hereof, the additional Rights to which such holders shall be entitled as a result of such adjustment, or, at the option of the Partnership, shall cause to be distributed to such holders of record in substitution and replacement for the Right Certificates held by such holders prior to the date of adjustment, and upon surrender thereof, if required by the Partnership, new Right Certificates evidencing all the Rights to which such holders shall be entitled after such adjustment. Right Certificates so to be distributed shall be issued, executed and countersigned in the manner provided for herein and shall be registered in the names of the holders of record of Right Certificates on the record date specified in the public announcement.

(j) Irrespective of any adjustment or change in the Purchase Price or the number of one one-thousandths of a Preferred Unit issuable upon the exercise of the Rights, the Right Certificates theretofore and thereafter issued may continue to express the Purchase Price and the number of one one-thousandths of a Preferred Unit which were expressed in the initial Right Certificates issued hereunder.

(k) Before taking any action that would cause an adjustment reducing the Purchase Price below the then par value, if any, of the number of one one-thousandths of a Preferred Unit, Common Units or other securities issuable upon exercise of the Rights, the Partnership shall take any action which may, in the opinion of its counsel, be necessary in order that the Partnership may validly and legally issue such number of fully paid and non-assessable one one-thousandths of a Preferred Unit, Common Units or other securities at such adjusted Purchase Price.

(l) In any case in which this Section 11 shall require that an adjustment in the Purchase Price be made effective as of a record date for a specified event, the Partnership may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the Preferred Units, Partnership Units or other

securities of the Partnership, if any, issuable upon such exercise over and above the Preferred Units, Partnership Units or other securities of the Partnership, if any, issuable upon exercise on the basis of the Purchase Price in effect prior to such adjustment; provided, however, that the Partnership shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional units or other securities, as the case may be, upon the occurrence of the event requiring such adjustment.

(m) Anything in this Section 11 to the contrary notwithstanding, the Partnership shall be entitled to make such reductions in the Purchase Price, in addition to those adjustments expressly required by this Section 11, as and to the extent that it in its sole discretion shall determine to be advisable in order that (1) (i) any consolidation or subdivision of the Preferred Units, (ii) issuance wholly for cash of Preferred Units at less than the current market price, (iii) issuance wholly for cash of Preferred Units or securities which by their terms are convertible into or exchangeable for Preferred Units, (iv) unit distributions or (v) issuance of rights, options or warrants referred to in this Section 11, hereafter made by the Partnership to holders of its Preferred Units shall not be taxable to holders of Preferred Units or (2) the Purchase Price is reduced to correspond to any similar reduction that may be effected pursuant to Section 11 (m) of Rights Agreements, dated as of October 13, 2000, between the Corporation and American Stock Transfer & Trust Company.

(n) The Partnership covenants and agrees that it shall not, at any time after the Distribution Date, (i) consolidate with any other Person (other than a Subsidiary of the Partnership in a transaction which does not violate Section 11(o) hereof), (ii) merge with or into any other Person (other than a Subsidiary of the Partnership in a transaction which does not violate Section 11(o) hereof), or (iii) sell or transfer (or permit any Subsidiary to sell or transfer), in one transaction, or a series of related transactions, assets or earning power aggregating more than 50% of the assets or earning power of the Partnership and its Subsidiaries (taken as a whole) to any other Person or Persons (other than the Partnership and/or any of its Subsidiaries in one or more transactions each of which does not violate Section 11(o) hereof), if (x) at the time of or immediately after such consolidation, merger, sale or transfer there are any charter or bylaw provisions or any rights, warrants or other instruments or securities outstanding or agreements in effect or other actions taken, which would materially diminish or otherwise eliminate the benefits intended to be afforded by the Rights or (y) prior to, simultaneously with or immediately after such consolidation, merger or sale, the security holders of the Person who constitutes, or would constitute, the Principal Party for purposes of Section 13(a) hereof shall have received a distribution of Rights previously owned by such Person or any of its Affiliates and Associates. The Partnership shall not consummate any such consolidation, merger, sale or transfer unless prior thereto the Partnership and such other Person shall have executed and delivered to the Rights Agent a supplemental agreement evidencing compliance with this Section 11(n).

(o) The Partnership covenants and agrees that, after the Distribution Date, it will not, except as permitted by Section 23, Section 24 or Section 27 hereof, take (or permit any Subsidiary to take) any action the purpose of which is to, or if at the time such action is taken it is reasonably foreseeable that the effect of such action is to, materially diminish or otherwise eliminate the benefits intended to be afforded by the Rights.

(p) The exercise of Rights under Section 11(a)(ii) shall only result in the loss of rights under Section 11(a)(ii) to the extent so exercised and shall not otherwise affect the rights represented by the Rights under this Agreement, including the rights represented by Section 13.

Section 12. Certificate of Adjusted Purchase Price or Number of Securities.

Whenever an adjustment is made as provided in Section 11 or 13 hereof, the Partnership shall promptly (a) prepare a certificate setting forth such adjustment, and a brief reasonably detailed statement of the facts and computations accounting for such adjustment, (b) file with the Rights Agent and with each transfer agent for the Partnership Units and the Preferred Units a copy of such certificate and (c) mail a brief summary thereof to each holder of a Right Certificate in accordance with Section 25 hereof. The Rights Agent shall be fully protected in relying on any such certificate and on any adjustment therein contained and shall have no duty with respect to and shall not be deemed to have knowledge of such adjustment unless and until it shall have received such certificate.

Section 13. Consolidation, Merger or Sale or Transfer of Assets or Earning Power.

(a) In the event that, on or following the Shares Acquisition Date, directly or indirectly, (x) the Corporation shall consolidate with, or merge with and into, any Interested Stockholder or, if in such merger or consolidation all holders of Common Shares are not treated alike, any other Person, (y) the Corporation shall consolidate with, or merge with, any Interested Stockholder or, if in such merger or consolidation all holders of Common Shares are not treated alike, any other Person, and the Corporation shall be the continuing or surviving corporation of such consolidation or merger (other than, in a case of any transaction described in (x) or (y), a merger or consolidation which would result in all of the securities generally entitled to vote in the election of directors ("voting securities") of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into securities of the surviving entity) all of the voting securities of the Corporation or such surviving entity outstanding immediately after such merger or consolidation and the holders of such securities not having changed as a result of such merger or consolidation), or (z) the Corporation shall sell or otherwise transfer (or one or more of its Subsidiaries shall sell or otherwise transfer), in one transaction or a series of related transactions, assets or earning power aggregating more than 50% of the assets or earning power of the Corporation and

its Subsidiaries (taken as a whole) to any Interested Stockholder or Stockholders or, if in such transaction all holders of Common Shares are not treated alike, any other Person (other than the Corporation or any Subsidiary of the Corporation in one or more transactions each of which does not violate Section 11(o) hereof), then, and in each such case (except as provided in Section 13(d) hereof), proper provision shall be made so that

- (1) if in connection with such Section 13 Event there does not also occur substantially concurrently a Partnership Section 13 Event (as defined below) or to the extent that a holder of a Right does not elect to be governed by subparagraph (2) of this Section 13(a), (i) each holder of a Right, except as provided in Section 7(e) hereof, shall thereafter have the right to receive, upon the exercise thereof at a price equal to the then current Purchase Price, in accordance with the terms of this Agreement and in lieu of Preferred Units, such number of Common Shares of the Principal Party (as hereinafter defined), not subject to any liens, encumbrances, rights of first refusal or other adverse claims, as shall equal the result obtained by (A) multiplying the then current Purchase Price by the number of one one-thousandths of a Preferred Unit for which a Right is then exercisable (without taking into account any adjustment previously made pursuant to Section 11(a)(ii)) and dividing that product by (B) 50% of the then current per share market price of the Common Shares of such Principal Party (determined pursuant to Section 11(d) hereof) on the date of consummation of such Section 13 Event; (ii) such Principal Party shall thereafter be liable for, and shall assume, by virtue of such Section 13 Event, all the obligations and duties of the Partnership pursuant to this Agreement; (iii) the term "Partnership" shall thereafter be deemed to refer to such Principal Party, it being specifically intended that the provisions of Section 11 hereof shall apply only to such Principal Party following the first occurrence of a Section 13 Event; and (iv) such Principal Party shall take such steps (including, but not limited to, the reservation of a sufficient number of its Common Shares) in connection with the consummation of any such transaction as may be necessary to assure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in relation to such number of freely tradable shares of Common Shares thereafter deliverable upon the exercise of the Rights; or
- (2) if in connection with such Section 13 Event there also occurs substantially concurrently with respect to the Partnership a merger, consolidation, sale or transfer of the type described in clauses (x), (y) or (z) of this Section 13(a) (a "Partnership Section 13 Event") and the holder of a Right at the time of exercise of such Right elects to be governed by this subparagraph (2), (i) each electing holder of a Right, except as provided in Section 7(e) hereof, shall thereafter have the right to receive, upon the exercise thereof at a price equal to the then current Purchase Price, in accordance with the terms of this

Agreement and in lieu of Preferred Units, such number of common securities of the Partnership Principal Party (as defined below) not subject to any liens, encumbrances, rights of first refusal or other adverse claims as shall have the right (x) to convert into, (y) be exchanged for, or (z) be redeemed for cash in an amount equal the current market value at the time of redemption of, in each case, a number of Common Shares of the Principal Party equal the result obtained by (A) multiplying the then current Purchase Price by the number of one one-thousandths of a Preferred Unit for which a Right is then exercisable (without taking into account any adjustment previously made pursuant to Section 11(a)(ii)) and dividing that product by (B) 50% of the then current per unit market price of the Common Shares of such Principal Party (determined pursuant to Section 11(d) hereof) on the date of consummation of such Partnership Section 13 Event (ii) such Partnership Principal Party shall thereafter be liable for, and shall assume, by virtue of such Section 13 Event, all the obligations and duties of the Partnership pursuant to this Agreement; (iii) the term "Partnership" shall thereafter be deemed to refer to such Partnership Principal Party, it being specifically intended that the provisions of Section 11 hereof shall apply only to such Partnership Principal Party following the first occurrence of a Partnership Section 13 Event; and (iv) such Partnership Principal Party and such Principal Party shall take such steps (including, but not limited to, the reservation of a sufficient number of their relevant securities) in connection with the consummation of any such transaction as may be necessary to assure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in relation to such number of common units, common shares or other common securities of the Partnership Principal Party and Common Shares of the Principal Party thereafter deliverable upon the exercise of the Rights.

(b) "Principal Party" shall mean

(i) in the case of any transaction described in clause (x) or (y) of the first sentence of Section 13(a), the Person that is the issuer of any securities into which Common Shares of the Corporation are converted in such merger or consolidation, and if no securities are so issued, the Person that is the other party to such merger or consolidation (including, if applicable, the Corporation or the Partnership, as the case may be, if it is the surviving entity); and (ii) in the case of any transaction described in clause (z) of the first sentence of Section 13(a), the Person that is the party receiving the greatest portion of the assets or earning power transferred pursuant to such transaction or transactions; provided, however, that in any of the foregoing cases, (1) if the Common Shares of such Person are not at such time and have not been continuously over the preceding twelve (12) month period registered under Section 12 of the Exchange Act, and such Person is a direct or indirect Subsidiary of another Person the Common Shares of

which are and have been so registered, "Principal Party" shall refer to such other Person; (2) in case such Person is a Subsidiary, directly or indirectly, of more than one Person, the Common Shares of two or more of which are and have been so registered, "Principal Party" shall refer to whichever of such Persons is the issuer of the Common Shares having the greatest aggregate market value; and (3) in case such Person is owned, directly or indirectly, by a joint venture formed by two or more Persons that are not owned, directly or indirectly, by the same Person, the rules set forth in (1) and (2) above shall apply to each of the chains of ownership having an interest in such joint venture as if such party were a Subsidiary of both or all of such joint venturers and the Principal Parties in each such chain shall bear the obligations set forth in this Section 13 in the same ratio as their direct or indirect interests in such Person bear to the total of such interests.

(c) "Partnership Principal Party" shall mean, in the case of a Partnership Section 13 Event, the Person into or with which the Partnership merges or consolidates, or to whom the Partnership transfers 50% or more of its assets or earning power and that is the issuer of any securities which are convertible (directly or indirectly) into, exchangeable for, or redeemable for Common Shares of the Principal Party or cash based on the value of Common Shares of the Principal Party.

(d) The Partnership shall not consummate any Partnership Section 13 Event unless the Principal Party and/or Partnership Principal Party shall have a sufficient number of its authorized shares of common stock, or other common securities, as the case may be which have not been issued or reserved for issuance to permit the exercise in full of the Rights in accordance with this Section 13 and unless prior thereto the Partnership and such Principal Party, or Partnership Principal Party, shall have executed and delivered to the Rights Agent a supplemental agreement providing for the terms set forth in paragraphs (a) and (b) of this Section 13 and further providing that, as soon as practicable after the date of any consolidation, merger, sale or transfer mentioned in paragraph (a) of this Section 13, the Principal Party, or Partnership Principal Party, at its own expense shall:

(i) prepare and file a registration statement under the Act with respect to the Rights and the securities purchasable upon exercise of the Rights on an appropriate form, and will use its best efforts to cause such registration statement to (A) become effective as soon as practicable after such filing and (B) remain effective (with a prospectus at all times meeting the requirements of the Act) until the Final Expiration Date;

(ii) use its best efforts to qualify or register the Rights and the securities purchasable upon exercise of the Rights under the blue sky laws of such jurisdictions as may be necessary or appropriate; and

(iii) deliver to holders of the Rights historical financial statements for the Principal Party or Partnership Principal Party, as the case may be which comply in all respects with the requirements for registration on Form 10 under the Exchange Act; provided, however, that the Principal Party and/or the Partnership Principal Party may be relieved of its obligations under the forgoing clauses (i) and (ii) if it receives the written waiver of holders of a majority of the Rights (excluding any Rights that are null and void pursuant to Section 7(e)).

The provisions of this Section 13 shall similarly apply to successive mergers or consolidations or sales or other transfers. The rights under this Section 13 shall be in addition to the rights to exercise Rights and adjustments under Section 11(a)(ii) and shall survive any exercise thereof.

(e) The Partnership shall not consummate any Partnership Section 13 Event unless the Principal Party or Partnership Principal Party, as the case may be, shall provide to the holders of, or holders of Rights to purchase, common securities of the Partnership Principal Party that may be converted into or exchanged for Common Shares of the Principal Party, registration rights with respect to such Principal Party Common Shares that are substantially the same as any registration rights such holders have with respect to their Partnership Units or any securities into which such Partnership Units are convertible or exchangeable and to which such holders are entitled immediately prior to the relevant Section 13 Event.

(f) Notwithstanding anything in this Agreement to the contrary, Section 13 shall not be applicable to a transaction described in subparagraphs (x) and (y) of Section 13(a) or in a Partnership Section 13 Event if: (i) such transaction is consummated with a Person or Persons who acquired Common Shares pursuant to a Permitted Offer (or a wholly owned Subsidiary of any such Person or Persons); (ii) the price per Common Share offered in such transaction is not less than the price per Common Share paid to all holders of Common Shares whose shares were purchased pursuant to such Permitted Offer; and (iii) the form of consideration offered in such transaction is the same as the form of consideration paid pursuant to such Permitted Offer. Upon consummation of any such transaction contemplated by this Section 13(f), all Rights hereunder shall expire.

Section 14. Fractional Rights and Fractional Units.

(a) The Partnership shall not be required to issue fractions of Rights or to distribute Right Certificates which evidence fractional Rights. In lieu of such fractional Rights, there shall be paid to the registered holders of the Right Certificates with regard to which such fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the current market value of a whole Right. For the purposes of this Section 14(a), the current market value of a whole Right shall be the closing price of the Rights for the Trading Day immediately prior to the date on which such fractional Rights would have been otherwise issuable. The closing price for any day shall be the last sale

price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Rights are not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Rights are listed or admitted to trading or, if the Rights are not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices as reported on Nasdaq or such other market or system then in use or, if on any such date the Rights are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Rights selected by the General Partner. If on any such date no such market maker is making a market in the Rights, the fair value of the Rights on such date as fair value of the Rights on such date as determined in good faith by the General Partner.

(b) The Partnership shall not be required to issue fractions of Preferred Units (other than fractions which are one one-thousandth or integral multiples of one one-thousandth of a Preferred Unit) upon exercise of the Rights or to distribute certificates which evidence fractional Preferred Units (other than fractions which are one one-thousandth or integral multiples of one one-thousandth of a Preferred Unit). Fractions of Preferred Units in integral multiples of one one-thousandth of a Preferred Unit may, at the election of the Partnership, be evidenced by depositary receipts, pursuant to an appropriate agreement between the Partnership and a depositary selected by it; provided that such agreement shall provide that the holders of such depositary receipts shall have the rights, privileges and preferences to which they are entitled as beneficial owners of the Preferred Units represented by such depositary receipts. In lieu of fractional Preferred Units that are not one one-thousandth or integral multiples of one one-thousandth of a Preferred Unit, the Partnership shall pay to the registered holders of Right Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market value of one Preferred Unit. For the purposes of this Section 14(b), the current market value of a Preferred Unit shall be the closing price of a Preferred Unit (as determined pursuant to Section 11(d)(ii) hereof) for the Trading Day immediately prior to the date of such exercise.

(c) Following the occurrence of one of the transactions or events specified in Section 11 giving rise to the right to receive Partnership Units, unit equivalents (other than Preferred Units) or other securities upon the exercise of a Right, the Partnership shall not be required to issue fractions of such Partnership Units, unit equivalents or other securities upon exercise of the Rights or to distribute certificates which evidence fractions of such Partnership Units, unit equivalents or other securities. In lieu of fractional units of such Partnership Units, unit equivalents or other securities, the Partnership may pay to the registered holders of Right Certificates at the time such Rights are exercised as herein

provided an amount in cash equal to the same fraction of the current market value of a unit of such Partnership Units, unit equivalents or other securities. For purposes of this Section 14(c), the current market value shall be determined in the manner set forth in Section 11(d) hereof for the Trading Day immediately prior to the date of such exercise and, if such unit equivalent is not traded, each such equivalent shall have the value of one one-thousandth of a Preferred Unit.

(d) The holder of a Right by the acceptance of the Right expressly waives his right to receive any fractional Rights or any fractional unit upon exercise of a Right (except as provided above). The Rights Agent shall not be deemed to have knowledge of, and shall have no duty in respect of, the issuance of fractional Rights or fractional units until it shall have received instructions from the Partnership concerning the issuance of the fractional Rights or fractional units upon which instructions the Rights Agent may conclusively rely.

Section 15. Rights of Action.

All rights of action in respect of this Agreement, excepting the rights of action given to the Rights Agent under Section 18 hereof, are vested in the respective registered holders of the Right Certificates (and, prior to the Distribution Date, the registered holders of the Partnership Units); and any registered holder of any Right Certificate (or, prior to the Distribution Date, of the Partnership Units), without the consent of the Rights Agent or of the holder of any other Right Certificate (or, prior to the Distribution Date, of the Partnership Units), may, in his own behalf and for his own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Partnership to enforce, or otherwise act in respect of, his right to exercise the Rights evidenced by such Right Certificate (or, prior to the Distribution Date, of the Partnership Units) in the manner provided in such Right Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

Section 16. Agreement of Right Holders.

Every holder of a Right, by accepting the same, consents and agrees with the Partnership and the Rights Agent and with every other holder of a Right that:

(a) prior to the Distribution Date, the Rights will be transferable only in connection with the transfer of the Partnership Units;

(b) after the Distribution Date, the Right Certificates are transferable only on the registry books of the Rights

Agent if surrendered at the office or offices of the Rights Agent designated for such purpose, duly endorsed or accompanied by a proper instrument of transfer and with the appropriate form fully executed;

(c) subject to Section 7(f) hereof, the Partnership and the Rights Agent may deem and treat the Person in whose name the Right Certificate (or, prior to the Distribution Date, the associated Partnership Units) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on the Right Certificate or the associated Partnership Units made by anyone other than the Partnership or the Rights Agent) for all purposes whatsoever, and neither the Partnership nor the Rights Agent, subject to the last sentence of Section 7(e) hereof, shall be required to be affected by any notice to the contrary; and

(d) notwithstanding anything in this Agreement to the contrary, neither the Partnership nor the Rights Agent shall have any liability to any holder of a Right or a beneficial interest in a Right or other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, judgment, decree or ruling (whether interlocutory or final) issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation; provided, however, the Partnership must use its best efforts to have any such order, judgment, decree or ruling lifted or otherwise overturned as soon as possible.

Section 17. Right Certificate Holder Not Deemed a Unitholder.

No holder, as such, of any Right Certificate shall be entitled to vote, receive distributions or be deemed for any purpose the holder of the Preferred Units or any other securities of the Partnership which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Right Certificate be construed to confer upon the holder of any Right Certificate, as such, any of the rights of a unitholder of the Partnership or a stockholder of any other Person whose securities are purchasable pursuant to the Rights or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any partnership (if applicable) or corporate action, or to receive notice of meetings or other actions affecting unitholders or stockholders (except as provided in Section 25 hereof), or to receive distributions or to exercise any preemptive or subscription rights, or otherwise, until the Right or Rights evidenced by such Right Certificate shall have been exercised in accordance with the provisions hereof.

Section 18. Concerning the Rights Agent.

The Partnership agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent,

its reasonable expenses and counsel fees and other disbursements incurred in the preparation, execution, delivery, amendment, administration and execution of this Agreement and the exercise and performance of its duties hereunder. The Partnership also agrees to indemnify the Rights Agent for, and to hold it harmless against, any loss, liability, damage, judgment, fine, penalty, claim, demand, settlement, cost or expense, incurred without gross negligence, bad faith or willful misconduct on the part of the Rights Agent, for any action taken, suffered or omitted by the Rights Agent in connection with the acceptance and administration of this Agreement, including without limitation the costs and expenses of defending against any claim of liability in the premises. The indemnity provided for herein shall survive the expiration of the Rights and the termination of this Agreement.

The Rights Agent shall be authorized and protected and shall incur no liability for, or in respect of, any action taken, suffered or omitted by it in connection with, its acceptance and administration of this Agreement in reliance upon any Right Certificate, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document (collectively, "Documents") believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons. The Rights Agent shall not be deemed to have knowledge of, and shall have no duty in respect of, any such Documents, until it receives notice or instructions in respect thereof. In no case will the Rights Agent be liable for special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever, even if the Rights Agent has been advised of the likelihood of such loss or damage.

Section 19. Merger or Consolidation or Change of Name of Rights Agent.

Any Person into which the Rights Agent or any successor Rights Agent may be merged or with which it may be consolidated, or any Person resulting from any merger or consolidation to which the Rights Agent or any successor Rights Agent shall be a party, or any Person succeeding to the stock transfer or all or substantially all of the stockholder services business of the Rights Agent or any successor Rights Agent, shall be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such Person would be eligible for appointment as a successor Rights Agent under the provisions of Section 21 hereof. In case at the time such successor Rights Agent shall succeed to the agency created by this Agreement, any of the Right Certificates shall have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of a predecessor Rights Agent and deliver such Right Certificates so countersigned; and in case at that time any of the Right Certificates shall not have been countersigned, any successor Rights Agent may countersign such Right Certificates either in the name of the predecessor or in the name of the successor Rights Agent; and in all such cases such Right Certificates shall have the full force provided in the Right

Certificates and in this Agreement. In case at any time the name of the Rights Agent shall be changed and at such time any of the Right Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Right Certificates so countersigned; and in case at that time any of the Right Certificates shall not have been countersigned, the Rights Agent may countersign such Right Certificates either in its prior name or in its changed name; and in all such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Agreement.

Section 20. Duties of Rights Agent.

The Rights Agent undertakes only those duties and obligations expressly imposed by this Agreement (and no implied duties or obligations) upon the following terms and conditions, by all of which the Partnership and the holders of Right Certificates, by their acceptance thereof, shall be bound:

(a) The Rights Agent may consult with legal counsel (who may be legal counsel for the Partnership), and the advice or opinion of such counsel shall be full and complete authorization and protection to the Rights Agent and the Rights Agent shall incur no liability for or in respect of, any action taken, suffered or omitted by it in good faith and in accordance with such opinion.

(b) Whenever in the performance of its duties under this Agreement the Rights Agent shall deem it necessary or desirable that any fact or matter (including, without limitation, the identity of an Acquiring Person and the determination of the current market price of any Security) be proved or established by the Partnership prior to taking, suffering or omitting any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by any one of the Chairman of the Board, the Chief Executive Officer (or any co-Chief Executive Officer), the President, any Vice President, the Treasurer or the Secretary of the General Partner of the Partnership and delivered to the Rights Agent; and such certificate shall be full authorization and protection to the Rights Agent and the Rights Agent shall incur no liability in respect of any action taken, suffered or omitted in good faith by it under the provisions of this Agreement in reliance upon such certificate.

(c) The Rights Agent shall be liable hereunder only for its own gross negligence, bad faith or willful misconduct.

(d) The Rights Agent shall not be liable for, or by reason of any liability in respect of, the statements of fact or recitals contained in this Agreement or in the Right Certificates (except its countersignature on such Right Certificates) or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Partnership only.

(e) The Rights Agent shall not be under any liability or responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Rights Agent) or in respect of the validity or execution of any Right Certificate (except its countersignature thereof); nor shall it be responsible for any breach by the Partnership of any covenant or condition contained in this Agreement or in any Rights Certificate; nor shall it be responsible for any change in the exercisability of the Rights (including the Rights becoming null and void pursuant to Section 7(e) hereof) or any adjustment required under the provisions of Section 11 or Section 13 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights evidenced by Right Certificates after receipt of the certificate described in Section 12 hereof); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization of any Preferred Units or Partnership Units to be issued pursuant to this Agreement or any Right Certificate or as to whether any Preferred Units or Partnership Units will, when issued, be validly authorized and issued, fully paid and non-assessable.

(f) The Partnership agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.

(g) The Rights Agent is hereby authorized and directed to only accept instructions with respect to the performance of its duties hereunder from any one of the Chairman of the Board, the Chief Executive Officer (or any co-Chief Executive Officer), the President, any Vice President, the Treasurer or the Secretary of the General Partner and to apply to such officers for advice or instructions in connection with its duties, and such instructions shall be full authorization and protection to the Rights Agent and the Rights Agent shall incur no liability for or in respect of any action taken, suffered or omitted by it in good faith or lack of action in accordance with instructions of any such officer or for any delay in acting while waiting for those instructions. Any application by the Rights Agent for written instructions from the Partnership may, at the option of the Rights Agent, set forth in writing any action proposed to be taken or omitted by the Rights Agent under this Agreement and the date on or after which such action shall be taken or suffered or such omission shall be effective. The Rights Agent shall not be liable or responsible for any action taken or suffered by, or omission of, the Rights Agent in accordance with a proposal included in any such application on or after the date specified in such application (which date shall not be less than five Business Days after the date the General Partner actually receives such application, unless any such officer shall have consented in writing to an earlier date) unless, prior to taking any such action (or the effective date in the case of an omission), the Rights Agent shall have received written instruction from any one of the Chairman of the Board, the Chief Executive Officer (or

any co-Chief Executive Officer), the President, any Vice President, the Treasurer or the Secretary of the General Partner in response to such application specifying the action to be taken, suffered or omitted.

(h) The Rights Agent and any stockholder, affiliate, director, officer or employee of the Rights Agent may buy, sell or deal in any of the Rights or other securities of the Partnership or become pecuniarily interested in any transaction in which the Partnership may be interested, or contract with or lend money to the Partnership or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Partnership or for any other Person or legal entity.

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Partnership or any other Person resulting from any such act, default, neglect or misconduct, absent gross negligence, bad faith or willful misconduct in the selection and continued employment thereof.

(j) No provision of this Agreement shall require the Rights Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of its rights if it believes that repayment of such funds or adequate indemnification against such risk or liability is not reasonably assured to it.

(k) If, with respect to any Rights Certificate surrendered to the Rights Agent for exercise or transfer, the certificate attached to the form of assignment or form of election to purchase, as the case may be, has not been completed, the Rights Agent shall not take any further action with respect to such requested exercise of transfer without first consulting with the Partnership.

Section 21. Change of Rights Agent.

The Rights Agent or any successor Rights Agent may resign and be discharged from its duties under this Agreement upon thirty (30) days' notice in writing mailed to the Partnership and to each transfer agent of the Partnership Units or Preferred Units by registered or certified mail, and to the holders of the Right Certificates by first-class mail. The Partnership may remove the Rights Agent or any successor Rights Agent upon sixty (60) days' notice in writing, mailed to the Rights Agent or successor Rights Agent, as the case may be, and to each transfer agent of the Partnership Units or Preferred Units by registered or certified mail, and to holders of the Right Certificates by first-class mail. If the Rights Agent shall resign or be removed or shall otherwise become incapable of acting, the Partnership shall appoint a successor to the Rights Agent. If the Partnership

shall fail to make such appointment within a period of sixty (60) days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of a Right Certificate (who shall, with such notice, submit his Right Certificate for inspection by the Partnership), then the registered holder of any Right Certificate may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Partnership or by such a court, shall be a Person organized and doing business under the laws of the United States or of the State of New York (or of any other state of the United States so long as such Person is authorized to do business in the State of New York), in good standing, having an office in the State of New York, and which is subject to supervision or examination by federal or state authority. After appointment, the successor Rights Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment the Partnership shall file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Partnership Units or Preferred Units, and mail a notice thereof in writing to the registered holders of the Right Certificates. Failure to give any notice provided for in this Section 21, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

Section 22. Issuance of New Right Certificates.

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Partnership may, at its option, issue new Right Certificates evidencing Rights in such form as may be approved by the General Partner to reflect any adjustment or change in the Purchase Price and the number or kind or class of units or other securities or property purchasable under the Right Certificates made in accordance with the provisions of this Agreement.

In addition, in connection with the issuance or sale of Partnership Units following the Distribution Date and prior to the earlier of the Redemption Date and the Final Expiration Date, the Partnership (a) shall with respect to Partnership Units so issued or sold pursuant to the exercise of options or under any employee plan or arrangement, or upon the exercise, conversion or exchange of securities, notes or debentures issued by the Partnership, and (b) may, in any other case, if deemed necessary or appropriate by the General Partner, issue Right Certificates representing the appropriate number of Rights in connection with such issuance or sale; provided, however, that (i) the Partnership shall not be obligated to issue any such Right Certificates if, and to the extent that, the Partnership shall be advised by counsel that such issuance would create a significant risk

of material adverse tax consequences to the Partnership or the Person to whom such Right Certificate would be issued, and (ii) no Right Certificate shall be issued if, and to the extent that, appropriate adjustment shall otherwise have been made in lieu of the issuance thereof.

Section 23. Redemption and Termination.

(a) (i) The General Partner may, at its option, redeem all but not less than all of the then outstanding Rights at a redemption price of \$.01 per Right, as such amount may be appropriately adjusted to reflect any unit split, unit distribution or similar transaction occurring after the date hereof (such redemption price being hereinafter referred to as the "Redemption Price"), at any time prior to the earlier of (x) the occurrence of a Section 11(a)(ii) Event or (y) the Final Expiration Date.

(ii) In addition, the General Partner may, at its option, at any time following the occurrence of a Section 11(a)(ii) Event and the expiration of any period during which the holder of Rights may exercise the rights under Section 11(a)(ii) but prior to any Section 13 Event redeem all but not less than all of the then outstanding Rights at the Redemption Price (x) in connection with any merger, consolidation or sale or other transfer (in one transaction or in a series of related transactions) of assets or earning power aggregating 50% or more of the earning power of the Corporation and its subsidiaries (taken as a whole) in which all holders of Partnership Units are treated alike and not involving (other than as a holder of Partnership Units being treated like all other such holders) an Interested Stockholder or (y)(aa) if and for so long as the Acquiring Person is not thereafter the Beneficial Owner of 15% of the Common Shares, and (bb) at the time of redemption no other Persons are Acquiring Persons.

(b) In the case of a redemption permitted under Section 23(a)(i), immediately upon the date for redemption determined by the General Partner ordering the redemption of the Rights, and without any further action and without any notice, the right to exercise the Rights will terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price for each Right so held. In the case of a redemption permitted only under Section 23(a)(ii), the right to exercise the Rights will terminate and represent only the right to receive the Redemption Price upon the later of ten (10) Business Days following the giving of such notice or the expiration of any period during which the rights under Section 11(a)(ii) may be exercised. The Partnership shall promptly give public notice and notify the Rights Agent of any such redemption; provided, however, that the failure to give, or any defect in, any such notice shall not affect the validity of such redemption. Within ten (10) days after such date for redemption of the Rights as determined by the General Partner, the Partnership shall mail a notice of redemption to all the holders of the then outstanding Rights at their last addresses as they appear upon the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the transfer agent for the Partnership Units. Any notice which is mailed in the manner herein provided shall be deemed given,

whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. Neither the Partnership nor any of its Affiliates or Associates may redeem, acquire or purchase for value any Rights at any time in any manner other than that specifically set forth in this Section 23 and other than in connection with the purchase of Partnership Units prior to the Distribution Date.

(c) The Partnership may, at its option, discharge all of its obligations with respect to the Rights by (i) issuing a press release announcing the manner of redemption of the Rights in accordance with this Agreement and (ii) mailing payment of the Redemption Price to the registered holders of the Rights at their last addresses as they appear on the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the transfer agent of the Partnership Units, and upon such action, all outstanding Rights and Right Certificates shall be null and void without any further action by the Partnership.

Section 24. Exchange.

(a) The General Partner may, at its option, at any time after the time that any Person becomes an Acquiring Person, exchange all or part of the then outstanding and exercisable Rights (which shall not include Rights that have become null and void pursuant to the provisions of Section 7(e)) for Partnership Units of the Partnership at an exchange ratio of one Partnership Unit per Right, appropriately adjusted to reflect any unit split, unit distribution or similar transaction occurring after the date hereof (such exchange ratio being hereinafter referred to as the "Exchange Ratio"). Notwithstanding the foregoing, the General Partner shall not be empowered to effect such exchange at any time after any Person (other than the Partnership, any Subsidiary of the Partnership, any employee benefit plan of the Partnership or any such Subsidiary, any Person organized, appointed or established by the Partnership for or pursuant to the terms of any such plan or any trustee, administrator or fiduciary of such a plan), together with all Affiliates and Associates of such Person, becomes the Beneficial Owner of 50% or more of the Partnership Units then outstanding.

(b) Immediately upon the action of the General Partner ordering the exchange of any Rights pursuant to subsection (a) of this Section 24 and without any further action and without any notice, the right to exercise such Rights shall terminate and the only right thereafter of the holders of such Rights shall be to receive that number of Partnership Units equal to the number of such Rights held by such holder multiplied by the Exchange Ratio. The Partnership shall promptly give public notice and notify the Rights Agent of any such exchange; provided, however, that the failure to give, or any defect in, such notice shall not affect the validity of such exchange. The Partnership promptly shall mail a notice of any such exchange to all of the holders of such Rights at their last addresses as they appear upon the registry books of the Rights Agent. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the

notice. Each such notice of exchange will state the method by which the exchange of the Partnership Units for Rights will be effected and, in the event of any partial exchange, the number of Rights will be exchanged. Any partial exchange shall be effected pro rata based on the number of Rights (other than Rights which have become null and void pursuant to the provisions of Section 7(e)) held by each holder of Rights.

(c) In any exchange pursuant to this Section 24, the Partnership, at its option, may substitute Preferred Units (or equivalent preferred units, as such term is defined in Section 11(b) hereof) for some or all of the Partnership Units exchangeable for Rights, at the initial rate of one one-thousandth of a preferred unit (or equivalent preferred unit) for each Partnership Unit, as appropriately adjusted to reflect adjustments in the voting rights of the Preferred Units pursuant to the terms thereof, so that the fraction of a Preferred Unit delivered in lieu of each Partnership Unit shall have the same voting rights as one Partnership Unit.

Section 25. Notice of Certain Events.

(a) In case the Partnership shall propose (i) to pay any distribution payable in units of any class to the holders of its Preferred Units or to make any other distribution to the holders of its Preferred Units (other than a regularly quarterly cash distribution), (ii) to offer to the holders of its Preferred Units rights or warrants to subscribe for or to purchase any additional Preferred Units or units of any class or any other securities, rights or options, (iii) to effect any reclassification of its Preferred Units (other than a reclassification involving only the subdivision of outstanding Preferred Units), (iv) to effect any consolidation or merger into or with any other Person (other than a Subsidiary of the Partnership in a transaction which does not violate Section 11(n) hereof), or to effect any sale or other transfer (or to permit one or more of its Subsidiaries to effect any sale or other transfer) in one or more transactions, of 50% or more of the assets or earning power of the Partnership and its Subsidiaries (taken as a whole) to any other Person or Persons (other than the Partnership and/or any of its Subsidiaries in one or more transactions each of which does not violate Section 11(n) hereof), or (v) to effect the liquidation, dissolution or winding up of the Partnership, then, in each such case, the Partnership shall give to the Rights Agent and to each holder of a Right Certificate, in accordance with Section 26 hereof, a notice of such proposed action and file a certificate with the Rights Agent to that effect, which shall specify the record date for the purposes of such distribution, or distribution of rights or warrants, or the date on which such reclassification, consolidation, merger, sale, transfer, liquidation, dissolution, or winding up is to take place and the date of participation therein by the holders of the Preferred Units, if any such date is to be fixed, and such notice shall be so given in the case of any action covered by clause (i) or (ii) above at least twenty (20) days prior to the record date for determining holders of the Preferred Units for purposes of such action, and in the case of any such other action, at least twenty (20) days prior to the date of the taking of such

proposed action or the date of participation therein by the holders of the Preferred Units, whichever shall be the earlier.

(b) In case of a Section 11(a)(ii) Event, then (i) the Partnership shall as soon as practicable thereafter give to each holder of a Right Certificate, in accordance with Section 26 hereof, a notice of the occurrence of such event, which notice shall describe such event and the consequences of such event to holders of Rights under Section 11(a)(ii) hereof, and (ii) all references in the preceding paragraph (a) to Preferred Units shall be deemed thereafter to refer also to Partnership Units and/or, if appropriate, other securities of the Partnership.

Section 26. Notices.

Notices or demands authorized by this Agreement to be given or made by the Rights Agent or by the holder of any Right Certificate to or on the Partnership shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Rights Agent) as follows:

Reckson Operating Partnership, L.P.
225 Broadhollow Road
Melville, New York 11747
Attention: Jason Barnett

Subject to the provisions of Section 21 hereof, any notice or demand authorized by this Agreement to be given or made by the Partnership or by the holder of any Right Certificate to or on the Rights Agent shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Partnership) as follows:

American Stock Transfer & Trust Company
59 Maiden Lane
New York, New York 10038
Attention: Paula Caroppoli

Notices or demands authorized by this Agreement to be given or made by the Partnership or the Rights Agent to the holder of any Right Certificate or, if prior to the Distribution Date, to the holders of Partnership Units shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as shown on the registry books of the Partnership.

Section 27. Supplements and Amendments.

Except as set forth in the penultimate sentence of this Section 27, prior to the Distribution Date, the Partnership may and the Rights Agent shall, if the Partnership so directs, supplement or amend any provision of this Agreement without the approval of an

holders of Partnership Units. From and after the Distribution Date, the Partnership may and the Rights Agent shall, if the Partnership so directs, supplement or amend this Agreement without the approval of any holders of Right Certificates in order (i) to cure any ambiguity, (ii) to correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions herein, (iii) to shorten or lengthen any time period hereunder or (iv) to change or supplement the provisions hereunder in any manner which the Partnership may deem necessary or desirable and which shall not adversely affect the interests of the holders of Right Certificates (other than an Acquiring Person or an Affiliate or Associate of an Acquiring Person); provided, however, that this Agreement may not be supplemented or amended to lengthen, pursuant to clause (iii) of this sentence, (A) a time period relating to when the Rights may be redeemed at such time as the Rights are not then redeemable, or (B) any other time period unless any such lengthening is for the purpose of protecting, enhancing or clarifying the rights of, and/or the benefits to, the holders of Rights. Upon the delivery of a certificate from the General Partner which states that the proposed supplement or amendment is in compliance with the terms of this Section 27, and if requested by the Rights Agent an opinion of counsel, the Rights Agent shall execute such supplement or amendment, provided that such supplement or amendment does not adversely affect the rights or obligations of the Rights Agent under Section 18 or Section 20 of this Agreement. Prior to the Distribution Date, the interests of the holders of Rights shall be deemed coincident with the interests of the holders of Partnership Units.

Section 28. Determination and Actions by the General Partner.

The General Partner shall have the exclusive power and authority to administer this Agreement and to exercise all rights and powers specifically granted to the General Partner or the Partnership, or as may be necessary or advisable in the administration of this Agreement, including, without limitation, the right and power to (i) interpret the provisions of this Agreement, and (ii) make all determinations deemed necessary or advisable for the administration of this Agreement (including, without limitation, a determination to redeem or not redeem the Rights or to amend the Agreement and whether any proposed amendment adversely affects the interests of the holders of Right Certificates). For all purposes of this Agreement, any calculation of the number of Common Shares or other securities outstanding at any particular time, including for purposes of determining the particular percentage of such outstanding Common Shares or Partnership Units or any other securities of which any Person is the Beneficial Owner, shall be made in accordance with the last sentence of Rule 13d-3(d)(1)(i) of the General Rules and Regulations under the Exchange Act as in effect on the date of this Agreement. All such actions, calculations, interpretations and determinations (including, for purposes of clause (y) below, all omissions with respect to the foregoing) which are done or made by the General Partner in good faith (and the Rights Agent shall be able to assume that the General Partner acted in such good faith), shall (x) be final, conclusive and binding on the Partnership, the Rights Agent, the holders of the Right Certificates and all other

Persons, and (y) not subject the General Partner to any liability to the holders of the Right Certificates.

Section 29. Successors.

All the covenants and provisions of this Agreement by or for the benefit of the Partnership or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 30. Benefits of this Agreement.

Nothing in this Agreement shall be construed to give to any person or other entity other than the Partnership, the Rights Agent and the registered holders of the Right Certificates (and, prior to the Distribution Date, the Partnership Units) any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Partnership, the Rights Agent and the registered holders of the Right Certificates (and, prior to the Distribution Date, the Partnership Units).

Section 31. Severability.

If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 32. Governing Law.

This Agreement, each Right and each Right Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts to be made and performed entirely within such State; except that all provisions regarding the rights, duties and obligations of the Rights Agent shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State.

Section 33. Counterparts.

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 34. Descriptive Headings.

Descriptive headings of the several Sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and attested, all as of the date and year first above written.

RECKSON OPERATING
PARTNERSHIP, L.P.

Attest:

By: Reckson Associates Realty Corp., its
general partner

By: _____

Name: _____

Title: _____

AMERICAN STOCK
TRANSFER & TRUST
COMPANY

Attest:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

SUPPLEMENT TO THE AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
RECKSON OPERATING PARTNERSHIP, L.P.
ESTABLISHING
SERIES F JUNIOR PARTICIPATING PREFERRED PARTNERSHIP UNITS
OF
LIMITED PARTNERSHIP INTEREST

In accordance with Sections 4.2 and 14.1 B(3) of the Amended and Restated Agreement of Limited Partnership, dated as of June 2, 1995, as amended on December 6, 1995, April 13, 1998, June 30, 1998 and May 24, 1999 (the "Partnership Agreement"), the Partnership Agreement is hereby supplemented to establish a series of up to 100,000 preferred units of limited partnership interest of Reckson Operating Partnership, L.P. (the "Partnership") which shall be designated "Series F Junior Participating Preferred Units" having the rights, preferences, powers, privileges and restrictions, qualifications and limitations substantially similar to those granted to or imposed upon the Series C Junior Participating Preferred Stock, par value \$.01 per share ("Series C Preferred Stock") of Reckson Associates Realty Corp. (the "Company") as set forth in the Articles Supplementary adopted the Company and filed with the Secretary of State of the State of Maryland which shall be issued to the Company.

Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Partnership Agreement.

WHEREAS, the Partnership and American Stock Transfer & Trust Company ("Rights Agent") have entered into a Rights Agreement dated as of January 3, 2000 ("Partnership Rights Agreement");

WHEREAS, concurrently with the entering into of Partnership Rights Agreement the Partnership shall declare and make a distribution to the holders of Class A Common Partnership Units of one Right for each Class A Common Partnership Unit held; and

WHEREAS, pursuant to Section 4.2 of the Partnership Agreement, the Partnership desires to designate the Series F Junior Participating Preferred Units with substantially similar designation, preferences and other rights to the Series C Preferred Stock;

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Designation of Series F Junior Participating Preferred Units.

Pursuant to Section 4.2 of the Partnership Agreement, the Partnership hereby designates 100,000 additional partnership units which shall be the Series F Junior Participating Preferred Units. The Series F Junior Participating Preferred Units will have substantially the same designation, preferences and other rights of the Series C Preferred Stock, as specified in this amendment and in Exhibit I hereto.

Section 2. Amendment to Partnership Agreement.

Pursuant to Section 14.1.B(3) of the Partnership Agreement, the General Partner, as general partner of the Partnership and as attorney-in-fact for its Limited Partners, hereby amends the Partnership Agreement as follows:

(a) Article 1 of the Partnership Agreement is hereby amended by adding the following definition of "Series F Preferred Units":

"Series F Preferred Units" means the units of limited partnership interest designated by the Partnership as of October 13, 2000, in connection with the designation of the Series C Preferred Stock by the Company.

Section 3. Continuation of Partnership Agreement.

The Partnership Agreement and this Amendment shall be read together and shall have the same force and effect as if the provisions of the Partnership Agreement and this Amendment were contained in one document. Any provisions of the Partnership Agreement not amended by this Amendment shall remain in full force and effect as provided in the Partnership Agreement immediately prior to the date hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Supplement to the Partnership Agreement as of the 13th day of October, 2000.

GENERAL PARTNER
RECKSON ASSOCIATES REALTY CORP.

By: _____
Name:
Title:

EXISTING LIMITED PARTNERS

By: Reckson Associates Realty Corp.,
as Attorney-in-Fact for the Limited
Partners

By: _____
Name:
Title:

SERIES F JUNIOR PARTICIPATING
PREFERRED UNIT HOLDER
RECKSON ASSOCIATES REALTY CORP.

By: _____
Name:
Title:

Exhibit I

RECKSON OPERATING PARTNERSHIP, L.P. DESIGNATION OF THE VOTING POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING AND OTHER SPECIAL RIGHTS AND QUALIFICATIONS, LIMITATIONS, OR RESTRICTIONS OF THE SERIES F Junior Participating PREFERRED PARTNERSHIP UNITS.

The following are the terms of the Series F Junior Participating Junior Participating Preferred Partnership Units established pursuant to this Amendment:

SERIES F JUNIOR PARTICIPATING PREFERRED PARTNERSHIP UNITS

1. Designation and Number.

A series of preferred units of the Partnership, designated the "Series F Junior Participating Preferred Units" (the "Series F Preferred Units") is hereby established. The number the Series F Preferred Units shall be 100,000. Such number of units may be increased or decreased at the discretion of the General Partner; provided, however, that no decrease shall reduce the number of Series C Preferred Units to a number less than that of the Series F Preferred Units then outstanding plus the number of Series C Preferred Units issuable upon exercise of outstanding rights, options or warrants or upon conversion of outstanding securities issued by the Partnership.

2. Distributions.

(a) The holders of Series F Preferred Units shall be entitled to receive, when, as and if declared by the General Partner out of funds legally available for the purpose, quarterly distributions payable in cash January 31, April 30, July 31 and October 31 in each year (each such date being referred to herein as a "Quarterly Distribution Payment Date"), commencing on the first Quarterly Distribution Payment Date after the first issuance (the "First Issuance") of a unit or fraction of a unit of Series F Preferred Units, in an amount per unit (rounded to the nearest cent) equal to the greater of (i) \$10.00 and (ii) 1,000 times the aggregate per unit amount of all cash distributions and 1,000 times the aggregate per unit amount (payable in kind) of all non-cash distributions, other than a distribution payable in Class A Common Partnership Units or by way of a subdivision of the outstanding Class A Common Partnership Units, declared on the Class A Common Partnership Units, since the immediately preceding Quarterly Distribution Payment Date, or, with respect to the first Quarterly Distribution Payment Date, since the first issuance of any unit or fraction of a unit of Series F Preferred Units. In the event the Partnership shall at any time after the First Issuance declare or pay any distribution on the Class A Common Partnership Units payable in Class A Common Partnership Units, or effect a subdivision or combination or consolidation of the outstanding Class A Common Partnership Units (by reclassification or otherwise than by payment of a distribution of Class A Common Partnership Units) into a greater or lesser number of Class A Common Partnership Units, then in each such case the amount to which holders of Series F Preferred Units were entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of Class A Common Partnership Units outstanding immediately after such event and the denominator of which is the number of Class A Common Partnership Units that were outstanding immediately prior to such event.

(b) On or after the First Issuance, no distribution on Class A Common Partnership Units shall be declared unless concurrently therewith a distribution is declared on the Series F Preferred Units as provided in paragraph (a) above; and the

declaration of any such distribution on the Class A Common Partnership Units shall be expressly conditioned upon payment or declaration of and provision for a distribution on the Series F Preferred Units as above provided. In the event no distribution shall have been declared on the Class A Common Partnership Units during the period between any Quarterly Distribution Payment Date and the next subsequent Quarterly Distribution Payment Date, a distribution of \$10.00 per unit on the Series F Preferred Units shall nevertheless be payable on such subsequent Quarterly Distribution Payment Date.

(c) Whenever quarterly distributions or other distributions payable on the Series F Preferred Units as provided in paragraph (a) above are in arrears, thereafter and until all accrued and unpaid distributions, whether or not declared, on Series F Preferred Units outstanding shall have been paid in full, the Partnership shall not redeem or purchase or otherwise acquire for consideration units of any ranking junior (either as to distribution or upon liquidation, dissolution or winding up) to the Series F Preferred Units, provided that the Partnership may at any time redeem, purchase or otherwise acquire units of any such junior units in exchange for any units of the Partnership ranking junior (as to distributions and upon dissolution, liquidation or winding up) to the Series F Preferred Units.

(d) Distributions shall begin to accrue and be cumulative on outstanding Series F Preferred Units from the Quarterly Distribution Payment Date next preceding the date of issue of such Series F Preferred Units, unless the date of issue of such units is prior to the record date for the first Quarterly Distribution Payment Date, in which case distributions on such units shall begin to accrue from the date of issue of such units, or unless the date of issue is a Quarterly Distribution Payment Date or is a date after the record date for the determination of holders of Series F Preferred Units entitled to receive a quarterly distribution and before such Quarterly Distribution Payment Date, in either of which events such distributions shall begin to accrue and be cumulative from such Quarterly Distribution Payment Date. Accrued but unpaid distributions shall not bear interest. The General Partner may fix a record date for the determination of holders of Series F Preferred Units entitled to receive payment of a distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

3. Dissolution, Liquidation and Winding Up.

In the event of any voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Partnership (hereinafter referred to as a "Liquidation"), the holders of Series F Preferred Units shall be entitled to receive the greater of (a) \$10.00 per unit, plus an amount equal to accrued and unpaid distributions thereon, whether or not declared, to the date of such payment and (b) the aggregate amount per unit equal to 1,000 times the aggregate amount to be distributed per unit to holders of Class A Common Partnership Units. In the event the Partnership shall at any time after the First Issuance declare or pay any distribution on the Class A Common Partnership Units payable in Class A Common

Partnership Units, or effect a subdivision or combination or consolidation of the outstanding Class A Common Partnership Units (by reclassification or otherwise than by way of distribution in Class A Common Partnership Units) into a greater or lesser number of Class A Common Partnership Units, then in each such case the aggregate amount to which holders of Series F Preferred Units were entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of Class A Common Partnership Units outstanding immediately after such event and the denominator of which is the number of Class A Common Partnership Units that were outstanding immediately prior to such event.

4. Voting Rights.

The holders of Series F Preferred Units shall have the following voting rights:

(a) Each Series F Preferred Unit shall entitle the holder thereof to one thousand (1,000) votes on all matters submitted to a vote of the unitholders of the Partnership. In the event the Partnership shall at any time after the First Issuance declare or pay any distribution on the Class A Common Partnership Units payable in Class A Common Partnership Units, or effect a subdivision or combination or consolidation of the outstanding units of Class A Common Partnership Units (by reclassification or otherwise than by payment of a distribution in Class A Common Partnership Units) into a greater or lesser number of units of Class A Common Partnership Units, then in each such case the aggregate number of votes to which holders of Series F Preferred Units were entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such number by a fraction the numerator of which is the number of Class A Common Partnership Units outstanding immediately after such event and the denominator of which is the number of Class A Common Partnership Units that were outstanding immediately prior to such event.

(b) Except as otherwise provided herein, or by law or the Partnership Agreement, the holders of Series F Preferred Units and the holders of Class A Common Partnership Units shall vote together as one class on all matters submitted to a vote of unitholders of the Partnership.

(c) Except as otherwise set forth herein or required by law or the Partnership Agreement, holders of Series F Preferred Units shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Class A Common Partnership Units as set forth herein) for the taking of any partnership action. No consent of the holders of outstanding Series F Preferred Units at any time outstanding shall be required in order to permit the General Partner to: (i) increase the number of authorized Series F Preferred Units or to decrease such number to a number not below the sum of the number of Series F Preferred Units then outstanding and the number of units with respect to which there are outstanding rights to purchase; or

(ii) issue preferred partnership units which are senior to the Series F Preferred Units, junior to the Series F Preferred Units or on a parity with the Series F Preferred Units.

5. Consolidation, Merger, etc.

In case the Partnership shall enter into any consolidation, merger, combination or other transaction in which the Class A Common Partnership Units are exchanged for or changed into other securities, cash and/or any other property, then in any such case each Series F Preferred Unit shall at the same time be similarly exchanged or changed into an amount per unit, subject to the provision for adjustment hereinafter set forth, equal to 1,000 times the aggregate amount of securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each Class A Common Partnership Unit is changed or exchanged. In the event the Partnership shall at any time after the First Issuance declare or pay any distribution on the Class A Common Partnership Units payable in Class A Common Partnership Units, or effect a subdivision or combination or consolidation of the outstanding Class A Common Partnership Units (by reclassification or otherwise than by payment of a distribution in Class A Common Partnership Unit) into a greater or lesser number of Class A Common Partnership Units, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of Series F Preferred Units shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of Class A Common Partnership Units outstanding immediately after such event and the denominator of which is the number of Class A Common Partnership Units that were outstanding immediately prior to such event.

6. Redemption.

The Series F Preferred Units shall not be redeemable.

7. Conversion Rights.

The Series F Preferred Units are not convertible into Class A Common Partnership Units or any other security of the Partnership.

8. Ranking.

The Series F Preferred Units shall rank junior to all other classes and series of the Partnership's Preferred Partnership Units as to payment of distributions and the distribution of assets, unless the terms of any such series shall provide otherwise.

(Form of Right Certificate)

Certificate No. R-_____ Rights _____

NOT EXERCISABLE AFTER OCTOBER 13, 2010, UNLESS EXTENDED PRIOR THERETO BY THE GENERAL PARTNER OR EARLIER IF REDEEMED BY THE PARTNERSHIP. THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE PARTNERSHIP, AT \$0.01 PER RIGHT ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT.

UNDER CERTAIN CIRCUMSTANCES, RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON (AS SUCH TERM IS DEFINED IN THE RIGHTS AGREEMENT) AND ANY SUBSEQUENT HOLDER OF SUCH RIGHTS MAY BECOME NULL AND VOID.

[THE RIGHTS REPRESENTED BY THIS RIGHTS CERTIFICATE ARE OR WERE BENEFICIALLY OWNED BY A PERSON WHO WAS OR BECAME AN ACQUIRING PERSON OR AN AFFILIATE OR ASSOCIATE OF AN ACQUIRING PERSON (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT). ACCORDINGLY, THIS RIGHTS CERTIFICATE AND THE RIGHTS REPRESENTED HEREBY ARE NULL AND VOID.]*

Right Certificate

Reckson Operating Partnership, L.P.

This certifies that _____, or registered assigns, is the registered owner of the number of Rights set forth above, each of which entitles the owner thereof, subject to the terms, provisions and conditions of the Rights Agreement, dated as of October 13, 2000 (the "Rights Agreement"), between Reckson Operating Partnership, L.P., a Delaware limited partnership (the "Partnership"), and American Stock Transfer & Trust Company (the "Rights Agent"), to purchase from the Partnership at any time after the Distribution Date (as such term is defined in the Rights Agreement) and prior to 5:00 P.M., New York City, New York time, on October 13, 2010 (unless the Rights evidenced hereby shall have been previously redeemed by the Partnership) at the office or offices of the Rights Agent designated for such purpose, or at the office of its successor as Rights Agent, one one-thousandth of a unit of Series F Preferred Unit (the "Preferred Units"), of the Partnership, at a purchase price of \$84.44 per one one-

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* The portion of the legend in brackets shall be inserted only if applicable and shall replace the preceding sentence.

thousandth of Preferred Unit (the "Purchase Price"), upon presentation and surrender of this Right Certificate with the Form of Election to Purchase duly executed. The number of Rights evidenced by this Right Certificate (and the number of one one-thousandths of a Preferred Unit which may be purchased upon exercise hereof) set forth above, and the Purchase Price set forth above, are the number and Purchase Price as of October 13, 2000 based on the Preferred Units as constituted at such date.

Upon the occurrence of a Section 11(a)(ii) Event (as such term is defined in the Rights Agreement), if the Rights evidenced by this Right Certificate are Beneficially Owned by (i) an Acquiring Person or an Affiliate or Associate of any such Acquiring Person (as such terms are defined in the Rights Agreement), (ii) a transferee of any such Acquiring Person, Associate or Affiliate who becomes a transferee after the Acquiring Person becomes such, or (iii) under certain circumstances specified in the Rights Agreement, a transferee of any such Acquiring Person, Associate or Affiliate who becomes a transferee prior to or concurrently with the Acquiring Person becoming such, such Rights shall become null and void and no holder hereof shall have any right with respect to such Rights from and after the occurrence of such Section 11(a)(ii) Event.

As provided in the Rights Agreement, the Purchase Price and the number of one one-thousandths of a Preferred Unit or other securities which may be purchased upon the exercise of the Rights evidenced by this Right Certificate are subject to modification and adjustment upon the happening of certain events, including Triggering Events (as such term is defined in the Rights Agreement).

This Right Certificate is subject to all of the terms, covenants and restrictions of the Rights Agreement, which terms, covenants and restrictions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities hereunder of the Rights Agent, the Partnership and the holders of the Right Certificates, which limitations of rights include the temporary suspension of the exercisability of such Rights under the specific circumstances set forth in the Rights Agreement. Copies of the Rights Agreement are on file at the principal executive offices of the Partnership and the office or offices of the Rights Agent.

This Right Certificate, with or without other Right Certificates, upon surrender at the principal office of the Rights Agent, may be exchanged for another Right Certificate or Right Certificates of like tenor and date evidencing Rights entitling the holder to purchase a like aggregate number of Preferred Units or other securities as the Rights evidenced by the Right Certificate or Right Certificates surrendered shall have entitled such holder to purchase. If this Right Certificate shall be exercised in part, the holder shall be entitled to receive upon surrender hereof another Right Certificate or Right Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Certificate may be redeemed by the Partnership at a redemption price of \$0.01 per Right (subject to adjustment as provided in the Rights Agreement) payable in cash.

No fractional Preferred Units will be issued upon the exercise of any Right or Rights evidenced hereby (other than fractions which are one one-thousandth or integral multiples of one one-thousandth of a Preferred Unit, which may, at the election of the Partnership, be evidenced by depositary receipts), but in lieu thereof a cash payment will be made, as provided in the Rights Agreement.

No holder of this Right Certificate shall be entitled to vote or receive distributions or be deemed for any purpose the holder of the Preferred Units or of any other securities of the Partnership which may at any time be issuable on the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a unitholder of the Partnership or any right to vote upon any matter submitted to unitholders at any meeting thereof, or to give or withhold consent to any partnership action, or to receive notice of meetings or other actions affecting unitholders (except as provided in the Rights Agreement), or to receive distributions or to exercise any preemptive or subscription rights, or otherwise, until the Right or Rights evidenced by this Right Certificate shall have been exercised as provided in the Rights Agreement.

This Right Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Partnership and its corporate seal.

[SEAL]

ATTEST:

RECKSON OPERATING PARTNERSHIP,

L.P.

By: Reckson Associates Realty Corp., its
general partner

By: _____

Name:

Title:

Countersigned:

AMERICAN STOCK TRANSFER & TRUST COMPANY,
as Rights Agent

By: _____

Authorized Officer

Form of Reverse Side of Right Certificate

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Right Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers

unto

(Please print name and address of transferee)

this Right Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____ Attorney, to transfer the within Right Certificate on the books of the within-named Partnership, with full power of substitution.

Dated: _____, _____

Signature

Signature Guaranteed:

The undersigned hereby certifies that (1) the Rights evidenced by this Right Certificate are not being sold, assigned or transferred by or on behalf of a Person who is or was an Acquiring Person or an Affiliate or Associate thereof (as such terms are defined in the Rights Agreement) and (2) after due inquiry and to the best knowledge of the undersigned, the undersigned did not acquire the Rights evidenced by this Right Certificate from any Person who is or was an Acquiring Person or an Affiliate or Associate thereof (as such terms are defined in the Rights Agreement).

Signature

FORM OF ELECTION TO PURCHASE

(To be executed by the registered holder if such holder desires to exercise Rights represented by the Right Certificate.)

To the Rights Agent:

The undersigned hereby irrevocably elects to exercise _____ Rights represented by this Right Certificate to purchase the Preferred Units, Partnership Units or other securities issuable upon the exercise of such Rights and requests that certificates for such Preferred Units, Partnership Units or other securities be issued in the name of:

Please insert social security or other identifying number _____

(Please print name and address)

If such number of Rights shall not be all the Rights evidenced by this Right Certificate, a new Right Certificate for the balance remaining of such Rights shall be registered in the name of and delivered to:

Please insert social security or other identifying number _____

(Please print name and address)

Dated: _____, ____

Signature

Signature Guaranteed:

The undersigned hereby certifies that (1) the Rights evidenced by this Right Certificate are not being exercised by or on behalf of a Person who is or was an Acquiring Person or an Affiliate or Associate thereof (as such terms are defined in the Rights Agreement) and (2) after due inquiry and to the best knowledge of the undersigned, the undersigned did not acquire the Rights evidenced by this Rights Certificate from any Person who is or was an Acquiring Person or an Affiliate or Associate thereof (as such terms are defined in the Rights Agreement).

Signature

NOTICE

The signature on the foregoing Forms of Assignment and Election and certificates must conform to the name as written upon the face of this Right Certificate in every particular, without alteration or enlargement or any change whatsoever.

In the event the certification set forth above in the Form of Assignment or the Form of Election to Purchase, as the case may be, is not completed, the Partnership and the Rights Agent will deem the Beneficial Owner of the Rights evidenced by this Right Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as such terms are defined in the Rights Agreement) and such Assignment or Election to Purchase will not be honored.

EXHIBIT 12.1
RECKSON OPERATING PARTNERSHIP, L. P.
RATIOS OF EARNINGS TO FIXED CHARGES
AND
RATIOS OF EARNINGS TO FIXED CHARGES AND PREFERRED DISTRIBUTIONS

The following table sets forth the Operating Partnership's consolidated ratios of earnings to fixed charges for the years ended December 31:

2000	1999	1998	1997	1996
----- 2.11x	----- 2.07x	----- 2.00x	----- 2.69x	----- 2.71x

The following table sets forth the Operating Partnership's consolidated ratios of earnings to fixed charges and preferred distributions for the years ended December 31:

2000	1999	1998
----- 1.62x	----- 1.54x	----- 1.60x

The Operating Partnership had no preferred capital outstanding prior to April 1998.

EXHIBIT 21.1
RECKSON OPERATING PARTNERSHIP, L. P.
STATEMENT OF SUBSIDIARIES

Name	State of Organization
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Omni Partners, L. P.	Delaware
Reckson FS Limited Partnership	Delaware
Metropolitan Partners, LLC	Delaware
Reckson Management Group, Inc.	New York
Reckson Construction Group, Inc.	New York
RT Tri-State LLC	Delaware
Metropolitan 919 3rd Avenue LLC	Delaware
1350 LLC	Delaware
Magnolia Associates, LTD	Florida
Metropolitan 810 7th Avenue LLC	Delaware
100 Wall Company LLC	New York

EXHIBIT 23.0
RECKSON OPERATING PARTNERSHIP, L. P.
CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement Form S-3 (No. 333-67129) and in the related Prospectus of Reckson Operating Partnership L.P., of our report dated February 13, 2001, with respect to the consolidated financial statements and schedule of Reckson Operating Partnership L.P., included in this Annual Report Form 10-K for the year ended December 31, 2000.

Ernst & Young, LLP

New York, New York
March 21, 2001