SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2002

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 (State or other jurisdiction of incorporation or organization)	11-3233647 (I.R.S. Employer Identification No.)
225 BROADHOLLOW ROAD, MELVILLE, NY (Address of principal executive offices)	11747 (Zip Code)

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 [X] 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. [X]

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 29, 2003 are incorporated by reference into Part III.

As of March 24, 2003, 3,480,164 common units of limited partnership interest were held by non-affiliates of the Registrant. There is no established trading market for such units.

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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 central business district ("CBD") office properties and industrial properties in the Tri-State Area. As of December 31, 2002 the Operating Partnership owned 178 properties (inclusive of 11 joint venture properties) in the Tri-State Area suburban and CBD markets encompassing approximately 20.3 million rentable square feet, all of which are managed by the Operating Partnership. These properties include 60 Class A suburban office properties encompassing approximately 8.5 million rentable square feet, of which 42 of these properties, or 74% as measured by square footage, are located within the Operating Partnership's ten office parks. Reckson has historically emphasized the development and acquisition of properties that are part of large scale suburban office parks. 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. The properties also include 15 Class A CBD office properties encompassing approximately 5.1 million rentable square feet. The CBD office properties consist of five properties located in New York City, eight properties located in Stamford, CT and two properties located in White Plains, NY. Additionally, the properties include 101 industrial properties encompassing approximately 6.7 million rentable square feet, of which 71 of these properties, or 58% as measured by square footage, are located within the Operating Partnership's three industrial parks. The properties also include two retail properties comprising approximately 20,000 rentable square feet.

Through its ownership of properties in the key CBD and suburban office markets in the Tri-State Area, the Operating Partnership believes it has a unique competitive advantage as the trend toward the regional decentralization of the workplaces increases. Due to the events of September 11, 2001, as well as technological advances which further enable decentralization, companies are strategically re-evaluating the benefits and feasibility of regional decentralization and reassessing their long-term space needs. The Operating Partnership believes this multi-location regional decentralization will continue to take place, increasing as companies begin to have better visibility as to the future of the economy, further validating our regional strategy of maintaining a significant market share in each of the key CBD and suburban office markets in the Tri-State Area.

The Operating Partnership also owns approximately 338 acres of land in 14 separate parcels of which the Operating Partnership can develop approximately 3.2 million square feet of office space and approximately 470,000 square feet of industrial space. The Operating Partnership is currently evaluating alternative land uses for certain of the land holdings to realize the highest economic value. These alternatives may include rezoning certain land parcels from commercial to residential for potential disposition. As of December 31, 2002, the Operating Partnership had invested approximately $121.2 million in these development projects. Management has made subjective assessments as to the value and

recoverability of these investments based on current and proposed development plans, market comparable land values and alternative use values. The Operating Partnership has capitalized approximately $10.5 million for the year ended December 31, 2002 related to real estate taxes, interest and other carrying costs related to these development projects. Since the IPO the Operating Partnership has developed, redeveloped, renovated or repositioned 27 properties encompassing approximately 5.3 million square feet of office and industrial / R&D space.

The Operating Partnership holds a $17.0 million note receivable which bears interest at 11.5% per annum and is secured by a minority partnership interest in Omni Partners, L. P., owner of the Omni, a 579,000 square foot Class A office property located in Uniondale, N.Y., effectively increasing its economic interest in the property owning partnership (the "Omni Note"). The Operating Partnership currently owns a 60% majority partnership interest in Omni Partners, L.P. and on March 14, 2007 may exercise an option to acquire the remaining 40% interest for a price based on 90% of the fair market value of the property. The Operating Partnership also holds three other notes receivable aggregating $36.5 million which bear interest at rates ranging from 10.5% to 12% per annum and are secured in part by a minority partner's preferred unit interest in the Operating Partnership, certain interest in real property and a personal guaranty (the "Other Notes" and collectively with the Omni Note, the "Note Receivable Investments"). As of December 31, 2002, management has made subjective assessments as to the underlying security value on the Company's Note Receivable Investments. Based on these assessments the Operating Partnership's management believes there is no impairment to the carrying value related to the Operating Partnership's Note Receivable Investments. The Operating Partnership also owns a 355,000 square foot office building in Orlando, Florida. This non-core real estate holding was acquired in May 1999 in connection with the Operating Partnership's initial New York City portfolio acquisition. This property is cross collateralized under a $103 million mortgage note payable along with one of the Operating Partnership's New York City buildings.

The Operating Partnership also owns a 60% non-controlling interest in a 172,000 square foot office building located at 520 White Plains Road in White Plains, New York (the "520JV") which it manages. The remaining 40% interest is owned by JAH Realties L.P. Jon Halpern, the CEO and a director of HQ Global Workplaces, is a partner in JAH Realties, L.P. As of December 31, 2002, the 520JV had total assets of $21.0 million, a mortgage note payable of $12.5 million and other liabilities of $197,000. The Operating Partnership's allocable share of the 520JV mortgage note payable is approximately $7.5 million. This mortgage note payable bears interest at 8.85% per annum and matures on September 1, 2005. In addition, the 520JV had total revenues of $4.2 million and $4.0 million and total expenses of $3.3 million and $3.3 million for the years ended December 31, 2002 and 2001, respectively. The operating agreement of the 520JV requires joint decisions from all members on all significant operating and capital decisions including sale of the property, refinancing of the property's mortgage debt, development and approval of leasing strategy and leasing of rentable space. As a result of the decision-making participation relative to the operations of the property, the Operating Partnership accounts for the 520JV under the equity method of accounting. The 520JV contributed approximately $648,000 and $478,000 to the Operating Partnership's equity in earnings of real estate joint ventures for the year ended December 31, 2002 and 2001, respectively.

During July 1998, the Operating Partnership formed Metropolitan Partners, LLC ("Metropolitan") for the purpose of acquiring Class A office properties in New York City. Currently the Operating Partnership owns, through Metropolitan, five Class A office properties aggregating approximately 3.5 million square feet.

During September 2000, the Operating Partnership formed a joint venture (the "Tri-State JV") with Teachers Insurance and Annuity Association ("TIAA") and contributed nine Class A suburban office properties aggregating approximately 1.5 million square feet to the Tri-State JV for a 51% majority ownership interest. TIAA contributed approximately $136 million for a 49% interest in the Tri-State JV which was then distributed to the Operating Partnership. The Operating Partnership is responsible for managing the day-to-day operations and business affairs of the Tri-State JV and has substantial rights in making decisions affecting the properties such as leasing, marketing and financing. The minority member has certain rights primarily intended to protect its investment. For purposes of its financial statements the Operating Partnership consolidates the Tri-State JV.

On December 21, 2001, the Operating Partnership formed a joint venture with the New York State Teachers' Retirement Systems ("NYSTRS") (the "919JV") whereby NYSTRS acquired a 49% indirect interest in the property located at 919 Third Avenue, New York, NY for $220.5 million which included $122.1 million of its proportionate share of secured mortgage debt and approximately $98.4 million of cash which was then distributed to the Operating Partnership. The Operating Partnership is responsible for managing the day-to-day operations and business affairs of the 919JV and has substantial rights in making decisions affecting the property such as developing a budget, leasing and marketing. The minority member has certain rights primarily intended to protect its investment. For purposes of its financial statements the Operating Partnership consolidates the 919JV.

All of the Company's interests in its properties, land held for development, the Note Receivable Investments and joint ventures 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, 2002, owned approximately 89.5% of the Operating Partnership's outstanding common units of limited partnership interest ("Units").

As of December 31, 2002, the Operating Partnership has invested approximately $59.8 million in REIT-qualified joint ventures with Reckson Strategic Venture Partners, LLC ("RSVP"), a real estate venture capital fund created in 1997 as a research and development vehicle for the Operating Partnership to invest in alternative real estate sectors outside the Operating Partnership's core office and industrial focus (see Recent Developments-Other Investing Activities).

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 $500 million scheduled to mature on December 30, 2005. The Credit Facility requires the Operating Partnership to comply with a number of financial and other covenants on an ongoing basis.

The Operating Partnership maintains access to unsecured debt markets through its investment grade ratings. The Operating Partnership 's ratings as of December 31, 2002 from the major rating organizations are as follows:

RATING ORGANIZATION	RATING	OUTLOOK
Moody's	Baa3	Stable
Standard & Poor's	BBB-	Stable

These security ratings are not a recommendation to buy, sell or hold the Operating Partnership's securities and they are subject to revision or withdrawal at any time by the rating organization. Ratings assigned by every rating organization have their own meaning within the organization's overall classification system. Each rating should be evaluated independently of any other rating.

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 principal 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, 2002, the Operating Partnership had 303 employees.

The Operating Partnership makes certain filings with the Securities and Exchange Commission, including its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports, available free of charge through its website, www.reckson.com, as soon as reasonably practicable after they are filed with the Securities and Exchange Commission. The Company's SEC filings, annual report to shareholders, press releases and recent presentations are also available free of charge on the website.

RECENT DEVELOPMENTS

Acquisitions, Dispositions and Investing Activities

On April 1, 2002, the Operating Partnership paid approximately $23.8 million to acquire 52.7 acres of land located in Valhalla, NY on which the Operating Partnership can develop approximately 875,000 square feet of office space. The Operating Partnership currently owns and operates three buildings encompassing approximately 700,000 square feet in the same office park in which this land parcel is located. This acquisition was financed in part from the sales proceeds of an office property being held by a qualified intermediary for the purposes of an exchange of real property pursuant to Section 1031 of the Internal Revenue Code and from an advance under the Credit Facility.

On August 7, 2002, the Operating Partnership sold an industrial property on Long Island aggregating approximately 32,000 square feet for approximately $1.8 million. This property was sold to the sole tenant of the property through an option contained in the tenant's lease. On August 8, 2002, the Operating Partnership sold two Class A office properties located in Westchester County, NY aggregating approximately 157,000 square feet for approximately $18.5 million. Net proceeds from these sales were used to repay borrowings under the Credit Facility and for general corporate purposes.

During February 2003, the Operating Partnership, through its wholly owned service company, Reckson Construction Group Inc., entered into a contract with an affiliate of First Data Corp. to sell a 19.3-acre parcel of land located in Melville, New York and has been retained by the purchaser to develop a build-to-suit 195,000 square foot office building for aggregate consideration of approximately $47 million. This transaction is scheduled to close during the first quarter of 2003 and construction of the aforementioned office building is scheduled to commence shortly thereafter.

Other Investing Activities

During 1997, the Company formed FrontLine Capital Group, formerly Reckson Service Industries, Inc. ("FrontLine") and RSVP. RSVP is a real estate venture capital fund which invests primarily in real estate and real estate operating companies outside the Operating Partnership's core office and industrial focus and whose common equity is held indirectly by FrontLine. In connection with the formation and spin-off of FrontLine, the Operating Partnership established an unsecured 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. The Operating Partnership advanced approximately $93.4 million under the FrontLine Facility. The Operating Partnership also approved the funding of investments of up to $100 million relating to RSVP (the "RSVP Commitment"), through RSVP-controlled joint ventures (for REIT-qualified investments) or advances made to FrontLine under an unsecured loan facility (the "RSVP Facility") having terms similar to the FrontLine Facility (advances made under the RSVP Facility and the FrontLine Facility hereafter, the "FrontLine Loans"). During March 2001, the Operating Partnership increased the RSVP Commitment to $110 million and as of December 31, 2002, approximately $109.1 million had been funded through the RSVP Commitment, of which $59.8 million represents investments by the Operating Partnership in RSVP-controlled (REIT-qualified) joint ventures and $49.3 million represents loans made to FrontLine under the RSVP Facility. As of December 31, 2002, interest accrued (net of reserves) under the FrontLine Facility and the RSVP Facility was approximately $19.6 million. RSVP retained the services of two managing directors to manage RSVP's day-to-day operations. Prior to the spin off of Frontline, the Company guaranteed certain salary provisions of their employment agreements with RSVP Holdings, LLC, RSVP's common member. The term of these employment agreements is seven years commencing March 5, 1998, provided however, that the term may be earlier terminated after five years upon certain circumstances. The salary for each managing director is $1 million in the first five years and $1.6 million in years six and seven.

At June 30, 2001, the Company assessed the recoverability of the FrontLine Loans and reserved approximately $3.5 million of the interest accrued during the three-month period then ended. In addition, the Company formed a committee of its Board of Directors, comprised solely of independent directors, to consider any actions to be taken by the Company in connection with the FrontLine Loans and its investments in joint ventures with RSVP. During the third quarter of 2001, the Company noted a

significant deterioration in FrontLine's operations and financial condition and, based on its assessment of value and recoverability and considering the findings and recommendations of the committee and its financial advisor, the Company recorded a $163 million valuation reserve charge, inclusive of anticipated costs, in its consolidated statements of operations relating to its investments in the FrontLine Loans and joint ventures with RSVP. The Operating Partnership has discontinued the accrual of interest income with respect to the FrontLine Loans. The Operating Partnership has also reserved against its share of GAAP equity in earnings from the RSVP controlled joint ventures funded through the RSVP Commitment until such income is realized through cash distributions. If the RSVP-controlled joint ventures reported losses, the Operating Partnership would record its proportionate share of such losses.

At December 31, 2001, the Operating Partnership, pursuant to Section 166 of the Code, charged off for tax purposes $70 million of the aforementioned reserve directly related to the FrontLine Facility, including accrued interest. On February 14, 2002, the Operating Partnership charged off for tax purposes an additional $38 million of the reserve directly related to the FrontLine Facility, including accrued interest, and $47 million of the reserve directly related to the RSVP Facility, including accrued interest.

FrontLine is in default under the FrontLine Loans from the Operating Partnership and on June 12, 2002, filed a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code.

As a result of the foregoing, the net carrying value of the Operating Partnership's investments in the FrontLine Loans and joint venture investments with RSVP, inclusive of the Operating Partnership's share of previously accrued GAAP equity in earnings on those investments, is approximately $65 million which was reassessed with no change by management as of December 31, 2002. Such amount has been reflected in investments in service companies and affiliate loans and joint ventures on the Operating Partnership's consolidated balance sheet. The common and preferred members of RSVP are currently in dispute over certain provisions of the RSVP operating agreement. The members are currently negotiating to restructure the RSVP operating agreement to settle the dispute. There can be no assurances that the members will successfully negotiate a settlement.

Both the FrontLine Facility and the RSVP Facility terminate on June 15, 2003, are unsecured and advances thereunder are recourse obligations of FrontLine. Notwithstanding the valuation reserve, under the terms of the credit facilities, interest accrued on the FrontLine Loans 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 were outstanding for more than one year increasing annually at a rate of four percent of the prior year's rate. In March 2001, the credit facilities were amended to provide that (i) interest is payable only at maturity and (ii) the Company may transfer all or any portion of its rights or obligations under the credit facilities to its affiliates. The Company requested these changes as a result of changes in REIT tax laws. As a result of FrontLine's default under the FrontLine Loans, interest on borrowings thereunder accrue at default rates ranging between 13% and 14.5% per annum.

Scott H. Rechler, who serves as Co-Chief Executive Officer and a director of the Company, serves as CEO and Chairman of the Board of Directors of FrontLine.

The following table sets forth the Operating Partnership's invested capital (before valuation reserves) in RSVP controlled (REIT-qualified) joint ventures and amounts which were advanced under the RSVP Commitment to FrontLine, for its investment in RSVP controlled investments (in thousands):

	RSVP CONTROLLED JOINT VENTURES	AMOUNTS ADVANCED	TOTAL
Privatization	$21,480	$ 3,520	$ 25,000
Student Housing	18,086	3,935	22,021
Medical Offices	20,185	--	20,185
Parking	--	9,091	9,091
Resorts	--	8,057	8,057
Net leased retail	--	3,180	3,180
Other assets and overhead	--	21,598	21,598
	$59,751	$49,381	$109,132

Included in these investments is approximately $16.5 million of cash that has been contributed to the respective RSVP controlled joint ventures or advanced under the RSVP Commitment to FrontLine and is being held, along with cash contributed by the preferred investors.

Leasing Activity

During the year ended December 31, 2002, the Operating Partnership executed 255 leases encompassing approximately 2.8 million square feet. The following table summarizes the leasing activity by location and property type:

	NUMBER OF LEASES	LEASED SQUARE FEET	AVERAGE EFFECTIVE RENT (1)
CBD office properties			
Connecticut	21	131,441	$ 33.33
New York City	32	264,645	$ 42.73
Westchester	16	126,233	$ 23.21
Subtotal/Weighted average	69	522,319	$ 35.65
Suburban office properties			
Long Island	55	355,304	$ 25.64
New Jersey	31	387,229	$ 24.31
Westchester	49	475,345	$ 21.58
Subtotal/Weighted average	135	1,217,878	$ 23.63
Industrial properties			
Long Island	49	1,033,336	$ 7.05
New Jersey	2	5,750	$ 10.30
Subtotal/Weighted average	51	1,039,086	$ 7.07
Total	255	2,779,283	$ 19.70

(1) Base rent adjusted on a straight-line basis for free rent periods, tenant improvements and leasing commissions

Financing Activities

The Operating Partnership currently has a three year $500 million unsecured revolving credit facility (the "Credit Facility") from JPMorgan Chase Bank, as administrative agent, Wells Fargo Bank, National Association as syndication agent and Citicorp North America, Inc. and Wachovia Bank, National Association as co-documentation agents. The Credit Facility matures in December 2005, contains options for a one year extension subject to a fee of 25 basis points and, upon receiving additional lender commitments, increasing the maximum revolving credit amount to $750 million. In addition, borrowings under the Credit Facility are currently priced off LIBOR plus 90 basis points and the Credit Facility carries a facility fee of 20 basis points per annum. In the event of a change in the Operating Partnership's unsecured credit rating the interest rates and facility fee are subject to change. The outstanding borrowings under the Credit Facility were $267.0 million at December 31, 2002.

The following table sets forth the Operating Partnership's Applicable Margin, pursuant to the Credit Facility, which indicates the additional respective percentages per annum applied to LIBOR based borrowings determined based on the Operating Partnership's unsecured credit rating:

UNSECURED CREDIT RATING S&P / MOODY'S	APPLICABLE MARGIN
A- / A3	.60%
BBB+ / Baa1	.625%
BBB / Baa2	.70%
BBB- / Baa3	.90%
Below BBB- / Baa3 or unrated	1.20%

The Credit Facility replaced the Operating Partnership's $575 million unsecured credit facility (the "Prior Facility" and together with the Credit Facility, the "Credit Facility"). As a result, certain deferred loan costs incurred in connection with the Prior Facility were written off. Such amount is reflected as an extraordinary loss on the Operating Partnership's consolidated statements of operations.

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, 2002, the Operating Partnership had availability under the Credit Facility to borrow approximately an additional $203.0 million subject to compliance with certain financial covenants.

On June 17, 2002, the Operating Partnership issued $50 million of five-year 6.00% (6.125% effective rate) senior unsecured notes. Net proceeds of approximately $49.4 million received from this issuance were used to repay outstanding borrowings under the Prior Facility.

Unit Issuances

During the year ended December 31, 2002, approximately 11,303 preferred units of limited partnership interest, with a liquidation preference value of approximately $11.3 million, were exchanged for 451,394 Class A Units at an average price of $24.66 per Unit. In addition, the Company increased its general partner interest in the Operating Partnership by acquiring 666,468 outstanding Units from certain limited partners in exchange for an equal number of shares of its Class A common stock.

The Board of Directors of the Company has authorized the purchase of up to an additional five million shares of the Company's Class A common stock and / or its Class B common stock. Under this buy-back program, the Operating Partnership purchased 368,200 Class B common units at an average price of $22.90 per Class B unit and 2,698,400 Class A common units at an average price of $21.60 per Class A unit for an aggregate purchase price for both the Class A and Class B common units of approximately $66.7 million. As a result of these purchases, annual common unit distributions will decrease by approximately $5.5 million. Previously, in conjunction with the Company's prior stock buy-back program, the Operating Partnership purchased and retired 1,410,804 Class B common units at an average price of $21.48 per Class B unit and 61,704 Class A common units at an average price of $23.03 per Class A unit for an aggregate purchase price for both the Class A and Class B common units of approximately $31.7 million.

The Board of Directors of the Company has formed a pricing committee to consider purchases of up to $75 million of the Company's outstanding preferred securities. During October 2002, the Company purchased and retired 357,500 shares of its Series A preferred stock at $22.29 per share for approximately $8.0 million. As a result, the Operating Partnership purchased and retired an equal number of preferred units of general partnership interest from the Company and reduced annual preferred distributions by approximately $682,000.

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 common units. The Operating Partnership's core business strategy is based on a long-term outlook considering real estate is a cyclical business. The Operating Partnership seeks to accomplish long-term stability and success by developing and maintaining an infrastructure and franchise that is modeled for success over the long-term. This approach allows the Operating Partnership to recognize different points in the market cycle and adjust its strategy accordingly. Currently, the Operating Partnership remains cautious about the market environment. With this cautious bias we choose to maintain our conservative strategy of focusing on retaining high

occupancies, controlling operating expenses, maintaining a high level of investment discipline and preserving financial flexibility. 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: (i) a multidisciplinary leasing approach that involves architectural design and construction personnel as well as leasing professionals, (ii) innovative marketing programs that strategically position the Operating Partnership's properties and distinguish its portfolio from the competition, increase brand equity and gain market-share. These cost-effective, high-yield programs include electronic web-casting, targeted outdoor and print media campaigns and sales promotion that enhances broker relationships and influences tenant retention, (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, (v) a fully integrated infrastructure of proprietary and property management accounting systems which encompasses technology advanced systems and tools that provides meaningful information, on a real time basis, throughout the entire organization and (vi) 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 stabilized debt ratio over time (defined as the total debt of the Operating Partnership as a percentage of the sum of the Operating Partnerships total debt and the value of its equity) of not more than 50%. As of December 31, 2002, the Operating Partnership's debt ratio was approximately 44.9%. 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 New York City, Long Island, Westchester, New Jersey and Southern Connecticut office and industrial markets stabilize and begin to recover with new supply 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 from its Long Island properties, (ii) periodic contractual increases in Base Rent on existing leases from its Westchester properties, the New Jersey properties, the New York City 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.

Through its ownership of properties in the key CBD and suburban office markets in the Tri-State Area, the Operating Partnership believes it has a unique competitive advantage as the trend toward the regional decentralization of the workplace increases. Due to the events of September 11, 2001 as well as technological advances which further enable decentralization, companies are strategically re-evaluating the benefits and feasibility of regional decentralization and reassessing their long-term space needs. The Operating Partnership believes this multi-location regional decentralization will continue to take place, increasing as companies begin to have better visibility as to the future of the economy, further validating our regional strategy of maintaining a significant market share in each of the key CBD and suburban office markets in the Tri-State Area.

External Growth. The Operating Partnership seeks to acquire multi-tenant Class A office buildings in New York City and the surrounding Tri-State Area core suburban and CBD markets as well as

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 $500 million and access to unsecured debt markets, (ii) ability to acquire a property for 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 substantial 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. 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 has provided 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.

In addition, when valuations for commercial real estate properties are high, the Operating Partnership will seek to sell certain properties or interests therein to realize value and profit created. The Operating Partnership will then seek opportunities to reinvest the capital realized from these dispositions back into value-added assets in the Operating Partnership's core Tri-State Area markets, as well as pursue the Company's stock repurchase program.

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 owners 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 owners 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 Operating Partnership's office and 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 Operating Partnership's 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 Partnerships business.

ITEM 2. PROPERTIES

General

As of December 31, 2002 the Operating Partnership owned 178 properties (including 11 joint venture properties) in the Tri-State Area suburban and CBD markets, encompassing approximately 20.3 million rentable square feet, all of which are managed by the Operating Partnership. The properties include 60 Class A suburban office properties encompassing approximately 8.5 million rentable square feet, of which 42 of these properties, or 74% as measured by square footage, are located within the Operating Partnership's ten office parks. Reckson has historically emphasized the development and acquisition of properties that are part of large-scale suburban office parks. 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. The properties also include 15 Class A CBD office properties encompassing approximately 5.1 million rentable square feet. The CBD office properties consist of five properties located in New York City, eight properties located in Stamford, CT and two properties located in White Plains, NY. Additionally, the Operating Partnership owns 101 industrial properties encompassing approximately 6.7 million rentable square feet, of which 71 of these properties, or 58% as measured by square footage, are located within the Operating Partnership's three industrial parks. The properties also include two retail properties comprising approximately 20,000 rentable square feet. The Operating Partnership also owns a 355,000 square foot office property located in Orlando, Florida.

Set forth below is a summary of certain information relating to the Operating Partnership's properties, categorized by office and industrial properties, as of December 31, 2002.

OFFICE PROPERTIES

General

As of December 31, 2002, the Operating Partnership owned or had an interest in 60 Class A suburban office properties encompassing approximately 8.5 million square feet and 15 Class A CBD office properties encompassing approximately 5.1 million square feet. As of December 31, 2002, the office properties were approximately 95.7% leased (percent leased excludes properties under development) to approximately 979 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 60 suburban office properties are located within the Operating Partnership's ten office parks. 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 companies representing all major industry groups including consumer products, financial services, pharmaceuticals, health care, telecommunications and technology and insurance and service companies such as, "Big Four" accounting firms and major law firms. The 15 Class A CBD office properties consist of five properties located in New York City, eight properties located in Stamford, CT and two properties located in White Plains, NY.

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, 2002 for each of the office properties.

	PERCENTAGE OWNERSHIP	OWNERSHIP INTEREST (GROUND LEASE EXPIRATION DATE) (1)	YEAR CONSTRUCTED	LAND AREA (ACRES)
Leases Suburban Office Properties:				
Huntington Melville Corporate Center				
395 North Service Rd, Melville, NY	100%	Lease (2081)	1988	7.5
200 Broadhollow Rd, Melville, NY	100%	Fee	1981	4.6
48 South Service Rd, Melville, NY	100%	Fee	1986	7.3
35 Pinelawn Rd, Melville, NY	100%	Fee	1980	6.0
275 Broadhollow Rd, Melville, NY	51%	Fee	1970	5.8
58 South Service Rd, Melville, NY	100%	Fee	2000	16.5
1305 Old Walt Whitman Rd, Melville, NY	51%	Fee	1998(3)	18.1
Total- Huntington Meville Corporate Center				65.8
North Shore Atrium				
6800 Jericho Turnpike, Syosset, NY	100%	Fee	1977	13.0
6900 Jericho Turnpike, Syosset, NY	100%	Fee	1982	5.0
Total-North Shore Atrium				18.0
Nassau West Corporate Center				
50 Charles Lindbergh Blvd., Mitchel Field, NY	100%	Lease (2082)	1984	9.1
60 Charles Lindbergh Blvd., Mitchel Field, NY	100%	Lease (2082)	1989	7.8
51 Charles Lindbergh Blvd., Mitchel Field, NY	100%	Lease (2084)	1989	6.6
55 Charles Lindbergh Blvd., Mitchel Field, NY	100%	Lease (2082)	1982	10.0
333 Earl Ovington Blvd., Mitchel Field, NY	60%	Lease (2088)	1991	30.6
90 Merrick Ave., Mitchel Field, NY	51%	Lease (2084)	1985	13.2
Total-Nassau West Corporate Center......				77.3
Tarrytown Corporate Center				
505 White Plains Rd., Tarrytown, NY	100%	Fee	1974	1.4
520 White Plains Rd., Tarrytown, NY	60%	Fee (4)	1981	6.8
555 White Plains Rd., Tarrytown, NY	100%	Fee	1972	4.2
560 White Plains Rd., Tarrytown, NY	100%	Fee	1980	4.0
580 White Plains Rd., Tarrytown, NY	100%	Fee	1977	6.1
660 White Plains Rd., Tarrytown, NY	100%	Fee	1983	10.9
Total-Tarrytown Corporate Center				33.4
Reckson Executive Park				
1 International Dr., Ryebrook, NY	100%	Fee	1983	N/A
2 International Dr., Ryebrook, NY	100%	Fee	1983	N/A
3 International Dr., Ryebrook, NY	100%	Fee	1983	N/A
4 International Dr., Ryebrook, NY	100%	Fee	1986	N/A
5 International Dr., Ryebrook, NY	100%	Fee	1986	N/A
6 International Dr.,				

Ryebrook, NY	100%	Fee	1986	N/A
Total-Reckson Executive Park				44.4

	NUMBER OF FLOORS (FEET)	RENTABLE SQUARE FEET	PERCENT LEASED	ANNUAL BASE RENT (2)	ANNUAL RENT PER LEASED SQ. FT.	NUMBER OF TENANT LEASES
Leases Suburban Office Properties:						
Huntington Melville Corporate Center						
395 North Service Rd, Melville, NY	4	185,094	100.0%	$ 5,120,325	$ 27.66	4
200 Broadhollow Rd, Melville, NY	4	67,895	100.0%	$ 1,544,676	$ 22.75	14
48 South Service Rd, Melville, NY	4	126,664	100.0%	$ 2,955,872	$ 23.34	8
35 Pinelawn Rd, Melville, NY	2	106,296	97.6%	$ 1,986,613	$ 18.69	30
275 Broadhollow Rd, Melville, NY	4	126,250	100.0%	$ 3,019,668	$ 23.92	9
58 South Service Rd, Melville, NY	4	281,279	74.1%	$ 6,615,411	$ 23.52	6
1305 Old Walt Whitman Rd, Melville, NY	3	164,166	100.0%	$ 4,408,597	$ 26.85	6
Total- Huntington Meville Corporate Center		1,057,644	92.9%	$25,651,162	$ 24.25	77
North Shore Atrium						
6800 Jericho Turnpike, Syosset, NY	2	204,331	100.0%	$ 4,043,134	$ 19.79	44
6900 Jericho Turnpike, Syosset, NY	4	94,945	93.5%	$ 1,966,100	$ 20.71	13
Total-North Shore Atrium		299,276	97.9%	$ 6,009,233	$ 20.08	57
Nassau West Corporate Center						
50 Charles Lindbergh Blvd., Mitchel Field, NY	6	213,006	93.7%	$ 4,893,918	$ 22.98	20
60 Charles Lindbergh Blvd., Mitchel Field, NY	2	195,570	100.0%	$ 4,923,880	$ 25.18	5
51 Charles Lindbergh Blvd., Mitchel Field, NY	1	108,000	100.0%	$ 2,508,903	$ 23.23	1
55 Charles Lindbergh Blvd., Mitchel Field, NY	2	214,581	100.0%	$ 2,757,057	$ 12.85	2
333 Earl Ovington Blvd., Mitchel Field, NY	10	578,798	94.9%	$15,626,736	$ 27.00	28
90 Merrick Ave., Mitchel Field, NY	9	232,419	97.3%	$ 5,926,057	$ 25.50	22
Total-Nassau West Corporate Center......		1,542,374	96.8%	$36,636,550	$ 23.75	78
Tarrytown Corporate Center						
505 White Plains Rd., Tarrytown, NY	2	26,319	88.3%	$ 369,967	$ 14.06	20
520 White Plains Rd., Tarrytown, NY	6	156,034	100.0%	$ 3,723,762	$ 23.87	2
555 White Plains Rd., Tarrytown, NY	5	121,815	90.8%	$ 2,620,174	$ 21.51	10
560 White Plains Rd., Tarrytown, NY	6	124,049	84.5%	$ 2,335,277	$ 18.83	17
580 White Plains Rd., Tarrytown, NY	6	169,446	100.0%	$ 3,333,977	$ 19.68	18
660 White Plains Rd., Tarrytown, NY	6	253,226	89.8%	$ 5,401,627	$ 21.33	36
Total-Tarrytown Corporate Center		850,889	93.0%	$17,784,785	$ 20.90	103
Reckson Executive Park						
1 International Dr., Ryebrook, NY	3	90,000	100.0%	$ 1,260,000	$ 14.00	1
2 International Dr., Ryebrook, NY	3	90,000	100.0%	$ 1,260,000	$ 14.00	1
3 International Dr., Ryebrook, NY	3	91,193	100.0%	$ 2,128,033	$ 23.34	5
4 International Dr., Ryebrook, NY	3	87,805	90.7%	$ 1,954,873	$ 22.26	8
5 International Dr., Ryebrook, NY	3	90,000	100.0%	$ 2,332,500	$ 25.92	1
6 International Dr., Ryebrook, NY	3	94,753	79.3%	$ 1,582,612	$ 16.70	8
Total-Reckson Executive Park		543,751	94.9%	$10,518,019	$ 19.34	24

	PERCENTAGE OWNERSHIP	OWNERSHIP INTEREST (GROUND LEASE EXPIRATION DATE) (1)	YEAR CONSTRUCTED	LAND AREA (ACRES)
Summit at Valhalla				
100 Summit Dr., Valhalla, NY	100%	Fee	1988	11.3
200 Summit Dr., Valhalla, NY	100%	Fee	1990	18.0
500 Summit Dr., Valhalla, NY	100%	Fee	1986	29.1

Total-Summit at Valhalla				58.4
Mt. Pleasant Corporate Center				
115/117 Stevens Ave., Mt. Pleasant, NY	100%	Fee	1984	5.0

Total-Mt Pleasant Corporate Center				5.0
Stand-alone Long Island properties:				
400 Garden City Plaza, Garden City, NY	51%	Fee	1989	5.7
88 Duryea Road, 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%	Lease (2030)	1976	1.5
520 Broadhollow Rd., Melville, NY	100%	Fee	1978	7.0
1660 Walt Whitman Rd., Melville, NY	100%	Fee	1980	6.5
150 Motor Parkway, Hauppauge, NY .	100%	Fee	1984	11.3
120 Mineola Blvd., Mineola, NY	100%	Fee	1989	0.7
538 Broadhollow Rd., Melville, NY	100%	Fee	1986	7.5
50 Marcus Dr., Melville, NY	100%	Fee	2000	12.9

Total-Stand-alone Long Island				56.1
Stand-alone Westchester				
120 White Plains Rd., Tarrytown, NY	51%	Fee	1984	9.7
80 Grasslands, Elmsford, NY	100%	Fee	1989	4.9

Total-Stand-alone Westchester				14.6
Executive Hill Office Park				
100 Executive Dr., Rt. 280 Corridor, NJ	100%	Fee	1978	10.1
200 Executive Dr., Rt. 208 Corridor, NJ	100%	Fee	1980	8.2
300 Executive Dr., Rt. 280 Corridor, NJ	100%	Fee	1984	8.7
10 Rooney Circle, Rt. 280 Corridor, NJ	100%	Fee	1971	5.2

Total-Executive Hill Office Park				32.2
University Square Princeton				
100 Campus Dr., Princeton/Rt. 1 Corridor, NJ	100%	Fee	1987	N/A
104 Campus Dr., Princeton/Rt. 1 Corridor, NJ	100%	Fee	1987	N/A
115 Campus Dr., Princeton/Rt. 1 Corridor, NJ	100%	Fee	1987	N/A

Total- University Square				11.0
Short Hills Office Complex				
101 John F. Kennedy Parkway, Short Hills, NJ	100%	Fee	1981	9.0
103 John F. Kennedy Parkway, Short Hills, NJ (3)	100%	Fee	1981	6.0
51 John F Kennedy Parkway, Short Hills, NJ	51%	Fee	1988	11.0

Total- Short Hills Office				26.0
Stand-alone New Jersey Properties				
99 Cherry Hill Road, Parsippany, NJ	100%	Fee	1982	8.8
119 Cherry Hill Rd, Parsippany, NJ	100%	Fee	1982	9.3
One Eagle Rock, Hanover, NJ	100%	Fee	1986	10.4
3 University Plaza, Hackensack, NJ	100%	Fee	1985	10.6

1255 Broad ST., Clifton, NJ	100%	Fee	1968	11.1
492 River Rd., Nutley, NJ	100%	Fee	1952	17.3
Total- Stand-alone NJ Properties				67.5
Total Suburban Office Properties				509.7

	NUMBER OF FLOORS (FEET)	RENTABLE SQUARE FEET	PERCENT LEASED	ANNUAL BASE RENT (2)	ANNUAL RENT PER LEASED SQ. FT.	NUMBER OF TENANT LEASES
Summit at Valhalla						
100 Summit Dr., Valhalla, NY	4	248,174	87.3%	$ 5,408,368	$ 21.79	7
200 Summit Dr., Valhalla, NY	4	233,391	100.0%	$ 3,034,932	$ 13.00	12
500 Summit Dr., Valhalla, NY	4	208,660	100.0%	$ 5,425,160	$ 26.00	1
Total-Summit at Valhalla		690,225	95.4%	$ 13,868,460	$ 20.09	20
Mt. Pleasant Corporate Center						
115/117 Stevens Ave., Mt. Pleasant, NY	3	166,237	95.5%	$ 3,444,106	$ 20.72	17
Total-Mt Pleasant Corporate Center		166,237	95.5%	$ 3,444,106	$ 20.72	17
Stand-alone Long Island properties:						
400 Garden City Plaza, Garden City, NY	5	172,757	100%	$ 4,289,767	$ 24.83	23
88 Duryea Road, Melville, NY	2	23,878	100%	$ 475,195	$ 19.90	4
310 East Shore Rd., Great Neck, NY	4	50,108	98.1%	$ 1,274,544	$ 25.44	18
333 East Shore Rd., Great Neck, NY	2	17,650	100.0%	$ 358,772	$ 20.33	9
520 Broadhollow Rd., Melville, NY	1	85,784	100.0%	$ 1,812,368	$ 21.13	3
1660 Walt Whitman Rd., Melville, NY	1	74,360	85.4%	$ 1,182,684	$ 15.90	6
150 Motor Parkway, Hauppauge, NY	4	185,475	90.4%	$ 3,376,724	$ 18.21	26
120 Mineola Blvd., Mineola, NY	6	101,572	94.1%	$ 2,275,057	$ 22.40	14
538 Broadhollow Rd., Melville, NY	4	180,281	69.2%	$ 2,574,315	$ 14.28	7
50 Marcus Dr., Melville, NY	2	163,762	100.0%	$ 2,125,904	$ 12.98	1
Total-Stand-alone Long Island		1,055,627	91.4%	$ 19,745,330	$ 18.70	111
Stand-alone Westchester						
120 White Plains Rd., Tarrytown, NY	6	203,788	96.3%	$ 4,367,366	$ 21.43	10
80 Grasslands, Elmsford, NY	3	87,114	100.0%	$ 1,847,983	$ 21.21	7
Total-Stand-alone Westchester		290,902	97.4%	$ 6,215,349	$ 21.37	17
Executive Hill Office Park						
100 Executive Dr., Rt. 280 Corridor, NJ	3	93,285	89.3%	$ 1,606,181	$ 17.22	10
200 Executive Dr., Rt. 208 Corridor, NJ	4	105,612	100.0%	$ 1,919,584	$ 18.18	11
300 Executive Dr., Rt. 280 Corridor, NJ	4	124,636	89.0%	$ 2,610,373	$ 20.94	11
10 Rooney Circle, Rt. 280 Corridor, NJ	3	70,716	78.9%	$ 1,348,889	$ 19.07	3
Total-Executive Hill Office Park		394,249	90.2%	$ 7,485,026	$ 18.99	35
University Square Princeton						
100 Campus Dr., Princeton/Rt. 1 Corridor, NJ	1	27,888	100.0%	$ 648,433	$ 23.25	3
104 Campus Dr., Princeton/Rt. 1 Corridor, NJ	1	70,239	100.0%	$ 1,663,171	$ 23.68	2
115 Campus Dr., Princeton/Rt. 1 Corridor, NJ	1	33,600	100.0%	$ 834,759	$ 24.84	1
Total- University Square		131,727	100.0%	$ 3,146,363	$ 23.89	6
Short Hills Office Complex						
101 John F. Kennedy Parkway, Short Hills, NJ	6	195,000	100.0%	$ 3,446,625	$ 17.68	1
103 John F. Kennedy Parkway, Short Hills, NJ (3)	4	123,000	100.0%	$ 3,833,500	$ 31.17	1
51 John F Kennedy Parkway, Short Hills, NJ	5	250,642	97.6%	$ 8,971,534	$ 35.79	17
Total- Short Hills Office		568,642	98.9%	$ 16,251,659	$ 28.58	19
Stand-alone New Jersey Properties						
99 Cherry Hill Road, Parsippany, NJ	3	93,355	73.6%	$ 1,595,179	$ 17.09	12
119 Cherry Hill Rd, Parsippany, NJ	3	95,665	97.8%	$ 1,441,617	$ 15.07	16

One Eagle Rock, Hanover, NJ	3	142,438	100.0%	$ 3,049,825	$ 21.41	8
3 University Plaza, Hackensack, NJ	6	219,550	94.9%	$ 4,730,404	$ 21.55	21
1255 Broad ST., Clifton, NJ	2	193,574	100.0%	$ 4,259,924	$ 22.01	2
492 River Rd., Nutley, NJ	13	130,009	100.0%	$ 2,177,651	$ 16.75	1
Total- Stand-alone NJ Properties		874,591	95.7%	$ 17,254,600	$ 19.73	60
Total Suburban Office Properties		8,466,134	94.8%	$184,010,642	$ 21.73	624

	PERCENTAGE OWNERSHIP	OWNERSHIP INTEREST (GROUND LEASE EXPIRATION DATE) (1)	YEAR CONSTRUCTED	LAND AREA (ACRES)
CBD Office Properties:				
Landmark Square				
One Landmark Sq., Stamford, CT	100%	Fee	1973	N/A
Two Landmark Sq., Stamford, CT	100%	Fee	1976	N/A
Three Landmark Sq., Stamford, CT	100%	Fee	1978	N/A
Four Landmark Sq., Stamford, CT	100%	Fee	1977	N/A
Five Landmark Sq., Stamford, CT	100%	Fee	1976	N/A
Six Landmark Sq., Stamford, CT	100%	Fee	1984	N/A
Total- Landmark Square				7.2
Stamford Towers:				
680 Washington Blvd, Stamford, CT	51%	Fee	1989	1.3
750 Washington Blvd, Stamford, CT	51%	Fee	1989	2.4
Total-Stamford Towers				3.7
Stand-alone Westchester				
360 Hamilton Ave., White Plains, NY	100%	Fee	1977	1.5
140 Grand ST., White Plains, NY	100%	Fee	1991	2.2
Total-Stand-alone Westchester				3.7
New York City Office Properties				
120 W. 45th ST., New York, NY	100%	Fee	1989	0.4
100 Wall ST., New York, NY	100%	Fee	1969	0.5
810 Seventh Ave., New York, NY	100%	Fee(5)	1970	0.6
919 Third Ave., New York, NY	100%	Fee(6)	1971	1.5
1350 Ave. of the Americas, New York, NY	100%	Fee	1966	0.6
Total-New York City Office Properties				3.6
Total CBD Office Properties				18.2
Total-Office Properties				527.9

	NUMBER OF FLOORS (FEET)	RENTABLE SQUARE FEET	PERCENT LEASED	ANNUAL BASE RENT (2)	ANNUAL RENT PER LEASED SQ. FT.	NUMBER OF TENANT LEASES
CBD Office Properties:						
Landmark Square						
One Landmark Sq., Stamford, CT	22	280,661	98.3%	$ 7,037,786	$ 25.08	59
Two Landmark Sq., Stamford, CT	3	36,889	83.2%	$ 795,071	$ 21.55	8
Three Landmark Sq., Stamford, CT	6	128,887	95.8%	$ 3,212,338	$ 24.92	14
Four Landmark Sq., Stamford, CT	5	98,054	95.3%	$ 1,966,176	$ 20.05	13
Five Landmark Sq., Stamford, CT	3	58,000	100.0%	$ 310,536	$ 5.35	3
Six Landmark Sq., Stamford, CT	10	168,180	99.5%	$ 4,001,941	$ 23.80	8
Total- Landmark Square		770,671	97.2%	$ 17,323,849	$ 22.48	105
Stamford Towers:						
680 Washington Blvd, Stamford, CT	11	132,759	100%	$ 4,000,443	$ 30.13	7
750 Washington Blvd, Stamford, CT	11	185,901	98.2%	$ 4,555,349	$ 24.50	9
Total-Stamford Towers		318,660	98.9%	$ 8,555,792	$ 26.85	16
Stand-alone Westchester						
360 Hamilton Ave., White Plains, NY	12	381,257	91.0%	$ 8,505,931	$ 22.31	15

140 Grand ST., White Plains, NY	9	123,827	95.9%	$ 2,943,592	$ 23.77	14
Total-Stand-alone Westchester		505,084	92.2%	$ 11,449,523	$ 22.67	29
New York City Office Properties						
120 W. 45th ST., New York, NY	40	441,175	97.0%	$ 16,866,305	$ 38.23	33
100 Wall ST., New York, NY	29	457,678	100.0%	$ 14,199,700	$ 31.03	29
810 Seventh Ave., New York, NY	42	690,977	97.0%	$ 22,693,099	$ 32.84	34
919 Third Ave., New York, NY	47	1,355,239	100.0%	$ 58,949,836	$ 43.50	21
1350 Ave. of the Americas, New York, NY	35	543,415	91.9%	$ 17,288,113	$ 31.81	70
Total-New York City Office Properties		3,488,484	97.8%	$129,997,053	$ 37.26	187
Total CBD Office Properties		5,082,899	97.2%	$167,326,216	$ 32.92	337
Total-Office Properties		13,549,033	95.7%	$351,336,858	$ 25.93	961

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(1) Ground lease expirations assume exercise of renewal options by the lessee.

(2) Represents Base Rent, net of electric reimbursement, of signed leases at December 31, 2002 adjusted for scheduled contractual increases during the 12 months ending December 31, 2003. Total Base Rent for these purposes reflects the effect of any lease expirations that occur during the 12-month period ending December 31, 2003. 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) Year renovated.

(4) 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.

(5) There is a ground lease in place on a small portion of the land which expires in 2044.

(6) There is a ground lease in place on a small portion of the land which expires in 2066.

INDUSTRIAL / R&D PROPERTIES

General.

As of December 31, 2002, the Operating Partnership owned or had an interest in 101 industrial / R&D properties that encompass approximately 6.7 million rentable square feet. As of December 31, 2002, the industrial / R&D properties were approximately 94.7% leased (percentage leased excludes properties under development) to approximately 239 tenants. Many of these 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 / R&D properties are leased to both national and local tenants. These tenants utilize these properties for distribution, warehousing, research and development and light manufacturing / assembly activities. Leases on the industrial / R&D 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 generally 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 of the industrial / R&D 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%, as measured by square footage, of the industrial / R&D properties, are located on Long Island. Fifty 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 / R&D properties on Long Island, the Operating Partnership owns eight industrial properties encompassing approximately 912,000 square feet in the other suburban markets.

The following table sets forth certain information as of December 31, 2002 for each of the industrial properties.

	PERCENTAGE OWNERSHIP	OWNERSHIP INTEREST (GROUND LEASE EXPIRATION DATE) (1)	YEAR CONSTRUCTED	LAND AREA (ACRES)	CLEARENCE HEIGHT (FEET)
LONG ISLAND INDUSTRIAL					
Airport Industrial Plaza					
110 Orville Dr., Islip, NY	100.0%	Fee	1979	6.4	24
1101 Lakeland Ave., Islip, NY	100.0%	Fee	1983	4.9	20
120 Wilbur Place, Islip, NY	100.0%	Fee	1972	2.8	16
125 Wilbur Place, Islip, NY	100.0%	Fee	1977	4.0	16
1385 Lakeland Ave., Islip, NY	100.0%	Fee	1973	2.4	16
140 Wilbur Place, Islip, NY	100.0%	Fee	1973	3.1	20
160 Wilbur Place, Islip, NY	100.0%	Fee	1978	3.9	16
170 Wilbur Place, Islip, NY	100.0%	Fee	1979	4.9	16
180 Orville Dr., Islip, NY	100.0%	Fee	1982	2.3	16
20 Orville Dr., Islip, NY	100.0%	Fee	1978	1.0	16
2002 Orville Drive North, Islip, NY	100.0%	Fee	2000	15.8	24
2004 Orville Drive North, Islip, NY	100.0%	Fee	1998	7.4	24
2005 Orville Drive North, Islip, NY	100.0%	Fee	1999	8.7	24
25 Orville Dr., Islip, NY	100.0%	Fee	1970	2.2	16
4040 Veterans Highway, Islip, NY	100.0%	Fee	1972	1.0	14
50 Orville Dr., Islip, NY	100.0%	Fee	1976	1.6	15

	RESEARCH AND DEVELOPMENT FINISH	RENTABLE SQUARE FEET	PERCENT LEASED	ANNUAL BASE RENT (2)	ANNUAL RENT PER LEASED SQ. FT.	NUMBER OF TENANT LEASES
LONG ISLAND INDUSTRIAL						
Airport Industrial Plaza						
110 Orville Dr., Islip, NY	80%	110,000	100.0%	$ 685,667	$ 6.23	1
1101 Lakeland Ave., Islip, NY	65%	90,411	100.0%	$ 567,419	$ 6.28	1
120 Wilbur Place, Islip, NY	62%	34,866	100.0%	$ 251,070	$ 7.20	4
125 Wilbur Place, Islip, NY	45%	61,698	86.9%	$ 304,521	$ 4.94	9
1385 Lakeland Ave., Islip, NY	9%	35,000	78.6%	$ 202,783	$ 5.79	3
140 Wilbur Place, Islip, NY	33%	48,500	100.0%	$ 316,495	$ 6.53	2
160 Wilbur Place, Islip, NY	87%	62,710	100.0%	$ 560,665	$ 8.94	2
170 Wilbur Place, Islip, NY	30%	72,203	100.0%	$ 470,721	$ 6.52	5
180 Orville Dr., Islip, NY	4%	37,612	100.0%	$ 210,214	$ 5.59	2
20 Orville Dr., Islip, NY	100%	12,900	100.0%	$ 196,548	$ 15.24	1
2002 Orville Drive North, Islip, NY	11%	206,005	100.0%	$1,797,445	$ 8.73	2
2004 Orville Drive North, Islip, NY	10%	106,515	100.0%	$ 397,934	$ 3.74	1
2005 Orville Drive North, Islip, NY	20%	130,010	100.0%	$1,023,169	$ 7.87	1
25 Orville Dr., Islip, NY	100%	33,655	100.0%	$ 523,115	$ 15.54	1
4040 Veterans Highway, Islip, NY	100%	2,800	100.0%	$ 82,600	$ 29.50	1
50 Orville Dr., Islip, NY	99%	27,943	100.0%	$ 257,597	$ 9.22	3

	PERCENTAGE OWNERSHIP	OWNERSHIP INTEREST (GROUND LEASE EXPIRATION DATE) (1)	YEAR CONSTRUCTED	LAND AREA (ACRES)	CLEARENCE HEIGHT (FEET)
65 Orville Dr., Islip, NY	100.0%	Fee	1971	2.2	14
70 Orville Dr., Islip, NY	100.0%	Fee	1975	2.3	22
80 Orville Dr., Islip, NY	100.0%	Fee	1988	6.5	16
85 Orville Dr., Islip, NY	100.0%	Fee	1974	1.9	14
95 Orville Dr., Islip, NY	100.0%	Fee	1974	1.8	14
Airport Industrial Plaza Total				87.1	
Hauppauge Industrial Park					
100 Engineers Rd., Hauppauge, NY	100.0%	Fee	1968	5.0	14
104 Parkway Dr., Hauppauge, NY	100.0%	Fee	1985	1.8	15
110 Plant Ave., Hauppauge, NY	100.0%	Fee	1974	6.8	18
120 Ricefield Ln., Hauppauge, NY	100.0%	Fee	1983	2.0	15
125 Ricefield Ln., Hauppauge, NY	100.0%	Fee	1973	2.0	14
135 Ricefield Ln., Hauppauge, NY	100.0%	Fee	1981	2.1	15
150 Engineers Rd., Hauppauge, NY	100.0%	Fee	1969	6.8	22
180 Oser Ave., Hauppauge, NY	100.0%	Lease (2009)	1978	3.4	16
185 Oser Ave, Hauppauge, NY	100.0%	Fee	1974	2.0	18
20 Oser Ave., Hauppauge, NY	100.0%	Fee	1979	5.0	16
225 Oser Ave., Hauppauge, NY	100.0%	Fee	1977	1.2	14
25 Davids Dr., Hauppauge, NY	100.0%	Fee	1975	3.2	20
250 Kennedy Dr., Hauppauge, NY	100.0%	Fee	1979	7.0	16
30 Oser Ave., Hauppauge, NY	100.0%	Fee	1978	4.4	16
325 Rabro Dr., Hauppauge, NY	100.0%	Fee	1967	2.7	14
360 Motor Pk., Hauppauge, NY	100.0%	Fee	1967	4.2	16
360 Oser Ave., Hauppauge, NY	100.0%	Fee	1981	1.3	18
375 Oser Ave., Hauppauge, NY	100.0%	Fee	1981	1.2	18
390 Motor Parkway, Hauppauge, NY	100.0%	Fee	1980	10.0	14
395 Oser Ave., Hauppauge, NY	100.0%	Fee	1980	6.1	14
40 Oser Ave., Hauppauge, NY	100.0%	Fee	1974	3.1	16
400 Moreland Rd., Hauppauge, NY	100.0%	Fee	1967	6.3	17
400 Oser Ave., Hauppauge, NY	100.0%	Fee	1982	9.5	16
410 Motor Pk., Hauppauge, NY	100.0%	Fee	1965	3.0	15
425 Rabro Dr., Hauppauge, NY	100.0%	Fee	1980	4.0	16
45 Adams Ave., Hauppauge, NY	100.0%	Fee	1979	2.1	18
50 Oser Ave., Hauppauge, NY	100.0%	Fee	1975	4.1	21
55 Engineers Rd., Hauppauge, NY	100.0%	Fee	1968	3.0	18
595 Old Willets Path, Hauppauge, NY	100.0%	Fee	1968	3.5	14
60 Oser Ave., Hauppauge, NY	100.0%	Fee	1975	3.3	21
600 Old Willets Path , Hauppauge, NY	100.0%	Fee	1965	4.5	14
611 Old Willets Path, Hauppauge, NY	100.0%	Fee	1963	3.0	14
63 Oser Ave., Hauppauge, NY	100.0%	Fee	1974	1.2	20
631/641 Old Willets Path,					

Hauppauge, NY	100.0%	Fee	1965	1.9	14
65 Engineers Rd., Hauppauge, NY	100.0%	Fee	1969	1.8	22
65 Oser Ave., Hauppauge, NY	100.0%	Fee	1975	1.2	18
651/661 Old Willets Path, Hauppauge, NY	100.0%	Fee	1966	2.0	14

	RESEARCH AND DEVELOPMENT FINISH	RENTABLE SQUARE FEET	PERCENT LEASED	ANNUAL BASE RENT (2)	ANNUAL RENT PER LEASED SQ. FT.	NUMBER OF TENANT LEASES
65 Orville Dr., Islip, NY	20%	32,000	100.0%	$ 220,068	$ 6.88	2
70 Orville Dr., Islip, NY	18%	41,508	100.0%	$ 355,988	$ 8.58	2
80 Orville Dr., Islip, NY	47%	92,684	100.0%	$ 611,343	$ 6.60	8
85 Orville Dr., Islip, NY	20%	25,091	100.0%	$ 173,671	$ 6.92	2
95 Orville Dr., Islip, NY	20%	25,300	100.0%	$ 135,945	$ 5.37	1
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Airport Industrial Plaza Total		1,289,411	98.8%	$9,344,978	$ 7.25	54
Hauppauge Industrial Park						
100 Engineers Rd., Hauppauge, NY	100%	40,880	100.0%	$ 573,914	$ 14.04	1
104 Parkway Dr., Hauppauge, NY	15%	27,600	100.0%	$ 111,918	$ 4.06	1
110 Plant Ave., Hauppauge, NY	2%	125,000	100.0%	$ 488,194	$ 3.91	1
120 Ricefield Ln., Hauppauge, NY	9%	33,100	100.0%	$ 193,917	$ 5.86	1
125 Ricefield Ln., Hauppauge, NY	20%	30,495	100.0%	$ 201,844	$ 6.62	1
135 Ricefield Ln., Hauppauge, NY	50%	32,340	100.0%	$ 153,100	$ 4.73	1
150 Engineers Rd., Hauppauge, NY	10%	135,000	100.0%	$ 179,625	$ 1.33	1
180 Oser Ave., Hauppauge, NY	50%	61,264	100.0%	$ 507,518	$ 8.28	9
185 Oser Ave, Hauppauge, NY	50%	30,000	100.0%	$ 219,834	$ 7.33	1
20 Oser Ave., Hauppauge, NY	98%	42,000	100.0%	$ 393,135	$ 9.36	2
225 Oser Ave., Hauppauge, NY	85%	9,960	100.0%	$ 130,891	$ 13.14	1
25 Davids Dr., Hauppauge, NY	50%	40,000	100.0%	$ 350,200	$ 8.75	1
250 Kennedy Dr., Hauppauge, NY	10%	127,980	100.0%	$ 455,298	$ 3.56	1
30 Oser Ave., Hauppauge, NY	69%	41,851	100.0%	$ 310,213	$ 7.41	4
325 Rabro Dr., Hauppauge, NY	27%	35,473	32.9%	$ 89,096	$ 2.51	1
360 Motor Pk., Hauppauge, NY	100%	54,000	100.0%	$ 306,060	$ 5.67	1
360 Oser Ave., Hauppauge, NY	20%	23,000	100.0%	$ 169,114	$ 7.35	1
375 Oser Ave., Hauppauge, NY	60%	20,000	100.0%	$ 160,633	$ 8.03	1
390 Motor Parkway, Hauppauge, NY	10%	181,060	100.0%	$1,033,943	$ 5.71	1
395 Oser Ave., Hauppauge, NY	100%	49,500	100.0%	$ 464,805	$ 9.39	1
40 Oser Ave., Hauppauge, NY	45%	59,850	100.0%	$ 435,463	$ 7.28	13
400 Moreland Rd., Hauppauge, NY	80%	57,050	100.0%	$ 931,626	$ 16.33	1
400 Oser Ave., Hauppauge, NY	36%	163,885	94.8%	$1,252,016	$ 7.64	27
410 Motor Pk., Hauppauge, NY	18%	41,784	100.0%	$ 273,524	$ 6.55	3
425 Rabro Dr., Hauppauge, NY	50%	65,421	100.0%	$ 765,971	$ 11.71	1
45 Adams Ave., Hauppauge, NY	75%	28,000	100.0%	$ 270,667	$ 9.67	1
50 Oser Ave., Hauppauge, NY	15%	60,000	100.0%	$ 246,000	$ 4.10	1
55 Engineers Rd., Hauppauge, NY	100%	36,000	100.0%	$ 373,307	$ 10.37	1
595 Old Willets Path, Hauppauge, NY	39%	31,670	100.0%	$ 218,811	$ 6.91	4
60 Oser Ave., Hauppauge, NY	10%	48,000	100.0%	$ 196,800	$ 4.10	1
600 Old Willets Path , Hauppauge, NY	10%	69,654	100.0%	$ 438,114	$ 6.29	1
611 Old Willets Path,						

Hauppauge, NY	5%	20,000	100.0%	$ 172,329	$ 8.62	2
63 Oser Ave., Hauppauge, NY	20%	23,000	100.0%	$ 151,220	$ 6.57	1
631/641 Old Willets Path, Hauppauge, NY	28%	25,000	100.0%	$ 177,624	$ 7.10	4
65 Engineers Rd., Hauppauge, NY	10%	23,000	100.0%	$ 149,500	$ 6.50	1
65 Oser Ave., Hauppauge, NY	10%	20,000	100.0%	$ 115,023	$ 5.75	1
651/661 Old Willets Path, Hauppauge, NY	54%	25,000	100.0%	$ 189,845	$ 7.59	6

	PERCENTAGE OWNERSHIP	OWNERSHIP INTEREST (GROUND LEASE EXPIRATION DATE) (1)	YEAR CONSTRUCTED	LAND AREA (ACRES)	CLEARENCE HEIGHT (FEET)
681 Old Willets Path, Hauppauge, NY	100.0%	Fee	1961	1.3	14
73 Oser Ave., Hauppauge, NY	100.0%	Fee	1974	1.2	20
740 Old Willets Path, Hauppauge, NY	100.0%	Fee	1965	3.5	14
80 Oser Ave., Hauppauge, NY	100.0%	Fee	1974	1.1	18
85 Adams Dr., Hauppauge, NY	100.0%	Fee	1980	1.8	15
85 Engineers Rd., Hauppauge, NY	100.0%	Fee	1968	2.3	18
85 Nicon Ct., Hauppauge, NY	100.0%	Fee	1978	6.1	30
90 Oser Ave., Hauppauge, NY	100.0%	Fee	1973	1.1	16
90 Plant Ave., Hauppauge, NY	100.0%	Fee	1972	4.3	16
Hauppauge Industrial Park Total				158.4	
County Line Industrial Center, Melville Long Island					
5 Hub Dr., Melville, NY	100.0%	Fee	1979	6.9	20
10 Hub Dr., Melville, NY	100.0%	Fee	1975	6.6	20
265 Spagnoli Rd., Melville, NY	100.0%	Fee	1978	6.0	20
30 Hub Dr., Melville, NY	100.0%	Fee	1976	5.1	20
County Line Total				24.6	
Standalone Islip Long Island					
135 Fell Ct., Islip, NY	100.0%	Fee	1965	3.2	16
208 Blydenburgh Rd., Islandia, NY	100.0%	Fee	1969	2.4	14
210 Blydenburgh Rd., Islandia, NY	100.0%	Fee	1969	1.2	14
32 Windsor Pl., Islip, NY	100.0%	Fee	1971	2.5	18
42 Windsor Pl., Islip, NY	100.0%	Fee	1972	2.4	18
71 Hoffman Ln., Islandia, NY.	100.0%	Fee	1970	5.8	16
Islip Long Island Total				17.5	
Standalone Farmingdale Long Island					
70 Schmitt Blvd., Farmingdale, NY	100.0%	Fee	1975	4.4	18
105 Price Parkway, Farmingdale, NY	100.0%	Fee	1969	12.0	26
110 Bi County Blvd., Farmingdale, NY	100.0%	Fee	1984	9.5	19
Farmingdale Long Island Total				25.9	
Standalone Melville Long Island					
20 Melville Park Road, Melville, NY	100.0%	Fee	1965	4.0	23
45 Melville Park Drive, Melville, NY	100.0%	Fee	1998	4.2	24
65 Marcus Drive, Melville, NY	100.0%	Fee	1968	5.0	16
70 Maxess Road, Melville, NY	100.0%	Fee	1969	9.3	15
Melville Long Island Total				22.5	
Standalone Hauppauge Long Island					
1516 Motor Pk., Hauppauge, NY	100.0%	Fee	1981	7.9	24
300 Motor Pk., Hauppauge, NY	100.0%	Fee	1979	4.2	14
Hauppauge Long Island Total				12.1	
Standalone Other Long Island					
100 Andrews Rd., Hicksville, NY	100.0%	Fee	1954	11.7	25
110 Marcus Drive, Huntington, NY	100.0%	Fee	1980	6.1	20
19 Nicholas Dr.,					

Yaphank, NY (3)	100.0%	Fee	1989	29.6	24
35 Engle St., Hicksville, NY	100.0%	Lease (4)	1966	4.0	24
48 Harbor Pk Dr., Port Washington, NY	100.0%	Fee	1976	2.7	16
85 S. Service Rd., Plainview, NY	100.0%	Fee	1961	1.6	14
933 Motor Parkway, Smithtown, NY	100.0%	Fee	1973	5.6	20

Standalone Other Long Island Total				61.3	

	RESEARCH AND DEVELOPMENT FINISH	RENTABLE SQUARE FEET	PERCENT LEASED	ANNUAL BASE RENT (2)	ANNUAL RENT PER LEASED SQ. FT.	NUMBER OF TENANT LEASES
681 Old Willets Path, Hauppauge, NY	10%	15,000	100.0%	$ 110,634	$ 7.38	1
73 Oser Ave., Hauppauge, NY	10%	20,000	100.0%	$ 139,873	$ 6.99	1
740 Old Willets Path, Hauppauge, NY	50%	30,000	100.0%	$ 29,670	$ 0.99	1
80 Oser Ave., Hauppauge, NY	40%	19,500	100.0%	$ 74,425	$ 3.82	1
85 Adams Dr., Hauppauge, NY	100%	20,000	100.0%	$ 280,000	$ 14.00	1
85 Engineers Rd., Hauppauge, NY	5%	40,800	100.0%	$ 225,095	$ 5.52	2
85 Nicon Ct., Hauppauge, NY	10%	104,000	100.0%	$ 634,400	$ 6.10	1
90 Oser Ave., Hauppauge, NY	40%	37,500	100.0%	$ 144,375	$ 3.85	1
90 Plant Ave., Hauppauge, NY	19%	74,915	100.0%	$ 162,117	$ 2.16	3
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Hauppauge Industrial Park Total		2,299,532	98.6%	$14,651,684	$ 6.37	113
County Line Industrial Center, Melville Long Island						
5 Hub Dr., Melville, NY	47%	88,001	100.0%	$ 577,634	$ 6.56	2
10 Hub Dr., Melville, NY	18%	95,671	100.0%	$ 749,371	$ 7.83	3
265 Spagnoli Rd., Melville, NY	61%	85,555	100.0%	$ 737,824	$ 8.62	2
30 Hub Dr., Melville, NY	10%	73,127	100.0%	$ 516,326	$ 7.06	2
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County Line Total		342,354	100.0%	$ 2,581,155	$ 7.54	9
Standalone Islip Long Island						
135 Fell Ct., Islip, NY	10%	30,124	100.0%	$ 253,973	$ 8.43	1
208 Blydenburgh Rd., Islandia, NY	20%	24,000	100.0%	$ 135,094	$ 5.63	3
210 Blydenburgh Rd., Islandia, NY	10%	20,000	100.0%	$ 103,977	$ 5.20	2
32 Windsor Pl., Islip, NY	10%	43,000	100.0%	$ 155,887	$ 3.63	1
42 Windsor Pl., Islip, NY	10%	65,000	100.0%	$ 260,000	$ 4.00	1
71 Hoffman Ln., Islandia, NY.	10%	30,400	0.0%	$ 0	$ 0.00	0
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Islip Long Island Total		212,524	85.7%	$ 908,932	$ 4.28	8
Standalone Farmingdale Long Island						
70 Schmitt Blvd., Farmingdale, NY	15%	76,312	100.0%	$ 605,343	$ 7.93	1
105 Price Parkway, Farmingdale, NY	10%	297,000	100.0%	$ 1,517,267	$ 5.11	1
110 Bi County Blvd., Farmingdale, NY	81%	146,696	100.0%	$ 1,441,847	$ 9.83	9
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Farmingdale Long Island Total		520,008	100.0%	$ 3,564,457	$ 6.85	11
Standalone Melville Long Island						
20 Melville Park Road, Melville, NY	15%	67,922	100.0%	$ 401,204	$ 5.91	1
45 Melville Park Drive, Melville, NY	50%	40,247	100.0%	$ 607,924	$ 15.10	1
65 Marcus Drive, Melville, NY	20%	60,000	100.0%	$ 675,462	$ 11.26	1
70 Maxess Road, Melville, NY	40%	78,600	100.0%	$ 750,300	$ 9.55	1
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Melville Long Island Total		246,769	100.0%	$ 2,434,889	$ 9.87	4
Standalone Hauppauge Long Island						
1516 Motor Pk., Hauppauge, NY	10%	140,000	100.0%	$ 905,215	$ 6.47	1
300 Motor Pk., Hauppauge, NY	100%	54,154	91.5%	$ 912,473	$ 16.85	6

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Hauppauge Long Island Total		194,154	97.6%	$ 1,817,689	$ 9.36	7
Standalone Other Long Island						
100 Andrews Rd., Hicksville, NY	10%	167,754	100.0%	$ 1,232,628	$ 7.35	2
110 Marcus Drive, Huntington, NY	40%	78,240	100.0%	$ 547,418	$ 7.00	1
19 Nicholas Dr., Yaphank, NY (3)	5%	230,000	100.0%	$ 1,391,968	$ 6.05	1
35 Engle St., Hicksville, NY	5%	120,283	100.0%	$ 631,005	$ 5.25	1
48 Harbor Pk Dr., Port Washington, NY	100%	35,000	100.0%	$ 795,675	$ 22.73	1
85 S. Service Rd., Plainview, NY	10%	20,000	100.0%	$ 137,395	$ 6.87	2
933 Motor Parkway, Smithtown, NY	20%	48,000	50.0%	$ 158,756	$ 3.31	1
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Standalone Other Long Island Total		699,277	96.6%	$ 4,894,845	$ 7.00	9

	PERCENTAGE OWNERSHIP	OWNERSHIP INTEREST (GROUND LEASE EXPIRATION DATE) (1)	YEAR CONSTRUCTED	LAND AREA (ACRES)	CLEARENCE HEIGHT (FEET)
NEW JERSEY INDUSTRIAL					
Western Morris and South Plainfield					
100 Forge Way, Rockaway, NJ	100.0%	Fee	1986	3.5	24
200 Forge Way, Rockaway, NJ	100.0%	Fee	1989	12.7	28
300 Forge Way, Rockaway, NJ	100.0%	Fee	1989	4.2	24
400 Forge Way, Rockaway, NJ	100.0%	Fee	1989	12.8	28
40 Cragwood Rd., South Plainfield, NJ	100.0%	Fee	1965	13.5	16
W. Morris S. Plainfield Total				46.7	
WESTCHESTER INDUSTRIAL					
Elmsford Westchester					
100 Grasslands Rd., Elmsford, NY	100.0%	Fee	1964	3.6	16
500 Saw Mill Rd., Elmsford, NY	100.0%	Fee	1968	7.3	22
Elmsford Westchester Total				10.9	
CONNECTICUT INDUSTRIAL					
Shelton Connecticut					
710 Bridgeport, Shelton, CT	100.0%	Fee	1971-1979	36.1	22
Shelton Connecticut Total				36.1	
TOTAL INDUSTRIAL				503.1	

	RESEARCH AND DEVELOPMENT FINISH	RENTABLE SQUARE FEET	PERCENT LEASED	ANNUAL BASE RENT (2)	ANNUAL RENT PER LEASED SQ. FT.	NUMBER OF TENANT LEASES
NEW JERSEY INDUSTRIAL						
Western Morris and South Plainfield						
100 Forge Way, Rockaway, NJ	46%	20,150	100.0%	$ 175,639	$ 8.72	5
200 Forge Way, Rockaway, NJ	53%	72,118	100.0%	$ 634,638	$ 8.80	2
300 Forge Way, Rockaway, NJ	63%	24,200	100.0%	$ 212,550	$ 8.78	2
400 Forge Way, Rockaway, NJ	20%	73,000	100.0%	$ 535,731	$ 7.34	3
40 Cragwood Rd., South Plainfield, NJ	30%	130,793	69.3%	$ 1,278,645	$ 9.78	4
W. Morris S. Plainfield Total		320,261	87.5%	$ 2,837,203	$ 8.86	16
WESTCHESTER INDUSTRIAL						
Elmsford Westchester						
100 Grasslands Rd., Elmsford, NY	100%	47,690	100.0%	$ 924,818	$ 19.39	4
500 Saw Mill Rd., Elmsford, NY	20%	92,000	100.0%	$ 920,000	$ 10.00	1
Elmsford Westchester Total		139,690	100.0%	$ 1,844,818	$ 13.21	5
CONNECTICUT INDUSTRIAL						
Shelton Connecticut						
710 Bridgeport, Shelton, CT	29%	452,414	54.3%	$ 2,032,502	$ 4.49	1
Shelton Connecticut Total		452,414	54.3%	$ 2,032,502	$ 4.49	1
TOTAL INDUSTRIAL		6,716,394	94.7%	$46,913,152	$ 6.98	237

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(1) Calculated as the difference from the lowest beam to floor.

(2) Represents Base Rent, net of electric reimbursement, of signed leases at December 31, 2002 adjusted for scheduled contractual increases during the 12 months ending December 31, 2003. Total Base Rent for these purposes reflects the effect of any lease expirations that occur during the 12 month period ending December 31, 2003. 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) 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.

(4) 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, 2002, the Operating Partnership owned two free-standing retail properties encompassing approximately 10,000 square feet each located in Great Neck and Huntington, New York. One of these properties is fully leased and one property is approximately 70% leased.

DEVELOPMENTS IN PROGRESS

As of December 31, 2002, the Operating Partnership had invested approximately $121.2 million in developments in progress. This amount includes approximately $5.4 million relating to a development currently under construction which when completed will encompass approximately 71,000 square feet of new industrial / R&D space. In addition, the Operating Partnership has invested approximately $115.8 million relating to 13 remaining parcels of land which it can develop approximately 3.6 million square feet of office and industrial / R&D space.

In February 2003, the Operating Partnership, through its wholly owned service company, Reckson Construction Group Inc., entered into a contract to sell a 19.3-acre development parcel located in Melville, New York. In addition, Reckson Construction Group, Inc., has been retained by the purchaser to develop a 195,000 square foot build-to-suit office building on this development parcel.

THE OPTION PROPERTIES

In connection with the IPO, the Operating Partnership was granted ten-year options to acquire ten properties (the "Option Properties") which are either owned by certain Rechler family members who are also executive officers of the Company, or in which the Rechler family members own a non-controlling minority interest at a price based upon an agreed upon formula. In years prior to 2001, one of these properties was sold by the Rechler family members 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.

Currently, certain Rechler family members retain their equity interests in the five remaining Option Properties (the "Remaining Option Properties") which were not contributed to the Operating Partnership as part of the IPO. Such options provide the Operating Partnership the right to acquire fee interest in two of the Remaining Option Properties and the Rechlers' minority interests in three Remaining Option Properties. The Independent Directors of the Company's Board of Directors are currently reviewing whether the Operating Partnership should exercise one or more of the options relating to the Remaining Option Properties.

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

The following table sets forth annual and per square foot non-incremental revenue-generating capital expenditures in which the Operating Partnership paid or accrued, during the respective periods, to retain revenues attributable to existing leased space for the years ended 1998 through 2002 for the Operating Partnership's office and industrial / R&D properties other than One Orlando Center in Orlando, FL.:

NON-INCREMENTAL REVENUE GENERATING CAPITAL EXPENDITURES	1998	1999	2000	2001	2002
Suburban Office Properties					
Total	$ 2,004,976	$ 2,298,899	$ 3,289,116	$ 4,606,069	$ 5,283,674
Per square foot	$ 0.23	$ 0.23	$ 0.33	$ 0.45	$ 0.53
NYC Office Properties					
Total	N/A	N/A	$ 946,718	$ 1,584,501	$ 1,939,111
Per square foot	N/A	N/A	$ 0.38	$ 0.45	$ 0.56
Industrial/R&D Properties					
Total	$ 1,205,266	$ 1,048,688	$ 813,431	$ 711,666	$ 1,881,627
Per square foot	$ 0.12	$ 0.11	$ 0.11	$ 0.11	$ 0.28

The following table sets forth annual and per square foot non-incremental revenue-generating tenant improvement costs and leasing commissions in which the Operating Partnership committed to perform, during the respective periods, to retain revenues attributable to existing leased space for the years 1998 through 2002 for the Operating Partnership's office and industrial / R&D properties other than One Orlando Center in Orlando, FL.:

NON-INCREMENTAL REVENUE GENERATING TENANT IMPROVEMENT COSTS AND LEASING COMMISSIONS	COMMITTED				
	1998	1999	2000	2001	2002
Long Island Office Properties					
Annual Tenant Improvement Costs	$ 1,140,251	$ 1,009,357	$ 2,853,706	$ 2,722,457	$ 1,917,466
Per square foot improved	$ 3.98	$ 4.73	$ 6.99	$ 8.47	$ 7.81
Annual Leasing Commissions	$ 418,191	$ 551,762	$ 2,208,604	$ 1,444,412	$ 1,026,970
Per square foot leased	$ 1.46	$ 2.59	$ 4.96	$ 4.49	$ 4.18
Total per square foot	$ 5.44	$ 7.32	$ 11.95	$ 12.96	$ 11.99

	COMMITTED				
	1998	1999	2000	2001	2002
Westchester Office Properties					
Annual Tenant Improvement Costs	$ 711,160	$ 1,316,611	$ 1,860,027	$ 2,584,728	$ 6,391,589 (1)
Per square foot improved	$ 4.45	$ 5.62	$ 5.72	$ 5.91	$ 15.05
Annual Leasing Commissions	$ 286,150	$ 457,730	$ 412,226	$ 1,263,012	$ 1,975,850 (1)
Per square foot leased	$ 1.79	$ 1.96	$ 3.00	$ 2.89	$ 4.65
Total per square foot	$ 6.24	$ 7.58	$ 8.72	$ 8.80	$ 19.70
Connecticut Office Properties					
Annual Tenant Improvement Costs	$ 202,880	$ 179,043	$ 385,531	$ 213,909	$ 491,435
Per square foot improved	$ 5.92	$ 4.88	$ 4.19	$ 1.46	$ 3.81
Annual Leasing Commissions	$ 151,063	$ 110,252	$ 453,435	$ 209,322	$ 307,023
Per square foot leased	$ 4.41	$ 3.00	$ 4.92	$ 1.43	$ 2.38
Total per square foot	$ 10.33	$ 7.88	$ 9.11	$ 2.89	$ 6.19
New Jersey Office Properties					
Annual Tenant Improvement Costs	$ 654,877	$ 454,054	$ 1,580,323	$ 1,146,385	$ 2,842,521
Per square foot improved	$ 3.78	$ 2.29	$ 6.71	$ 2.92	$ 10.76
Annual Leasing Commissions	$ 396,127	$ 787,065	$ 1,031,950	$ 1,602,962	$ 1,037,012
Per square foot leased	$ 2.08	$ 3.96	$ 4.44	$ 4.08	$ 3.92
Total per square foot	$ 5.86	$ 6.25	$ 11.15	$ 7.00	$ 14.68
New York Office Properties					
Annual Tenant Improvement Costs	N/A	N/A	$ 65,267	$ 788,930	$ 4,350,106
Per square foot improved	N/A	N/A	$ 1.79	$ 15.69	$ 18.39
Annual Leasing Commissions	N/A	N/A	$ 418,185	$ 1,098,829	$ 2,019,837
Per square foot leased	N/A	N/A	$ 11.50	$ 21.86	$ 8.54
Total per square foot	N/A	N/A	$ 13.29	$ 37.55	$ 26.93
Industrial/R&D Properties					
Annual Tenant Improvement Costs	$ 283,842	$ 375,646	$ 650,216	$ 1,366,488	$ 1,850,812
Per square foot improved	$ 0.76	$ 0.25	$ 0.95	$ 1.65	$ 1.97
Annual Leasing Commissions	$ 200,154	$ 835,108	$ 436,506	$ 354,572	$ 890,688
Per square foot leased	$ 0.44	$ 0.56	$ 0.64	$ 0.43	$ 0.95
Total per square foot	$ 1.20	$ 0.81	$ 1.59	$ 2.08	$ 2.92

As noted, incremental revenue-generating tenant improvement costs and leasing commissions are excluded from the tables set forth above. The historical capital expenditures, tenant improvement costs and leasing commissions set forth above are not necessarily indicative of future non-incremental revenue-generating capital expenditures or non-incremental revenue-generating tenant improvement costs and leasing commissions that may be incurred to retain revenues on leased space.

(1) Excludes tenant improvements and leasing commissions related to a 163,880 square foot leasing transaction with Fuji Photo Film U.S.A. Leasing commissions on this transaction amounted to $5.33 per square foot and tenant improvement allowance amounted to $40.88 per square foot.

The following table sets forth the Operating Partnership's components of its paid or accrued non-incremental and incremental revenue-generating capital expenditures, tenant improvements and leasing costs for the year ended December 31, 2002 as reported on its Statements of Cash Flows -- Investment Activities contained in its consolidated financial statements (in thousands):

Capital expenditures:	
Non-incremental	$ 9,104
Incremental	7,911
Tenant improvements:	
Non-incremental	20,973
Incremental	10,064
Additions to commercial real estate properties	$ 48,052
Leasing costs:	
Non-incremental	$ 10,483
Incremental	5,931
Payment of deferred leasing costs	$ 16,414
Acquisition and development costs	$ 41,896

The following table sets forth the Company's schedule of its top 25 tenants based on base rental revenue as of December 31, 2002:

TENANT NAME (1)	TENANT TYPE	TOTAL SQUARE FEET	PERCENT OF PRO-RATA SHARE OF ANNUALIZED BASE RENTAL REVENUE	PERCENT OF CONSOLIDATED ANNUALIZED BASE RENTAL REVENUE
* Debevoise & Plimpton	Office	465,420	3.3%	5.6%
* American Express	Office	238,342	2.0%	1.8%
* WorldCom/MCI	Office	335,242	1.8%	1.7%
Bell Atlantic	Office	210,426	1.6%	1.4%
* Schulte Roth & Zabel	Office	238,052	1.4%	2.4%
* HQ Global	Office/Industrial	201,900	1.2%	1.5%
United Distillers	Office	137,918	1.1%	1.0%
T.D. Waterhouse	Office	139,211	1.1%	0.9%
* Prudential	Office	127,153	0.9%	0.9%
* Banque Nationale De Paris	Office	145,834	0.9%	1.5%
* Kramer Levin Nessen Kamin	Office	158,144	0.9%	1.5%
Vytra Healthcare	Office	105,613	0.8%	0.7%
P.R. Newswire Associates	Office	67,000	0.8%	0.7%
Hoffmann-La Roche Inc.	Office	120,736	0.7%	0.6%
D.E. Shaw	Office	89,526	0.7%	0.6%
Heller Ehrman White	Office	64,526	0.7%	0.6%
* State Farm	Office/Industrial	164,175	0.7%	1.0%
EMI Entertainment World	Office	65,844	0.7%	0.6%
Laboratory Corp. of America	Office	108,000	0.7%	0.6%
Estee Lauder	Industrial	374,578	0.7%	0.6%
* Draft Worldwide, Inc.	Office	124,008	0.7%	1.2%
Practicing Law Institute	Office	62,000	0.7%	0.6%
Lockheed Martin Corp.	Office	123,554	0.7%	0.6%
Towers Perrin Foster	Office	88,233	0.6%	0.6%
Radianz (Reuters)	Office	130,009	0.6%	0.5%

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(1) Ranked by pro rata share of annualized base rental revenue adjusted for pro rata share of joint venture interests and to reflect WorldCom/MCI leases rejected to date.

* Part or all of space occupied by tenant is in a 51% or more owned joint venture building.

The following table sets forth the Company's lease expiration table, as of January 1, 2003 for its Total Portfolio of properties, its Office Portfolio and its Industrial/R&D portfolio:

TOTAL PORTFOLIO (A)

YEAR OF EXPIRATION	NUMBER OF LEASES EXPIRING	SQUARE FEET EXPIRING	% OF TOTAL PORTFOLIO SQ FT	CUMULATIVE % OF TOTAL PORTFOLIO SQ FT
2003	159	1,533,361	7.6%	7.6%
2004	192	1,622,196	8.0%	15.6%
2005	244	2,460,052	12.1%	27.7%
2006	223	2,649,790	13.1%	40.7%
2007	142	1,619,006	8.0%	48.7%
2008	98	1,420,922	7.0%	55.7%
2009 and thereafter	276	7,963,703	39.4%	95.0%
Total/Weighted Average	1,334	19,269,030	95.0%	--
Total Portfolio Square Feet		20,283,964		

OFFICE PORTFOLIO (A)

YEAR OF EXPIRATION	NUMBER OF LEASES EXPIRING	SQUARE FEET EXPIRING	% OF TOTAL OFFICE SQ FT	CUMULATIVE % OF TOTAL PORTFOLIO SQ FT
2003	139	1,064,852	7.9%	7.9%
2004	151	1,012,551	7.5%	15.3%
2005	211	1,804,599	13.3%	28.7%
2006	170	1,647,446	12.2%	40.8%
2007	110	1,255,054	9.3%	50.1%
2008	69	766,199	5.7%	55.7%
2009 and thereafter	227	5,339,943	39.4%	95.2%
Total/Weighted Average	1,077	12,890,644	95.2%	--
Total Office Portfolio Square Feet		13,549,033		

INDUSTRIAL/R&D PORTFOLIO

YEAR OF EXPIRATION	NUMBER OF LEASES EXPIRING	SQUARE FEET EXPIRING	% OF TOTAL INDUSTRIAL/R&D SQ FT	CUMULATIVE % OF TOTAL PORTFOLIO SQ FT
2003	20	468,509	7.0%	7.0%
2004	41	609,645	9.1%	16.0%
2005	33	655,453	9.7%	25.7%
2006	53	1,002,344	14.9%	40.6%
2007	32	363,952	5.4%	46.0%
2008	29	654,723	9.7%	55.7%
2009 and thereafter	49	2,623,760	39.0%	94.7%
Total/Weighted Average	257	6,378,386	94.7%	--
Total Industrial/R&D Portfolio Square Feet		6,734,931		

(a) Excludes the 355,000 square foot office property located in Orlando, Florida and three leases aggregating approximately 192,000 square feet, occupied by WorldCom which were rejected by WorldCom in February 2003, pursuant to their bankruptcy proceedings.

MORTGAGE INDEBTEDNESS

The following table sets forth certain information regarding the mortgage debt of the Operating Partnership, as of December 31, 2002.

PROPERTY	PRINCIPAL AMOUNT OUTSTANDING (IN THOUSANDS)	INTEREST RATE	MATURITY DATE	AMORTIZATION SCHEDULE
80 Orville Drive, Islip, NY	$ 2,616	10.10%	February 1, 2004	(3)
395 North Service Road, Melville, NY	19,709	6.45%	October 26, 2005	(2)
200 Summit Lake Drive, Valhalla, NY	19,373	9.25%	January 1, 2006	25 year
1350 Avenue of the Americas, NY, NY	74,631	6.52%	June 1, 2006	30 year
Landmark Square, Stamford, CT (5)	45,090	8.02%	October 7, 2006	25 year
100 Summit Lake Drive, Valhalla, NY	19,101	8.50%	April 1, 2007	15 year
333 Earl Ovington Blvd., Mitchel Field, NY (1)	53,864	7.72%	August 14, 2007	25 year
810 7th Avenue, NY, NY	82,854	7.73%	August 1, 2009	25 year
100 Wall Street, NY, NY	35,904	7.73%	August 1, 2009	25 year
6800 Jericho Turnpike, Syosset, NY	7,348	8.07%	July 1, 2010	25 year
6900 Jericho Turnpike, Syosset, NY	13,922	8.07%	July 1, 2010	25 year
580 White Plains Road, Tarrytown, NY	12,685	7.86%	September 1, 2010	25 year
919 3rd Avenue, NY, NY (6)	246,651	6.867%	August 1, 2011	30 year
110 Bi-County Blvd., Farmingdale, NY.	3,635	9.125%	November 30, 2012	20 year
120 West 45th Street, NY, NY	38,366	6.82% (4)	November 1, 2027	28 year
One Orlando Center, Orlando, FL	64,263	6.82% (4)	November 1, 2027	28 year
Total / Weighted average	$ 740,012	7.26%		

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(1) The Operating Partnership has a 60% general partnership interest in this property and its proportionate share of the aggregate principal amount of the mortgage debt is approximately $32.3 million.

(2) Principal payments of $34,000 per month.

(3) Interest only

(4) Subject to interest rate adjustment on November 1, 2004 to the greater of 8.82% per annum or the yield of noncallable U.S. Treasury obligations with a term of fifteen years plus 2% per annum.

(5) Encompasses six Class A office properties.

(6) The Operating Partnership has a 51% membership interest in this property and its proportionate share of the aggregate principal amount of the mortgage debt is approximately $125.8 million.

In addition, the Operating Partnership has a 60% interest in an unconsolidated joint venture property. The Operating Partnership's pro-rata share of the mortgage debt at December 31, 2002 is approximately $7.5 million. This mortgage note payable bears interest at 8.85% per annum and matures on September 1, 2005.

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 24, 2003, there were approximately 93 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, 2001	$ .3860
June 30, 2001	$ .4246 (1)
September 30, 2001	$ .4246
December 31, 2001	$ .4246
March 31, 2002	$ .4246
June 30, 2002	$ .4246
September 30, 2002	$ .4246
December 31, 2002	$ .4246

(1) Commencing with the distribution for the quarter ending June 30, 2001, the Operating Partnership increased the quarterly distribution to $.4246 per unit, which is equivalent to an annual distribution of $1.6984 per unit.

CLASS B COMMON UNITS

QUARTER ENDED	DISTRIBUTION
March 31, 2001	$ .6000
June 30, 2001	$ .6164 (1)
September 30, 2001	$ .6492
December 31, 2001	$ .6492
March 31, 2002	$ .6492
June 30, 2002	$ .6485 (2)
September 30, 2002	$ .6471
December 31, 2002	$ .6471

(1) Commencing with the distribution for the three month period ended July 31, 2001, the Operating Partnership increased the quarterly distribution to $.6492 per unit, which is equivalent to an annual distribution of $2.5968 per unit.

(2) Commencing with the distribution for the three month period ended July 31, 2002, the Operating Partnership decreased the quarterly distribution to $.6471 per unit, which is equivalent to an annual distribution of $2.5884 per unit.

The Operating Partnership issues additional units to the Company, with terms similar to the terms of any securities issued by the Company (including any securities issued by the Company upon the exercise of stock options), and thereby increases the Company's general partnership interest in the Operating Partnership. Any consideration received by the Company in respect of the issuance of its securities is contributed to the Operating Partnership.

As of December 31, 2002, the Company had approximately 5.2 million shares of its Class A common stock reserved for issuance under its stock option plans, in certain cases subject to vesting terms, at a weighted average exercise price of $23.42 per option. In addition, the Company has approximately 1.7 million shares of its Class A common stock reserved for future issuance under its stock option plans.

ITEM 6. SELECTED FINANCIAL DATA

RECKSON OPERATING PARTNERSHIP, L.P.
SELECTED FINANCIAL DATA
(in thousands except per unit data and property count)

	FOR THE YEAR ENDED DECEMBER 31,	
	2002	2001
OPERATING DATA:		
Total revenues	$ 506,092	$ 514,632
Total expenses	407,545	389,054
Income before distributions to preferred unit holders, minority interests, equity in earnings of real estate joint ventures and service companies, gain on sales of real estate, valuation reserves, discontinued operations and extraordinary loss	98,547	125,578
Minority interests	18,730	15,975
Extraordinary loss	2,602	2,898
Valuation reserves on investments in affiliate loans and joint ventures and other investments	--	166,101
Preferred distributions	23,123	23,977
Equity in earnings of real estate joint ventures and service companies	1,113	2,087
Gain on sales of real estate	537	20,173
Discontinued operations	5,473	1,170
Net income (loss) allocable to common unit holders	$ 61,215	$ (59,943)
PER UNIT DATA: (1)		
Net income (loss) per weighted average common unit:		
Basic net income (loss) before extraordinary loss	$ .80	$ (1.11)
Gain on sales of real estate	.01	.28
Discontinued operations	.08	.02
Extraordinary loss	(.04)	(.04)
Class A common unit	$ .85	$ (.85)
Basic net income (loss) before extraordinary loss	$ 1.21	$ (1.61)
Gain on sales of real estate	.01	.42
Discontinued operations	.11	.02
Extraordinary loss	(.05)	(.06)
Class B common unit	$ 1.28	$ (1.23)
Weighted average common units outstanding:		
Class A common units	57,059	55,773
Class B common units	10,122	10,284
Cash distributions declared per unit:		
Class A common unit	$ 1.70	$ 1.66
Class B common unit	$ 2.59	$ 2.55

	FOR THE YEAR ENDED DECEMBER 31,		
	2000	1999	1998
OPERATING DATA:			
Total revenues	$ 483,277	$ 387,653	$ 261,266
Total expenses	369,276	295,496	199,078
Income before distributions to preferred unit holders, minority interests, equity in earnings of real estate joint ventures and service companies, gain on sales of real estate, valuation reserves, discontinued operations and extraordinary loss	114,001	92,157	62,188
Minority interests	9,120	6,802	2,819
Extraordinary loss	1,571	629	1,993
Valuation reserves on investments in affiliate loans and joint ventures and other investments	--	--	--
Preferred distributions	28,012	27,001	14,244
Equity in earnings of real estate joint ventures and service companies	4,383	2,148	1,836
Gain on sales of real estate	18,669	10,052	--
Discontinued operations	1,303	1,309	1,285
Net income (loss) allocable to common unit holders	$ 99,653	$ 71,234	$ 46,253
PER UNIT DATA: (1)			
Net income (loss) per weighted average common unit:			
Basic net income (loss) before extraordinary loss	$ 1.22	$ 1.03	$ .99

Gain on sales of real estate	.28	.17	--
Discontinued operations	.02	.02	.03
Extraordinary loss	(.02)	(.01)	(.04)
Class A common unit	$ 1.50	$ 1.21	$ .98
Basic net income (loss) before extraordinary loss	$ 1.88	$ 1.66	$ --
Gain on sales of real estate	.43	.27	--
Discontinued operations	.03	.04	--
Extraordinary loss	(.04)	(.03)	--
Class B common unit	$ 2.30	$ 1.94	$ --
Weighted average common units outstanding:			
Class A common units	50,766	47,975	47,201
Class B common units	10,284	6,744	--
Cash distributions declared per unit:			
Class A common unit	$ 1.53	$ 1.45	$ 1.33
Class B common unit	$ 2.35	$ 1.54	$ --

RECKSON OPERATING PARTNERSHIP, L.P.
SELECTED FINANCIAL DATA--CONTINUED
(in thousands except per unit data and property count)

	FOR THE YEAR ENDED DECEMBER 31,	
	2002	2001
BALANCE SHEET DATA:		
(PERIOD END)		
Commercial real estate properties, before accumulated depreciation	$ 2,954,527	$ 2,880,879
Cash and cash equivalents (5)	30,576	121,773
Total assets	2,912,052	2,998,782
Mortgage notes payable	740,012	751,077
Unsecured credit facility (5)	267,000	271,600
Unsecured term loan	--	--
Senior unsecured notes	499,305	449,463
Market value of equity (2)	1,681,372	1,915,587
Total market capitalization including debt (2 and 3)	3,052,818	3,251,599
OTHER DATA:		
Funds from operations (4)	$ 161,024	$ 183,641
Total square feet (at end of period)	20,284	20,611
Number of properties (at end of period)	178	182

	FOR THE YEAR ENDED DECEMBER 31,		
	2000	1999	1998
BALANCE SHEET DATA:			
(PERIOD END)			
Commercial real estate properties, before accumulated depreciation	$2,770,607	$ 2,208,399	$ 1,737,133
Cash and cash equivalents (5)	16,624	21,122	2,228
Total assets	2,999,794	2,734,577	1,854,520
Mortgage notes payable	728,971	459,174	253,463
Unsecured credit facility (5)	216,600	297,600	465,850
Unsecured term loan	--	75,000	20,000
Senior unsecured notes	449,385	449,313	150,000
Market value of equity (2)	2,016,390	1,726,845	1,332,882
Total market capitalization including debt (2 and 3)	3,397,204	2,993,756	2,119,936
OTHER DATA:			
Funds from operations (4)	$ 169,911	$ 132,444	$ 98,501
Total square feet (at end of period)	21,291	21,385	21,000
Number of properties (at end of period)	188	189	204

(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 of joint venture debt plus the Operating Partnership's share of unconsolidated joint venture debt.

(4) Management believes that funds from operations ("FFO") is an appropriate measure of 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 Generally Accepted Accounting Principals 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. FFO for the year ended December 31, 2001 excludes $163 million of valuation reserves on investments in affiliate loans and joint ventures. 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.

(5) On January 4, 2002, approximately $85 million of the cash proceeds received from the sale of a 49% interest in the property located at 919 Third Avenue, New York, NY, was used to pay down the Operating Partnership's

unsecured credit facility

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 risks and uncertainties. Many of the forward-looking statements can be identified by the use of words such as "believes", "may", "expects", "anticipates", "intends" or similar expressions. 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. Among those risks, trends and uncertainties are: the general economic climate, including the conditions affecting industries in which our principal tenants compete; changes in the supply of and demand for office and industrial / R&D properties in the New York Tri-State area; changes in interest rate levels; downturns in rental rate levels in our markets and our ability to lease or re-lease space in a timely manner at current or anticipated rental rate levels; the availability of financing to us or our tenants; financial condition of our tenants; changes in operating costs, including utility, security and insurance costs; repayment of debt owed to the Operating Partnership by third parties (including FrontLine Capital Group); risks associated with joint ventures; liability for uninsured losses or environmental matters; and other risks associated with the development and acquisition of properties, including risks that development may not be completed on schedule, that the tenants will not take occupancy or pay rent, or that development or operating costs may be greater than anticipated. 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.

CRITICAL ACCOUNTING POLICIES

The consolidated financial statements of the Operating Partnership include accounts of the Operating Partnership and all majority-owned and controlled subsidiaries. The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions in certain circumstances that affect amounts reported in the Operating Partnership's consolidated financial statements and related notes. In preparing these financial statements, management has utilized information available including its past history, industry standards and the current economic environment among other factors in forming its estimates and judgments of certain amounts included in the consolidated financial statements, giving due consideration to materiality. It is possible that the ultimate outcome as anticipated by management in formulating its estimates inherent in these financial statements may not materialize. However, application of the critical accounting policies below involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. In addition, other companies may utilize different estimates, which may impact comparability of the Operating Partnership's results of operations to those of companies in similar businesses.

Revenue Recognition and Accounts Receivable

Rental revenue is recognized on a straight line basis, which averages minimum rents over the terms of the leases. The excess of rents recognized over amounts contractually due are included in deferred rents receivable on the Operating Partnership's balance sheets. The leases also typically provide for tenant reimbursements of common area maintenance and other operating expenses and real estate taxes. Ancillary and other property related income is recognized in the period earned.

The Operating Partnership makes estimates of the collectibility of its accounts receivables related to base rents, tenant escalations and reimbursements and other revenue or income. The Operating Partnership specifically analyzes tenant receivables and analyzes historical bad debts, customer credit worthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of its allowance for doubtful accounts. In addition, when tenants are in bankruptcy the Operating Partnership makes estimates of the expected recovery of pre-petition administrative and damage claims. In some cases, the ultimate resolution of those claims can exceed beyond a year. These estimates have a direct impact on the Operating Partnership's net income, because a higher bad debt reserve results in less net income.

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

Gain on sales 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 and the Company having no substantial continuing involvement with the buyer.

Real Estate

Land, buildings and improvements, furniture, fixtures and equipment are recorded at cost. Tenant improvements, which are included in buildings and improvements, are also stated at cost. Expenditures for maintenance and repairs are charged to operations as incurred. Renovations and / or replacements, which improve or extend the life of the asset are capitalized and depreciated over their estimated useful lives.

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 are amortized on a straight-line basis over the term of the related leases.

The Operating Partnership is required to make subjective assessments as to the useful lives of its properties for purposes of determining the amount of depreciation to reflect on an annual basis with respect to those properties. These assessments have a direct impact on the Operating Partnership's net income. Should the Operating Partnership lengthen the expected useful life of a particular asset, it would be depreciated over more years, and result in less depreciation expense and higher annual net income.

Assessment by the Operating Partnership of certain other lease related costs must be made when the Operating Partnership has a reason to believe that the tenant will not be able to execute under the term of the lease as originally expected.

Long Lived Assets

On a periodic basis, management assesses whether there are any indicators that the value of the real estate properties may be impaired. A property's value is impaired only if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property are less than the carrying value of the property. Such cash flows consider factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. To the extent impairment has occurred, the loss will be measured as the excess of the carrying amount of the property over the fair value of the property.

The Operating Partnership is required to make subjective assessments as to whether there are impairments in the value of its real estate properties and other investments. These assessments have a direct impact on the Operating Partnership's net income, because taking an impairment results in an immediate negative adjustment to net income. In determining impairment, if any, the Operating Partnership has adopted Financial Accounting Standards Board ("FASB") Statement No. 144, "Accounting for the Impairment or Disposal of Long Lived Assets".

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.

In connection with the Company's initial public offering ("IPO"), the Operating Partnership was granted ten year options to acquire ten properties (the "Option Properties") which are either owned by certain Rechler family members who are also executive officers of the Company, or in which the Rechler family members own a non-controlling minority interest at a price based upon an agreed upon formula. In years prior to 2001, one Option Property was sold by the Rechler family members to a third party and four of the Option 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. Currently, certain Rechler family members retain their equity interests in the five remaining Option Properties (the "Remaining Option Properties") which were not contributed to the Operating Partnership as part of the IPO. Such options provide the Operating Partnership the right to acquire fee interest in two of the Remaining Option Properties and the Rechlers' minority interests in three Remaining Option Properties. The Independent Directors of the Company are currently reviewing whether the Company should exercise one or more of the options relating to the Remaining Option Properties.

The Operating Partnership conducts its management, leasing and construction related services through the Company's taxable REIT subsidiaries as defined by the Internal Revenue Code of 1986 (the "Code"). These services are currently provided by Reckson Management Group, Inc., RANY Management Group, Inc., Reckson Construction Group New York, Inc. and Reckson Construction Group, Inc. (collectively, the "Service Companies") in which, as of September 30, 2002, the Operating Partnership owned a 97% non-controlling interest. An entity which is substantially owned by certain Rechler family members who are also executive officers of the Company owned a 3% controlling interest in the Service Companies. In order to minimize the potential for corporate conflicts of interests which became possible as a result of changes to the Code that permit REIT's to own 100% of taxable REIT subsidiaries, the Independent Directors of the Company approved the purchase by the Operating Partnership of the remaining 3% interest in the Service Companies. On October 1, 2002, the Operating Partnership acquired such 3% interests in the Service Companies for an aggregate purchase price of approximately $122,000. Such amount was less than the total amount of capital contributed to the Service Companies by the Rechler family members. As a result of the acquisition of the remaining interests in the Service Companies, the Operating Partnership commenced consolidating the operations of the Service Companies. During 2002, Reckson Construction Group, Inc. billed approximately $144,000 of market rate services and Reckson Management Group, Inc. billed approximately $313,000 of market rate management fees to the Remaining Option Properties. In addition, for the year ended December 31, 2002, Reckson Construction Group, Inc. performed market rate services, aggregating approximately $322,000 for a property in which certain executive officers maintain an equity interest.

Reckson Management Group, Inc. leases 43,713 square feet of office and storage space at a Remaining Option Property for its corporate offices located in Melville, New York at an annual base rent of approximately $1.2 million. Reckson Management Group, Inc. also leases 10,722 square feet of warehouse space used for equipment, materials and inventory storage at a Remaining Option Property located in Deer Park, New York at an annual base rent of approximately $75,000.

A company affiliated with an Independent Director of the Company leases 15,566 square feet in a property owned by the Operating Partnership at an annual base rent of approximately $431,500. Reckson Strategic Venture Partners, LLC ("RSVP") leases 5,144 square feet in one of the Operating Partnership's joint venture properties at an annual base rent of approximately $176,000.

During July 1998, the Operating Partnership formed Metropolitan Partners, LLC ("Metropolitan") for the purpose of acquiring Class A office properties in New York City. Currently the Operating Partnership owns, through Metropolitan, five Class A office properties aggregating approximately 3.5 million square feet.

During September 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 for a 51% majority ownership interest. TIAA contributed approximately $136 million for a 49% interest in the Tri-State JV which was then distributed to the Operating Partnership. As a result, the Operating Partnership realized a gain of approximately $15.2 million. The Company is responsible for managing the day-to-day operations and business affairs of the Tri-State JV and has substantial rights in making decisions affecting the properties such as leasing, marketing and financing. The minority member has certain rights primarily intended to protect its investment. For purposes of its financial statements the Company consolidates the Tri-State JV.

On December 21, 2001, the Operating Partnership formed a joint venture with the New York State Teachers' Retirement Systems ("NYSTRS") whereby NYSTRS acquired a 49% indirect interest in the property located at 919 Third Avenue, New York, NY for $220.5 million which included $122.1 million of its proportionate share of secured mortgage debt and approximately $98.4 million of cash which was then distributed to the Operating Partnership. As a result, the Operating Partnership realized a gain of approximately $18.9 million. The Company is responsible for managing the day-to-day operations and business affairs of the 919JV and has substantial rights in making decisions affecting the property such as developing a budget, leasing and marketing. The minority member has certain rights primarily intended to protect its investment. For purposes of its financial statements the Company consolidates the 919JV.

As of December 31, 2002 the Operating Partnership owned 178 properties (inclusive of 11 joint venture properties) in the Tri-State Area suburban and central business district ("CBD") markets, encompassing approximately 20.3 million rentable square feet, all of which are managed by the Operating Partnership. These properties include 60 Class A suburban office properties encompassing approximately 8.5 million rentable square feet, of which 42 of these properties, or 74% as measured by square footage, are located within the Operating Partnership's ten office parks. Reckson has historically emphasized the development and acquisition of properties that are part of large-scale suburban office parks. 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. The properties also include 15 Class A CBD office properties encompassing approximately 5.1 million rentable square feet. The CBD office properties consist of five properties located in New York City, eight properties located in Stamford, CT and two properties located in White Plains, NY. Additionally, the Company owned 101 industrial / R&D properties encompassing approximately 6.7 million rentable square feet, of which 71 of these properties, or 58% as measured by square footage, are located within the Operating Partnership's three industrial parks. The properties also include two retail properties comprising approximately 20,000 rentable square feet.

The Operating Partnership also owns approximately 338 acres of land in 14 separate parcels of which the Operating Partnership can develop approximately 3.2 million square feet of office space and approximately 470,000 square feet of industrial / R&D space. The Operating Partnership is currently evaluating alternative land uses for certain of the land holdings to realize the highest economic value. These alternatives may include rezoning certain land parcels from commercial to residential for potential disposition. As of December 31, 2002, the Operating Partnership had invested approximately $121.2 million in these development projects. Management has made subjective assessments as to the value and recoverability of these investments based on current and proposed development plans, market comparable land values and alternative use values. The Operating Partnership has capitalized

approximately $10.5 million during 2002 related to real estate taxes, interest and other carrying costs related to these development projects. Since the IPO, the Operating Partnership has developed, redeveloped, renovated or repositioned 27 properties encompassing approximately 5.3 million square feet of office and industrial space.

During February 2003, the Operating Partnership, through Reckson Construction Group Inc., entered into a contract with an affiliate of First Data Corp. to sell a 19.3-acre parcel of land located in Melville, New York and has been retained by the purchaser to develop a build-to-suit 195,000 square foot office building for aggregate consideration of approximately $47 million. This transaction is scheduled to close during the first quarter of 2003 and construction of the aforementioned office building is scheduled to commence shortly thereafter.

The Operating Partnership holds a $17.0 million note receivable which bears interest at 11.5% per annum and is secured by a minority partnership interest in Omni Partners, L.P., owner of the Omni, a 579,000 square foot Class A office property located in Uniondale, N.Y. (the "Omni Note"). The Operating Partnership currently owns a 60% majority partnership interest in Omni Partners, L.P. and on March 14, 2007 may exercise an option to acquire the remaining 40% interest for a price based on 90% of the fair market value of the property. The Operating Partnership also holds three other notes receivable aggregating $36.5 million which bear interest at rates ranging from 10.5% to 12% per annum and are secured in part by a minority partner's preferred unit interest in the Operating Partnership, certain interest in real property and a personal guaranty (the "Other Notes" and collectively with the Omni Note, the "Note Receivable Investments"). As of December 31, 2002, management has made subjective assessments as to the underlying security value on the Operating Partnership's Note Receivable Investments. Based on these assessments the Operating Partnership's management believes there is no impairment to the carrying value related to the Operating Partnership's Note Receivable Investments. The Operating Partnership also owns a 355,000 square foot office building in Orlando, Florida. This non-core real estate holding was acquired in May 1999 in connection with the Operating Partnership's initial New York City portfolio acquisition. This property is cross collateralized under a $103 million mortgage note payable along with one of the Operating Partnership's New York City buildings.

The Operating Partnership also owns a 60% non-controlling interest in a 172,000 square foot office building located at 520 White Plains Road in White Plains, New York (the "520JV") which it manages. The remaining 40% interest is owned by JAH Realties L.P. Jon Halpern, the CEO and a director of HQ Global Workplaces, is a partner in JAH Realties, L.P. As of December 31, 2002, the 520JV had total assets of $21.0 million, a mortgage note payable of $12.5 million and other liabilities of $197,000. The Operating Partnership's allocable share of the 520JV mortgage note payable is approximately $7.5 million. This mortgage note payable bears interest at 8.85% per annum and matures on September 1, 2005. In addition, the 520JV had total revenues of $4.2 million and $4.0 million and total expenses of $3.3 million and $3.3 million for the years ended December 31, 2002 and 2001, respectively. The operating agreement of the 520JV requires joint decisions from all members on all significant operating and capital decisions including sale of the property, refinancing of the property's mortgage debt, development and approval of leasing strategy and leasing of rentable space. As a result of the decision-making participation relative to the operations of the property, the Operating Partnership accounts for the 520JV under the equity method of accounting. The 520JV contributed approximately $648,000 and $478,000 to the Operating Partnership's equity in earnings of real estate joint ventures for the year ended December 31, 2002 and 2001, respectively.

Through its ownership of properties in the key CBD and suburban office markets in the Tri-State Area, the Operating Partnership believes it has a unique competitive advantage as the trend toward the regional decentralization of the workplace increases. Due to the events of September 11, 2001, as well as technological advances which further enable decentralization, companies are strategically re-evaluating the benefits and feasibility of regional decentralization and reassessing their long-term space needs. The Operating Partnership believes this multi-location regional decentralization will continue to take place, increasing as companies begin to have better visibility as to the future of the economy, further validating our regional strategy of maintaining a significant market share in each of the key CBD and suburban office markets in the Tri-State Area.

The Operating Partnership's core business strategy is based on a long-term outlook considering real estate is a cyclical business. The Operating Partnership seeks to accomplish long-term stability and success by developing and maintaining an infrastructure and franchise that is modeled for success over the long-term. This approach allows the Operating Partnership to recognize different points in the market cycle and adjust its strategy accordingly. Currently, the Operating Partnership remains cautious about the market environment. With this cautious bias we choose to maintain our conservative operating strategy of focusing on retaining high occupancies, controlling operating expenses, maintaining a high level of investment discipline and preserving financial flexibility.

The market capitalization of the Operating Partnership at December 31, 2002 was approximately $3.1 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 and (iii) approximately $1.4 billion (including its share of joint venture debt and net of minority partners' interests share of joint venture debt) of debt outstanding at December 31, 2002. As a result, the Operating Partnership's total debt to total market capitalization ratio at December 31, 2002 equaled approximately 44.9%.

During 1997, the Company formed FrontLine Capital Group, formerly Reckson Service Industries, Inc. ("FrontLine") and RSVP. RSVP is a real estate venture capital fund which invests primarily in real estate and real estate operating companies outside the Operating Partnership's core office and industrial focus and whose common equity is held indirectly by FrontLine. In connection with the formation and spin-off of FrontLine, the Operating Partnership established an unsecured 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. The Operating Partnership advanced approximately $93.4 million under the FrontLine Facility. The Operating Partnership also approved the funding of investments of up to $100 million relating to RSVP (the "RSVP Commitment"), through RSVP-controlled joint ventures (for REIT-qualified investments) or advances made to FrontLine under an unsecured loan facility (the "RSVP Facility") having terms similar to the FrontLine Facility (advances made under the RSVP Facility and the FrontLine Facility hereafter, the "FrontLine Loans"). During March 2001, the Operating Partnership increased the RSVP Commitment to $110 million and as of December 31, 2002, approximately $109.1 million had been funded through the RSVP Commitment, of which $59.8 million represents investments by the Operating Partnership in RSVP-controlled (REIT-qualified) joint ventures and $49.3 million represents loans made to FrontLine under the RSVP Facility. As of December 31, 2002, interest accrued (net of reserves) under the FrontLine Facility and the RSVP Facility was approximately $19.6 million. RSVP retained the services of two managing directors to manage RSVP's day-to-day operations. Prior to the spin off of Frontline, the Company guaranteed certain salary provisions of their employment agreements with RSVP Holdings, LLC, RSVP's common member. The term of these employment agreements is seven years commencing March 5, 1998, provided however, that the term may be earlier terminated after five years upon certain circumstances. The salary for each managing director is $1 million in the first five years and $1.6 million in years six and seven.

At June 30, 2001, the Company assessed the recoverability of the FrontLine Loans and reserved approximately $3.5 million of the interest accrued during the three-month period then ended. In addition, the Company formed a committee of its Board of Directors, comprised solely of independent directors, to consider any actions to be taken by the Company in connection with the FrontLine Loans and its investments in joint ventures with RSVP. During the third quarter of 2001, the Company noted a significant deterioration in FrontLine's operations and financial condition and, based on its assessment of value and recoverability and considering the findings and recommendations of the committee and its financial advisor, the Company recorded a $163 million valuation reserve charge, inclusive of anticipated costs, in its consolidated statements of operations relating to its investments in the FrontLine Loans and joint ventures with RSVP. The Operating Partnership has discontinued the accrual of interest income with respect to the FrontLine Loans. The Operating Partnership has also reserved against its share of GAAP equity in earnings from the RSVP controlled joint ventures funded through the RSVP

Commitment until such income is realized through cash distributions. If the RSVP-controlled joint ventures reported losses, the Operating Partnership would record its proportionate share of such losses.

At December 31, 2001, the Operating Partnership, pursuant to Section 166 of the Code, charged off for tax purposes $70 million of the aforementioned reserve directly related to the FrontLine Facility, including accrued interest. On February 14, 2002, the Operating Partnership charged off for tax purposes an additional $38 million of the reserve directly related to the FrontLine Facility, including accrued interest, and $47 million of the reserve directly related to the RSVP Facility, including accrued interest.

FrontLine is in default under the FrontLine Loans from the Operating Partnership and on June 12, 2002, filed a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code.

As a result of the foregoing, the net carrying value of the Operating Partnership's investments in the FrontLine Loans and joint venture investments with RSVP, inclusive of the Operating Partnership's share of previously accrued GAAP equity in earnings on those investments, is approximately $65 million which was reassessed with no change by management as of December 31, 2002. Such amount has been reflected in investments in service companies and affiliate loans and joint ventures on the Operating Partnership's consolidated balance sheet. The common and preferred members of RSVP are currently in dispute over certain provisions of the RSVP operating agreement. The members are currently negotiating to restructure the RSVP operating agreement to settle the dispute. There can be no assurances that the members will successfully negotiate a settlement.

Both the FrontLine Facility and the RSVP Facility terminate on June 15, 2003, are unsecured and advances thereunder are recourse obligations of FrontLine. Notwithstanding the valuation reserve, under the terms of the credit facilities, interest accrued on the FrontLine Loans 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 were outstanding for more than one year increasing annually at a rate of four percent of the prior year's rate. In March 2001, the credit facilities were amended to provide that (i) interest is payable only at maturity and (ii) the Company may transfer all or any portion of its rights or obligations under the credit facilities to its affiliates. The Company requested these changes as a result of changes in REIT tax laws. As a result of FrontLine's default under the FrontLine Loans, interest on borrowings thereunder accrue at default rates ranging between 13% and 14.5% per annum.

Scott H. Rechler, who serves as Co-Chief Executive Officer and a director of the Company, serves as CEO and Chairman of the Board of Directors of FrontLine.

HQ Global Workplaces, Inc. ("HQ"), one of the largest providers of flexible officing solutions in the world and which is controlled by FrontLine, currently operates nine (formerly eleven) executive office centers in the Operating Partnership's properties, three of which are held through joint ventures. The leases under which these office centers operate expire between 2008 and 2011, encompass approximately 202,000 square feet and have current contractual annual base rents of approximately $6.1 million. On March 13, 2002, as a result of experiencing financial difficulties, HQ voluntarily filed a petition for relief under Chapter 11 of the U.S. Bankruptcy Code. Subsequent to HQ filing for bankruptcy protection it defaulted under their leases with the Operating Partnership. Further, effective March 13, 2002, the Bankruptcy Court granted HQ's petition to reject two of its leases with the Operating Partnership. The two rejected leases aggregated approximately 23,900 square feet and provided for contractual base rents of approximately $548,000 for the 2002 calendar year. Commencing April 1, 2002 and pursuant to the bankruptcy filing, HQ has been paying current rental charges under its leases with the Operating Partnership, other than under the two rejected leases. The Operating Partnership is in negotiation to restructure four of the leases and leave the terms of the remaining five leases unchanged. All negotiations with HQ are conducted through a committee designated by the Company's Board and chaired by an independent director. There can be no assurance as to whether any deal will be consummated with HQ or if HQ will affirm or reject any or all of its remaining leases with the Operating Partnership. As a result of the foregoing, the Operating Partnership has reserved approximately $550,000 (net of minority partners' interests and including the Operating Partnership's share of unconsolidated joint venture interest), or 74%, of the amounts due from HQ as of December 31, 2002. Scott H. Rechler serves as non-executive Chairman of the Board of HQ and Jon Halpern is the Chief Executive Officer and a director of HQ.

WorldCom/MCI and its affiliates ("WorldCom"), a telecommunications company, which leased, as of December 31, 2002, approximately 527,000 square feet in thirteen of the Operating Partnership's properties located throughout the Tri-State Area voluntarily filed a petition for relief under Chapter 11 of the U.S. Bankruptcy Code on July 21, 2002. The total annualized base rental revenue from these leases amounted to approximately $12.0 million, or 2.9% of the Operating Partnership's total 2002 annualized rental revenue, making it the Operating Partnership's second largest tenant based on base rental revenue earned on a consolidated basis. All of WorldCom's leases were current on base rental charges through December 31, 2002 and the Operating Partnership currently holds approximately $300,000 in security deposits relating to these leases. In February 2003, the Bankruptcy Court granted WorldCom's petition to reject three of its leases with the Operating Partnership. The three rejected leases aggregated approximately 192,000 square feet and provided for contractual base rents of approximately $4.8 million for the 2002 calendar year. The Operating Partnership is currently in negotiations to restructure the remaining WorldCom leases. There can be no assurance as to whether WorldCom will affirm or reject any or all of its remaining leases with the Operating Partnership. As a result of the foregoing, the Operating Partnership has written off approximately $1.1 million of deferred rent receivable. In addition, the Operating Partnership reserved an additional $475,000 against the deferred rents receivable representing approximately 46% of the outstanding deferred rents receivable attributable to the remaining WorldCom leases.

MetroMedia Fiber Network Services, Inc. ("MetroMedia"), which leased approximately 112,000 square feet in one property from the Operating Partnership, voluntarily filed a petition for relief under Chapter 11 of the U.S. Bankruptcy Code in May 2002. MetroMedia's lease with the Operating Partnership provided for contractual base rent of approximately $25 per square foot amounting to $2.8 million per calendar year and expired in May 2010. In July 2002, the Bankruptcy Court granted MetroMedia's petition to restructure and reduce space under its existing lease. As a result, the lease was amended to reduce MetroMedia's space by 80,357 square feet to 31,718 square feet. Annual base rent on the 31,718 square feet MetroMedia will continue to lease is $25 per square foot amounting to approximately $793,000 per annum. Further, pursuant to the Bankruptcy Court order MetroMedia is required to pay to the Operating Partnership a surrender fee of approximately $1.8 million. As a result of the foregoing, the Operating Partnership wrote-off approximately $388,000 of deferred rent receivable relating to this lease and recognized the aforementioned surrender fee.

Arthur Andersen, LLP ("AA") leased approximately 38,000 square feet in one of the Operating Partnership's New York City buildings. AA's lease with the Operating Partnership provided for base rent of approximately $2 million on an annualized basis and expired in April 2004. AA has experienced significant financial difficulties with its business and as a result has entered into a lease termination agreement with the Operating Partnership effective November 30, 2002. In October 2002, AA paid the Operating Partnership for all base rental and other charges through November 30, 2002 and a lease termination fee of approximately $144,000. As a result of the foregoing, the Operating Partnership has written off approximately $130,000 of deferred rent receivable attributable to AA's lease.

RESULTS OF OPERATIONS

The Operating Partnership's total revenues decreased by $8.5 million or 1.7% from 2001 to 2002 and increased by $31.4 million or 6.5% from 2000 to 2001. Property operating revenues, which include base rents and tenant escalations and reimbursements ("Property Operating Revenues") increased by $3.9 million or .8% from 2001 to 2002 and $45.7 million or 10.2% from 2000 to 2001. The 2002 increase in Property Operating Revenues is attributable to net increases in rental rates and lease termination fees in our "same store" properties of $8.2 million. In addition, Property Operating Revenues increased by $8.7 million attributable to lease up of newly developed and redeveloped assets. These increases were offset by $10.6 million of revenue attributable to six properties that were sold in 2001 and an increase in reserves or write-offs of $2.4 million related to tenant receivables and deferred rents receivable. The 2001 increase in Property Operating Revenues is primarily attributable to increases in rental rates in our "same store" properties amounting to $29.3 million. In addition, $12.4 million of the increase was generated by the lease up of newly developed and redeveloped properties added to the operating portfolio. The

increase in Property Operating Revenues offset the decrease of $14.4 million in other revenues. This decrease is primarily due to a decrease of $11.6 million related to interest earned on advances made under the FrontLine Loans.

The Operating Partnership's base rent reflects the positive impact of the straight-line rent adjustment of $26.6 million in 2002, $41.6 million in 2001 and $38.8 million in 2000. The 2002, 2001 and 2000 straight-line rent adjustment includes $9.4 million, $26.9 million and $23.3 million, respectively, generated from the property located at 919 Third Avenue, New York, NY, which is primarily attributable to rental abatement periods for the three largest tenants.

During the year ended December 31, 2002, the Operating Partnership incurred approximately $6.3 million of bad debt expense related to tenant receivables and deferred rents receivable which accordingly reduced total revenues for the year then ended.

Property operating expenses, real estate taxes and ground rents ("Property Expenses") increased by $7.8 million or 4.6% from 2001 to 2002 and $11.2 million or 7.2% from 2000 to 2001. The 2002 increase in Property Expenses is primarily due to a $5.3 million increase in property operating expenses and a $5.9 million increase in real estate taxes related to our "same store" properties. Included in the $5.3 million increase in property operating expenses is $2.7 million and $1.4 million of increased insurance and security costs, respectively. These increases result primarily from implications of the events that occurred on September 11, 2001 and the security cost increases relate primarily to our New York City properties. In addition, Property Expenses increased by $2.0 million attributable to the lease up of newly developed and redeveloped properties. These increases in Property Expenses were offset by $5.4 million of expenses attributable to six properties that were sold in 2001. The 2001 increase in Property Expenses is primarily due to an increase in property operating expenses of $10.2 million in our "same-store" properties which consists of a $6.2 million increase in property operating expenses and a $4.0 million increase in real estate taxes. The increase in Property Expenses is also attributable to increases in labor costs, maintenance contracts and security costs. In addition, there was an increase in Property Expenses of $2.7 million due to higher occupancy levels at our developed and redeveloped properties.

Gross operating margins (defined as Property Operating Revenues less Property Expenses, taken as a percentage of Property Operating Revenues) for 2002, 2001 and 2000 were 64.9%, 66.1% and 65.2%, respectively. The slight decrease from 2001 to 2002 in gross operating margin percentages resulted primarily from portfolio wide increases in real estate taxes and property and liability insurance costs. The increase from 2000 to 2001 is primarily due to an increase in rental rates.

Marketing, general and administrative expenses were $31.6 million in 2002, $26.6 million in 2001 and $25.0 million in 2000. The increase in marketing, general and administrative expenses is primarily due to the increased costs of maintaining offices and infrastructure in each of the Operating Partnership's five divisional markets and 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 and CBD markets and the New York City market, to create a superior franchise value by applying its standards for high quality office and industrial / R&D space and premier tenant service to its five operating divisions. Over the past three years the Operating Partnership has supported this effort by increasing its marketing programs and strengthening its resources and operating systems. The cost of these efforts is reflected in both marketing, general and administrative expenses as well as the revenue growth of the Operating Partnership. In addition, approximately $4.4 million of the 2002 increase is attributable to the amortization of stock loans to certain executive and senior officers of the Company and other costs incurred by the Company on behalf of the Operating Partnership. To a lesser extent, in 2001, the increase in marketing, general and administrative costs was impacted by legal and professional fees incurred in connection with certain cancelled acquisition transactions and amortization of deferred compensation costs. Marketing, general and administrative expenses as a percentage of total revenues were 6.2% in 2002, 5.2% in 2001 and 5.2% in 2000.

Interest expense was $88.6 million in 2002, $93.1 million in 2001 and $96.3 million in 2000. The decrease of $4.5 million from 2001 to 2002 is attributable to an overall decrease in interest rates on the Operating Partnership's unsecured credit facility amounting to approximately $8.7 million. This decrease

was offset by (i) increased interest expense of $1.7 million on the Operating Partnership's senior unsecured notes resulting from the issuance of $50 million of five-year notes in June 2002, (ii) a net increase in mortgage interest expense of approximately $520,000 which was primarily attributable to the $50 million principal increase on the debt of 919 Third Avenue in July 2001 and the satisfaction of three mortgage notes payable aggregating approximately $24.3 million during 2001 and (iii) approximately a $2.0 million decrease in capitalized interest attributable to a decrease in the level of development projects. The decrease of $3.2 million from 2000 to 2001 is attributable to lower interest rates and a decreased average balance on the Operating Partnership's unsecured credit facility. This was partially offset by an increase in the Operating Partnership's mortgage notes payable which was the result of the refinancing of the property located at 919 Third Avenue, New York, NY. The weighted average balance outstanding on the Operating Partnership's unsecured credit facility was $284.5 million in 2001 and $416.5 million in 2000.

Included in depreciation and amortization expense is amortized financing costs of $4.5 million in 2002, $4.5 million in 2001 and $4.1 million in 2000.

For the year ended December 31, 2001, the Operating Partnership's consolidated statement of operations includes valuation reserve charges of $166.1 million which is comprised of the following: (i) valuation reserve charges, inclusive of anticipated costs, of $163 million related to the Operating Partnership's investments in the FrontLine Loans and joint ventures with RSVP (see Overview and Background for a further discussion of this valuation reserve charge), (ii) in November 1999, the Company received 176,186 shares of the common stock of FrontLine as fees in connection with the FrontLine Loans. As a result of certain tax rule provisions included in the REIT Modernization Act, it was determined that the Company could no longer maintain any equity position in FrontLine. As part of a compensation program, the Company distributed these shares to certain non-executive employees subject to recourse loans. The loans were scheduled to be forgiven over time based on continued employment with the Company. Based on the current value of FrontLine's common stock the Operating Partnership has established a valuation reserve charge relating to the outstanding balance of these loans in the amount of $2.4 million and (iii) based on the Company's value assessment of its investment in Captivate Network, Inc., an unrelated technology based service company, the Operating Partnership recorded a valuation reserve charge of approximately $700,000.

Extraordinary losses resulted in a $2.6 million loss in 2002, a $2.9 million loss in 2001 and a $1.6 million loss in 2000. The extraordinary losses were all attributable to the write-offs of certain deferred loan costs incurred in connection with the Operating Partnership's refinancing of its debt.

LIQUIDITY AND CAPITAL RESOURCES

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 Credit Facility contains several financial covenants with which the Operating Partnership must be in compliance in order to borrow funds thereunder. During certain quarterly periods, the Operating Partnership may incur significant leasing costs as a result of increased market demands from tenants and high levels of leasing transactions. As a result, during these periods the Operating Partnership's cash flow from operating activities may not be sufficient to pay 100% of the quarterly distributions due on its common units. To meet the short-term funding requirements relating to these leasing costs, the Operating Partnership may use proceeds of property sales or borrowings under its Credit Facility. The Operating Partnership expects to meet certain of its financing requirements through long-term secured and unsecured borrowings and the issuance of debt and equity securities of the Operating Partnership. There can be no assurance that there will be adequate demand for the Company's equity at the time or at the price in which the Company desires to raise capital through the sale of additional equity. In addition, when valuations for commercial real estate properties are high, the Operating Partnership will seek to sell certain properties or interests therein to realize value and profit created. The Operating Partnership will then seek opportunities to reinvest the capital realized from these dispositions back into value-added

assets in the Operating Partnership's core Tri-State Area markets, as well as pursue its stock repurchase program. 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 equity offerings, will be adequate to meet the capital and liquidity requirements of the Operating Partnership in both the short and long-term.

As a result of current economic conditions, certain tenants have either not renewed their leases upon expiration or have paid the Operating Partnership to terminate their leases. In addition, a number of U.S. companies have filed for protection under federal bankruptcy laws. Certain of these companies are tenants of the Operating Partnership. The Operating Partnership is subject to the risk that other companies that are tenants of the Operating Partnership may file for bankruptcy protection. This may have an adverse impact on the financial results and condition of the Operating Partnership. In addition, vacancy rates in our markets have been trending higher and in some instances our asking rents in our markets have been trending lower and landlords are being required to grant greater concessions such as free rent and tenant improvements. Additionally, the Operating Partnership carries comprehensive liability, fire, extended coverage and rental loss insurance on all of its properties. Five of the Operating Partnership's properties are located in New York City. As a result of the events of September 11, 2001, insurance companies are limiting coverage for acts of terrorism in all risk policies. In November 2002, the Terrorism Risk Insurance Act of 2002 was signed into law which, among other things, requires insurance companies to offer coverage for losses resulting from defined "acts of terrorism" through 2004. The Operating Partnership's current insurance coverage provides for full replacement cost of its properties, except that the coverage for acts of terrorism on its properties covers losses in an amount up to $300 million per occurrence. As a result, the Operating Partnership may suffer losses from acts of terrorism that are not covered by insurance. In addition, the mortgage loans which are secured by certain of the Operating Partnership's properties contain customary covenants, including covenants that require the Operating Partnership to maintain property insurance in an amount equal to replacement cost of the properties. There can be no assurance that the lenders under these mortgage loans will not take the position that exclusions from the Operating Partnership's coverage for losses due to terrorist acts is a breach of a covenant which, if uncured, could allow the lenders to declare an event of default and accelerate repayment of the mortgage loans. Other outstanding debt instruments contain standard cross default provisions that would be triggered in the event of an acceleration of the mortgage loans. This matter could adversely affect the Operating Partnership's financial results, its ability to finance and / or refinance its properties or to buy or sell properties.

The terrorist attacks of September 11, 2001, in New York City may adversely effect the value of the Operating Partnership's New York City properties and its ability to generate cash flow. There may be a decrease in demand in metropolitan areas that are considered at risk for future terrorist attacks, and this decrease may reduce the Operating Partnership's revenues from property rentals.

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.

Summary of Cash Flows

Net cash provided by operating activities totaled $196.1 million in 2002, $188.8 million in 2001 and $170.2 million in 2000. Increases for each year were primarily attributable to the growth in cash flow provided by the acquisition of properties and / or 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. The lower level of increase in 2002 is attributable to a more competitive operating environment in which the Operating Partnership did not acquire additional properties as well as a decrease in market rental rates and occupancies in the Operating Partnership's markets.

Net cash used in investing activities totaled $85.1 million in 2002, $87.5 million in 2001 and $261.3 million in 2000. The decrease in cash flows used in investing activities over the past three years is primarily attributable to the Operating Partnership's decrease in property acquisitions. Cash used in investing activities during 2002 related primarily to the Operating Partnership's ongoing development of its properties, the acquisition of approximately 52.7 acres of development land located in Valhalla, NY and costs associated with creating tenant space including the payment of leasing costs. Cash used in investing activities during 2001 and 2000 related primarily to investments in real estate properties including development costs. Included in these investing activities for the 2001 and 2000 periods is the Operating Partnership's investments of approximately $18.7 million and $16.3 million, respectively, in RSVP-controlled (REIT qualified) joint ventures. Cash used in investing activities for the 2001 and 2000 periods was offset by proceeds from the redemption of the Operating Partnership's preferred equity investments in Keystone Property Trust as well as from sales of real estate, securities and mortgage note receivable repayments in each of the years then ended.

Net cash used in financing activities totaled $202.2 million in 2002. Net cash provided by financing activities totaled $3.8 million in 2001 and $86.6 million in 2000. Cash used in financing activities during 2002 related primarily to the Company's stock buy-back program and repurchases of its Series A preferred stock aggregating approximately $75 million. In addition, during 2002 cash used in financing activities was impacted by principal payments on secured borrowings and distributions. These uses of cash were offset by the Operating Partnership issuing $50 million of five-year senior unsecured notes. Cash provided by financing activities during 2001 and 2000 related primarily to proceeds from secured debt financings, minority partner contributions and advances under the Operating Partnership's unsecured credit facility. Cash provided by financing activities for the 2001 and 2000 periods was offset by advances made under the FrontLine Loans of approximately $7.2 million and $13.6 million, respectively. Cash provided by financing activities during these years was also offset by principal payments on secured borrowings and the unsecured credit facility as well as loan issuance costs and distributions.

Investing Activities

On April 1, 2002, the Operating Partnership paid approximately $23.8 million to acquire 52.7 acres of land located in Valhalla, NY on which the Operating Partnership can develop approximately 875,000 square feet of office space. The Operating Partnership currently owns and operates three buildings encompassing approximately 700,000 square feet in the same office park in which this land parcel is located. This acquisition was financed in part from the sales proceeds of an office property being held by a qualified intermediary for the purposes of an exchange of real property pursuant to Section 1031 of the Code and from an advance under the Credit Facility.

On August 7, 2002, the Operating Partnership sold an industrial property on Long Island aggregating approximately 32,000 square feet for approximately $1.8 million. This property was sold to the sole tenant of the property through an option contained in the tenant's lease. On August 8, 2002, the Operating Partnership sold two Class A office properties located in Westchester County, NY aggregating approximately 157,000 square feet for approximately $18.5 million. Net proceeds from these sales were used to repay borrowings under the Credit Facility and for general corporate purposes.

The following table sets forth the Operating Partnership's invested capital (before valuation reserves) in RSVP controlled (REIT-qualified) joint ventures and amounts which were advanced under the RSVP Commitment to FrontLine, for its investment in RSVP controlled investments (in thousands):

	RSVP CONTROLLED JOINT VENTURES	AMOUNTS ADVANCED	TOTAL
Privatization	$21,480	$ 3,520	$ 25,000
Student Housing	18,086	3,935	22,021
Medical Offices	20,185	--	20,185
Parking	--	9,091	9,091
Resorts	--	8,057	8,057
Net leased retail	--	3,180	3,180
Other assets and overhead	--	21,598	21,598
	$59,751	$49,381	$109,132

Included in these investments is approximately $16.5 million of cash that has been contributed to the respective RSVP controlled joint ventures or advanced under the RSVP Commitment to FrontLine and is being held, along with cash contributed by the preferred investors.

Financing Activities

During 2002, the Operating Partnership paid cash distributions on its Class A common units of approximately $1.70 per unit and approximately $2.59 per unit on its Class B common units.

During the year ended December 31, 2002, approximately 11,303 preferred units of limited partnership interest, with a liquidation preference value of approximately $11.3 million, were exchanged for 451,394 Class A Units at an average price of $24.66 per Unit. In addition, the Company increased its general partner interest in the Operating Partnership by acquiring 666,468 outstanding Units from certain limited partners in exchange for an equal number of shares of its Class A common stock.

During the year ended December 31, 2001, approximately 11,553 preferred units of limited partnership interest, with a liquidation preference value of approximately $11.6 million, were exchanged for 456,351 Units at an average price of $25.32 per Unit. In addition, the Company increased its general partner interest in the Operating Partnership by acquiring 660,370 outstanding Units from certain limited partners in exchange for an equal number of shares of it's Class A common stock.

In May 2001, a minority partner that owned an $85 million preferred equity investment in Metropolitan converted its preferred equity investment into 3,453,881 shares of the Company's Class A common stock based on a conversion price of $24.61 per share and the Operating Partnerhsip issued 3,453,881 Class A common units to the Company. As a result of the minority partner's conversion of its preferred equity investment, the Operating Partnership owns 100% of Metropolitan.

The Operating Partnership currently has a three year $500 million unsecured revolving credit facility (the "Credit Facility") from JPMorgan Chase Bank, as administrative agent, Wells Fargo Bank, National Association as syndication agent and Citicorp North America, Inc. and Wachovia Bank, National Association as co-documentation agents. The Credit Facility matures in December 2005, contains options for a one year extension subject to a fee of 25 basis points and, upon receiving additional lender commitments, increasing the maximum revolving credit amount to $750 million. In addition, borrowings under the Credit Facility are currently priced off LIBOR plus 90 basis points and the Credit Facility carries a facility fee of 20 basis points per annum. In the event of a change in the Operating Partnership's unsecured credit rating the interest rates and facility fee are subject to change. The outstanding borrowings under the Credit Facility were $267.0 million at December 31, 2002.

The Credit Facility replaced the Operating Partnership's $575 million unsecured credit facility (the "Prior Facility" and together with the Credit Facility, the "Credit Facility"). As a result, certain deferred loan costs incurred in connection with the Prior Facility were written off. Such amount is reflected as an extraordinary loss on the Operating Partnership's consolidated statements of operations.

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, 2002, the Operating Partnership had availability under the Credit Facility to borrow approximately an additional $203.0 million subject to compliance with certain financial covenants.

On June 17, 2002, the Operating Partnership issued $50 million of five-year 6.00% (6.125% effective rate) senior unsecured notes. Net proceeds of approximately $49.4 million received from this issuance were used to repay outstanding borrowings under the Prior Facility.

The Board of Directors of the Company has authorized the purchase of up to an additional five million shares of the Company's Class A common stock and / or its Class B common stock. Under this buy-back program, the Operating Partnership purchased 368,200 Class B common units at an average price of $22.90 per Class B unit and 2,698,400 Class A common units at an average price of $21.60 per Class A unit for an aggregate purchase price for both the Class A and Class B common units of approximately $66.7 million. As a result of these purchases, annual common unit distributions will decrease by approximately $5.5 million. Previously, in conjunction with the Company's prior stock buy-back program, the Operating Partnership purchased and retired 1,410,804 Class B common units at an average price of $21.48 per Class B unit and 61,704 Class A common units at an average price of $23.03 per Class A unit for an aggregate purchase price for both the Class A and Class B common units of approximately $31.7 million.

The Board of Directors of the Company has formed a pricing committee to consider purchases of up to $75 million of the Company's outstanding preferred securities. During October 2002, the Company purchased and retired 357,500 shares of its Series A preferred stock at $22.29 per share for approximately $8.0 million. As a result, the Operating Partnership purchased and retired an equal number of preferred units of general partnership interest from the Company and reduced annual preferred distributions by approximately $682,000.

Capitalization

The Operating Partnership's indebtedness at December 31, 2002 totaled approximately $1.4 billion (including its share of joint venture debt and net of the minority partners' interests share of joint venture debt) and was comprised of $267.0 million outstanding under the Credit Facility, approximately $499.3 million of senior unsecured notes and approximately $605.1 million of mortgage indebtedness. Based on the Operating Partnership's total market capitalization of approximately $3.1 billion at December 31, 2002, (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 and the $1.4 billion of debt), the Operating Partnership's debt represented approximately 44.9% of its total market capitalization.

During 2002, the Operating Partnership purchased 2,698,400 Class A common units, 368,200 Class B common units and 357,500 preferred units of general partnership interest from the Company for an aggregate purchase price of approximately $75 million. In addition, the Operating Partnership issued $50 million of five year, 6.00% senior unsecured notes. Net proceeds from this issuance were used to repay outstanding borrowings under the Prior Facility.

The Operating Partnership issues additional units to the Company with terms similar to the terms of any securities issued by the Company (including any securities issued by the Company upon the exercise of stock options), and thereby increases the Company's general partnership interest in the Operating Partnership. Any consideration received by the Company in respect of the issuance of its securities is contributed to the Operating Partnership.

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.

Contractual Obligations and Commercial Commitments

The following table sets forth the Operating Partnership's significant debt obligations by scheduled principal cash flow payments and maturity date and its commercial commitments by scheduled maturity at December 31, 2002 (in thousands):

	MATURITY DATE						
	2003	2004	2005	2006	2007	THEREAFTER	TOTAL
Mortgage notes payable (1)	$ 12,300	$ 13,169	$ 14,167	$ 13,785	$ 11,305	$ 117,389	$ 182,115
Mortgage notes payable (2)	--	2,616	18,553	129,920	60,539	346,269	557,897
Senior unsecured notes	--	100,000	--	--	200,000	200,000	500,000
Unsecured credit facility	--	--	267,000	--	--	--	267,000
Land lease obligations	2,707	2,811	2,814	2,795	2,735	43,276	57,138
Operating leases	1,368	1,313	1,359	1,407	1,455	683	7,585
Air rights lease obligations	369	379	379	379	379	4,280	6,165
	$ 16,744	$ 120,288	$ 304,272	$ 148,286	$ 276,413	$ 711,897	$ 1,577,900

(1) Scheduled principal amortization payments

(2) Principal payments due at maturity

(3) In addition, the Operating Partnership has a 60% interest in an unconsolidated joint venture property. The Operating Partnership's pro rata share of the mortgage debt at December 31, 2002 is approximately $7.5 million. This mortgage note payable bears interests at 8.85% per annum and matures on September 1, 2005.

Certain of the mortgage notes payable are guaranteed by certain limited partners in the Operating Partnership and / or the Company. In addition, consistent with customary practices in non-recourse lending, certain non-recourse mortgages may be recourse to the Company under certain limited circumstances including environmental issues and breaches of material representations.

At December 31, 2002, the Operating Partnership had approximately $1.0 million in outstanding undrawn standby letters of credit issued under the Credit Facility. In addition, approximately $45.1 million, or 6.1% of the Operating Partnership's mortgage debt is recourse to the Operating Partnership.

Others Matters

Thirteen of the Operating Partnership's office properties which were acquired by the issuance of Units are subject to agreements limiting the Operating Partnership's ability to transfer them prior to agreed upon dates without the consent of the limited partner who transferred the respective property to the Operating Partnership. In the event the Operating Partnership transfers any of these properties prior to the expiration of these limitations, the Operating Partnership may be required to make a payment relating to taxes incurred by the limited partner. The limitations on seven of the properties expire prior to June 30, 2003. The limitations on the remaining properties expire in 2013.

Eleven of the Operating Partnership's office properties are held in joint ventures which contain certain limitations on transfer. These limitations include requiring the consent of the joint venture partner to transfer a property prior to various specified dates ranging from 2003 to 2005, rights of first offer, and buy / sell provisions.

The Company has historically structured long term incentive programs ("LTIP") using restricted stock and stock loans. In July 2002, as a result of certain provisions of the Sarbanes Oxley legislation, the Company has discontinued the use of stock loans in its LTIP. In connection with LTIP grants made prior to the enactment of the Sarbanes Oxley legislation the Company made stock loans to certain executive and senior officers to purchase 1,372,393 shares of its Class A common stock at market prices ranging from $18.44 per share to $27.13 per share. The stock loans were set to bear interest at the mid-term

Applicable Federal Rate and were secured by the shares purchased. Such stock loans including accrued interest vest and are ratably forgiven each year on the annual anniversary of the grant date based upon vesting periods ranging from four to ten years based on continued service and in part on attaining certain annual performance measures. These stock loans had an initial aggregate weighted average vesting period of approximately nine years. Approximately $4.5 million of compensation expense was recorded for the year ended December 31, 2002 related to these LTIP. Such amount has been included in marketing, general and administrative expenses on the Operating Partnership's consolidated statements of operations.

During 2002, approximately $3.9 million of stock loans made in prior years in connection with the aforementioned LTIP matured. These stock loans were secured by 155,418 shares of Class A common stock which were issued at prices ranging from $22.50 per share to $27.13 per share. As a result of the Company discontinuing the use of stock loans as part of its LTIP, the stock loans were satisfied with restricted stock held by the Company which secured the stock loans. The aggregate market value of these shares on the maturity dates of the stock loans was approximately $3.4 million. The aggregate difference between the market value of these shares and the carrying value of the stock loans was recorded as a loss on the Operating Partnership's consolidated statements of operations. The 155,418 shares of Class A common stock were subsequently retired by the Company and the related Units were cancelled by the Operating Partnership.

The outstanding stock loan balances due from the Company's executive and senior officers aggregated approximately $17.0 million and $24.3 million at December 31, 2002 and 2001, respectively, and have been included as a reduction of additional paid in capital on the Operating Partnership's consolidated statements of partners' capital. The Company has other outstanding loans to its executive and senior officers amounting to approximately $1.0 million at December 31, 2002 and 2001, related to life insurance contracts and approximately $1.0 million and $.9 million at December 31, 2002 and 2001, respectively, primarily related to tax payment advances on a stock compensation award made to a non-executive officer.

In November 2002, the Company granted rights to 190,524 shares of its Class A common stock to certain executive officers. These shares vest ratably over a four-year period and will be issued in ratable installments on each anniversary date of the grant as compensation to the executive officer.

Effective January 2003, the Company established a new LTIP for its executive and senior officers. The four year plan has a core component which provides for annual stock based compensation based upon continued service and in part based on attaining certain annual performance measures. The plan has a special long-term component which provides for compensation to be earned at the end of a four year period if the Company attains certain four year cumulative performance measures. Amounts earned under the special long-term component may be paid in cash or stock at the discretion of the Compensation Committee of the Board. Performance measures are based on total shareholder returns on a relative and absolute basis.

The Operating Partnership issues Units to the Company in respect of any common stock issued by the Company. In addition, the Operating Partnership or a subsidiary, funds the compensation of personnel, including any amounts payable under the LTIP.

Funds From Operations

Management believes that funds from operations ("FFO") is an appropriate measure of 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). FFO for the year ended December 31, 2001 excludes $163 million of valuation reserves on investments in affiliate loans and joint ventures.

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 Partnerships FFO calculation for the years ended December 31, (in thousands):

	2002	2001	2000
Income (loss) before extraordinary loss	$ 63,817	$ (57,045)	$ 101,224
Less:			
Extraordinary loss	2,602	2,898	1,571
Net Income	61,215	(59,943)	99,653
Adjustment for Funds From Operations:			
Add:			
Real estate depreciation and amortization	108,906	100,967	90,552
Minority interests' in consolidated partnerships	18,730	15,975	9,120
Valuation reserves on investments in affiliate loans and joint ventures	--	163,000	--
Extraordinary loss	2,602	2,898	1,571
Less:			
Gain on sales of real estate	5,433	20,173	18,669
Amounts distributable to minority partners in consolidated partnerships	24,996	19,083	12,316
Funds From Operations	$ 161,024	$ 183,641	$ 169,911
Weighted average units outstanding	67,180	66,057	61,050

INFLATION

The office leases generally provide for fixed base rent increases or indexed escalations. In addition, the office leases provide for separate escalations of real estate taxes, operating expenses and electric costs over a base amount. The industrial / R&D 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 be offset by contractual rent increases and expense escalations described above. As a result of the impact of the events of September 11, 2001, the Operating Partnership has realized increased insurance costs, particularly relating to property and terrorism insurance, and security costs. The Operating Partnership has included these costs as part of its escalatable expenses. The Operating Partnership has billed these escalatable expense items to its tenants consistent with the terms of the underlying leases and believes they are collectible. To the extent the Operating Partnership's properties contain vacant space, the Operating Partnership will bear such inflationary increases in expenses.

The Credit Facility bears interest at a variable rate, which will be influenced by changes in short-term interest rates, and is sensitive to inflation.

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 Operating Partnership will recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges will be adjusted to fair value through income. If a derivative is a hedge, depending on the nature of the hedge, changes in the fair value of the derivative will either be offset

against the change in fair value of the hedged asset, liability or firm commitment through earnings, or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. As of December 31, 2002, the Operating Partnership had no derivatives.

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 FMV at December 31, 2002 (dollars in thousands):

For the Year Ended December 31,

	FOR THE YEAR ENDED DECEMBER 31,				
	2003	2004	2005	2006	2007
Long term debt:					
Fixed rate	$ 12,300	$ 115,785	$ 32,720	$ 143,705	$ 271,844
Weighted average interest rate .	7.51%	7.47%	6.92%	7.38%	7.51%
Variable rate	$ --	$ --	$ 267,000	$ --	$ --
Weighted average interest rate .	--%	--%	4.25%	--%	--%

	THEREAFTER	TOTAL (1)	F M V
Long term debt:			
Fixed rate	$ 663,658	$ 1,240,012	$ 1,260,299
Weighted average interest rate .	7.32%	7.37%	
Variable rate	$ --	$ 267,000	$ 267,000
Weighted average interest rate .	--%	4.25%	

(1) Includes unamortized issuance discounts of $537 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 $2.7 million annual increase in interest expense based on approximately $267.0 million outstanding at December 31, 2002.

The following table sets forth the Operating Partnership's mortgage notes and notes receivable by scheduled maturity date, weighted average interest rates and estimated FMV at December 31, 2002 (dollars in thousands): For the Year Ended December 31,

	FOR THE YEAR ENDED DECEMBER 31,				
	2003	2004	2005	2006	2007
Mortgage notes and notes receivable:					
Fixed rate	$ --	$ 36,500	$ --	$ --	$ --
Weighted average interest rate	--%	10.23%	--%	--%	--%

	THEREAFTER	TOTAL (2)	F M V
Mortgage notes and notes receivable:			
Fixed rate	$ 16,990	$ 53,490	$ 54,642
Weighted average interest rate	11.95%	10.77%	

(2) Excludes mortgage note receivable acquisition costs and interest receivables aggregating approximately $1.1 million.

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, 13, 14 AND 16

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, 13, 14 and 16 is identical to the information contained in Items 10, 11, 12, 13, 14 and 16 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 2003 Annual Meeting. Such information is incorporated by reference in this Form 10-K.

PART IV

ITEM 15. 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-8
Consolidated Balance Sheets as of December 31, 2002 and December 31, 2001	IV-9
Consolidated Statements of Operations for the years ended December 31, 2002, 2001 and 2000	IV-10
Consolidated Statements of Partners' Capital for the years ended December 31, 2002, 2001 and 2000	IV-11
Consolidated Statements of Cash Flows for the years ended December 31, 2002, 2001 and 2000	IV-12
Notes to Financial Statements	IV-13
Schedule III -- Real Estate and Accumulated Depreciation	IV-34

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	e	Supplement to the Amended and Restated Agreement of Limited Partnership of the Registrant Establishing Series A Preferred Units of Limited Partnership Interest
3.3	e	Supplement to the Amended and Restated Agreement of Limited Partnership of the Registrant Establishing Series B Preferred Units of Limited Partnership Interest
3.4	e	Supplement to the Amended and Restated Agreement of Limited Partnership of the Registrant Establishing Series C Preferred Units of Limited Partnership Interest
3.5	e	Supplement to the Amended and Restated Agreement of Limited Partnership of the Registrant Establishing Series D Preferred Units of Limited Partnership Interest
3.6	g	Supplement to the Amended and Restated Agreement of Limited Partnership of the Registrant Establishing Series B Common Units of Limited Partnership Interest
3.7	g	Supplement to the Amended and Restated Agreement of Limited Partnership of the Registrant Establishing Series E Preferred Partnership Units of Limited Partnership
3.8	j	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	f	Form of 7.40% Notes due 2004 of the Registrant
4.2	f	Form of 7.75% Notes due 2009 of the Registrant
4.3	f	Indenture, dated March 26, 1999, among the Registrant, Reckson Associates Realty Corp. (the "Company"), and The Bank of New York, as trustee
4.4	j	Rights Agreement, dated as of October 13, 2000, between the Registrant and American Stock Transfer and Trust Company
4.5	o	Form of 6.00% Notes due 2007 of the Registrant
4.6	d	Note Purchase Agreement for the Senior Unsecured Notes
10.1	d	Third Amended and Restated Agreement of Limited Partnership of Omni Partners, L.P.
10.2	h	Amendment and Restatement of Employment and Non-Competition Agreement, dated as of August 15, 2000 between the Company and Donald Rechler
10.3	h	Amendment and Restatement of Employment and Non-Competition Agreement, dated as of August 15, 2000 between the Company and Scott Rechler
10.4	h	Amendment and Restatement of Employment and Non-Competition Agreement, dated as of August 15, 2000 between the Company and Mitchell Rechler
10.5	h	Amendment and Restatement of Employment and Non-Competition Agreement, dated as of August 15, 2000 between the Company and Gregg Rechler
10.6	h	Amendment and Restatement of Employment and Non-Competition Agreement, dated as of August 15, 2000 between the Company and Roger Rechler
10.7	h	Amendment and Restatement of Employment and Non-Competition Agreement, dated as of August 15, 2000 between the Company and Michael Maturo
10.8	h	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	m	Amended and Restated 1995 Stock Option Plan
10.12	c	1996 Employee Stock Option Plan
10.13	b	Ground Leases for certain of the properties
10.14	a	Indemnity Agreement relating to 100 Oser Avenue
10.15	m	Amended and Restated 1997 Stock Option Plan
10.16	d	1998 Stock Option Plan
10.17	h	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Donald Rechler
10.18	h	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Scott Rechler
10.19	h	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Mitchell Rechler
10.20	h	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Gregg Rechler
10.21	h	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Roger Rechler
10.22	h	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Michael Maturo
10.23	h	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Jason Barnett
10.24	g	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")
10.25	g	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")
10.26	g	Letter Agreement, dated November 30, 1999, amending the RSVP Credit Agreement and the RSI Credit Agreement
10.27	k	Second Amendment to the Amended and Restated Credit Agreement, dated March 30, 2001, between the Registrant and FrontLine Capital Group
10.28	l	Loan Agreement, dated as of June 1, 2001, between 1350 LLC, as Borrower, and Secore Financial Corporation, as Lender
10.29	l	Loan Agreement, dated as of July 18, 2001, between Metropolitan 919 3rd Avenue, LLC, as Borrower, and Secore Financial Corporation, as Lender

10.30	h	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
10.31	i	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
10.32	i	Consolidated, Amended and Restated Secured Promissory Note relating to Metropolitan 810 7th Ave., LLC and 100 Wall Company LLC
10.33	n	Amended and Restated Operating Agreement of 919 JV LLC
10.34	p	2002 Stock Option Plan
10.35	r	Indemnification Agreement, dated as of May 23, 2002, between the Company and Donald J. Rechler*

EXHIBIT NUMBER	FILING REFERENCE	DESCRIPTION
10.36	q	Second Amended and Restated Credit Agreement, dated as of December 30, 2002, among the Registrant, the institutions from time to time party thereto as Lenders and JPMorgan Chase Bank, as Administrative Agent
10.37	q	Form of Guarantee Agreement to the Second Amended and Restated Credit Agreement, between and among the Registrant, the institutions from time to time party thereto as Lenders and JPMorgan Chase Bank, as Administrative Agent
10.38	q	Form of Promissory Note to the Second Amended and Restated Credit Agreement, between and among the Registrant, the institutions from time to time party thereto as Lenders and JPMorgan Chase Bank, as Administrative Agent
10.39	q	First Amendment to Second Amended and Restated Credit Agreement, dated as of January 24, 2003, among the Registrant, JPMorgan Chase Bank, as Administrative Agent for the institutions from time to time party thereto as Lenders and Key Bank, N.A., as New Lender
10.40		Long-Term Incentive Award Agreement, dated March 13, 2003, between the Company and Scott H. Rechler**
10.41		Award Agreement, dated November 14, 2002, between the Company and Scott H. Rechler***
10.42		Award agreement, dated March 13, 2003, between the Company and Scott H. Rechler****
12.1		Statement of Ratios of Earnings to Fixed Charges
21.1		Statement of Subsidiaries
23.1		Consent of Independent Auditors
24.1		Power of Attorney (included in Part IV of the Form 10-K)
99.1		Certification of Donald J. Rechler, Co-Chief Executive Officer of the Company, the sole general partner of the Registrant, pursuant to Section 1350 of Chapter 63 of title 18 of the United States Code
99.2		Certification of Scott H. Rechler, Co-Chief Executive Officer of the Company, the sole general partner of the Registrant, pursuant to Section 1350 of Chapter 63 of title 18 of the United States Code
99.3		Certification of Michael Maturo, Executive Vice President, Treasurer and Chief Financial Officer of the Company, the sole general partner of the Registrant, pursuant to Section 1350 of Chapter 63 of title 18 of the United States Code

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(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 Company's Form 8-K report filed with the SEC on March 1, 1999 and incorporated herein by reference.

(f) Previously filed as an exhibit to the Registrant's Form 8-K filed with SEC on March 26, 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 17, 2000 and incorporated herein by reference.

(h) 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.

(i) 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.

(j) Previously filed as an exhibit to the Registrant's Form 10-K filed with the SEC on March 22, 2001 and incorporated herein by reference.

(k) Previously filed as an exhibit to the Registrant's Form 10-Q filed with the SEC on May 14, 2001 and incorporated herein by reference.

(l) Previously filed as an exhibit to the Registrant's Form 10-Q filed with the SEC on August 14, 2001 and incorporated herein by reference.

(m) Previously filed as an exhibit to the Company's Form 10-Q filed with the SEC on November 14, 2001 and incorporated herein by reference.

(n) Previously filed as an exhibit to the Registrant's Form 8-K filed with the SEC on January 8, 2002 and incorporated herein by reference.

(o) Previously filed as an exhibit to the Registrant's Form 8-K filed with the SEC on June 18, 2002 and incorporated herein by reference.

(p) Previously filed as an exhibit to the Registrant's Form 10-Q filed with the SEC on August 14, 2002 and incorporated herein by reference.

(q) Previously filed as an exhibit to the Registrant's Current Report on 8-K filed with the SEC on January 27, 2003 and incorporated herein by reference.

(r) Previously filed with the Registrant's Form 10-Q filed with the SEC on November 14, 2002 and incorporated herein by reference.

* Each of Scott H. Rechler, Mitchell D. Rechler, Gregg M. Rechler, Michael Maturo, Roger M. Rechler, Jason M. Barnett, Herve A. Kevenides, John V.N. Klein, Lewis S. Ranieri and Conrad D. Stephenson has entered into an Indemnification Agreement with the Company, dated May 23, 2002. Each of Ronald H. Menaker and Peter Quick has entered into an Indemnification Agreement with the Company dated May 1, 2002. These Agreements are identical in all material respects to the Indemnification Agreement for Donald J. Rechler filed herewith.

** Each of Donald J. Rechler, Mitchell D. Rechler, Gregg M. Rechler, Michael Maturo, Roger M. Rechler and Jason M. Barnett has entered into a Long-Term Incentive Award Agreement with the Company, dated March 13, 2003. These Agreements are identical in all material respects to the

Long-Term Incentive Award Agreement for Scott H. Rechler filed herewith.

*** Each of Donald J. Rechler, Mitchell D. Rechler, Gregg M. Rechler, Michael Maturo and Roger M. Rechler has been awarded certain rights to shares of Class A common stock of the Company, pursuant to award agreements dated Nov ember 14, 2002. These Agreements are identical in all material respects to the Agreement for Scott H. Rechler filed herewith, except that Donald J. Rechler received rights to 46,983 shares each of Mitchell D. Rechler, Gregg M. Rechler and Michael Maturo received rights to 27,588 shares and Roger M. Rechler received rights to 25,530 shares.

**** Each of Donald J. Rechler, Mitchell D. Rechler, Gregg M. Rechler, Michael Maturo, Roger M. Rechler and Jason M. Barnett has been awarded certain rights to shares of Class A common stock of the Company, pursuant to award agreements dated March 13, 2003. These Agreements are identical in all material respects to the Agreement for Scott H. Rechler filed herewith.

REPORTS ON FORM 8-K

On November 5, 2002, the Registrant submitted a report on Form 8-K under Item 9 thereof in order to submit supplemental operating and financial data for the quarter ended September 30, 2002.

On November 6, 2002, the Registrant submitted a report on Form 8-K under Item 9 thereof in order to submit its third quarter presentation.

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 13, 2003.

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 we, the undersigned officers and directors of Reckson Associates Realty Corp., the corporate general partner of the registrant, hereby severally constitute Scott H. Rechler, Mitchell D. Rechler and Michael Maturo, and each of them singly, our true and lawful attorneys with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, the Form 10-K filed herewith and any and all amendments to said Form 10-K, and generally to do all such things in our names and in our capacities as officers and directors to enable the registrant to comply with the provisions of the Securities Exchange Act of 1934, and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or any of them, to said Form 10-K and any and all amendments thereto. 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 13, 2003.

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 Realty Corp.	/s/ Ronald Menaker Ronald Menaker	Director of Reckson Associates Realty Corp.
/s/ Scott H. Rechler Scott H. Rechler	Co-Chief Executive Officer and Director of Reckson Associates Realty Corp.	/s/ Peter Quick Peter Quick	Director of Reckson Associates Realty Corp.
/s/ Mitchell D. Rechler Mitchell D. Rechler	Co-President, Chief Administrative Officer and Director of Reckson Associates Realty Corp.	/s/ Herve A. Kevenides Herve A. Kevenides	Director of Reckson Associates Realty Corp.
/s/ Gregg M. Rechler Gregg M. Rechler	Co-President, Chief Operating Officer and Director of Reckson Associates Realty Corp.	/s/ John V.N. Klein John V.N. Klein	Director of Reckson Associates Realty Corp.
/s/ Michael Maturo Michael Maturo	Executive Vice President, Treasurer and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) of Reckson Associates Realty Corp.	/s/ Lewis S. Ranieri Lewis S. Ranieri	Director of Reckson Associates Realty Corp.
/s/ Roger M. Rechler Roger M. Rechler	Executive Vice President, Vice-Chairman of the Board and Director of Reckson Associates Realty Corp.	/s/ Conrad D. Stephenson Conrad D. Stephenson	Director of Reckson Associates Realty Corp.

CERTIFICATION

I, Donald J. Rechler, certify that:

1. I have reviewed this annual report on Form 10-K of Reckson Operating Partnership, L.P.

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this annual report;

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors:

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls; and

6. The Registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 13, 2003

/s/ Donald J. Rechler

Donald J. Rechler
Co-Chief Executive Officer
Co-Chief Executive Officer,
Reckson Associates Realty Corp.,
the sole general partner of
the Registrant

CERTIFICATION

I, Scott H. Rechler, certify that:

1. I have reviewed this annual report on Form 10-K of Reckson Operating Partnership, L.P.

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this annual report;

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors:

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls; and

6. The Registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 13, 2003

/s/ Scott H. Rechler

Scott H. Rechler
Co-Chief Executive Officer,
Reckson Associates Realty Corp.,
the sole general partner of
the Registrant

CERTIFICATION

I, Michael Maturo, certify that:

1. I have reviewed this annual report on Form 10-K of Reckson Operating Partnership, L.P.

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this annual report;

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors:

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls; and

6. The Registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 13, 2003

/s/ Michael Maturo

Michael Maturo
Executive Vice President, Treasurer
and Chief Financial Officer,
Reckson Associates Realty Corp.,
the sole general partner of
the Registrant

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, 2002 and 2001, and the related consolidated statements of operations, partners' capital, and cash flows for each of the three years in the period ended December 31, 2002. We have also audited the financial statement schedule listed in the index at item 15 (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, 2002 and 2001, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2002, 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 27, 2003

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

	DECEMBER 31, 2002	DECEMBER 31, 2001
ASSETS		
Commercial real estate properties, at cost (Notes 2, 3, 5, and 6)		
Land	$ 418,040	$ 408,837
Buildings and improvements	2,415,252	2,328,374
Developments in progress:		
Land	92,924	69,365
Development costs	28,311	74,303
Furniture, fixtures and equipment	13,595	7,725
	2,968,122	2,888,604
Less accumulated depreciation	(454,018)	(361,960)
	2,514,104	2,526,644
Investments in real estate joint ventures	6,116	5,744
Investment in mortgage notes and notes receivable (Note 6)	54,547	56,234
Cash and cash equivalents (Note 9)	30,576	121,773
Tenant receivables	14,050	9,633
Investments in service companies and affiliate loans and joint ventures (Note 8)	78,104	84,142
Deferred rents receivable	107,366	81,089
Prepaid expenses and other assets	36,846	45,303
Contract and land deposits and pre-acquisition costs	240	3,782
Deferred leasing and loan costs, less accumulated amortization of $48,049 and $41,411, respectively	70,103	64,438
Total Assets	$ 2,912,052	$ 2,998,782
LIABILITIES		
Mortgage notes payable (Note 2)	$ 740,012	$ 751,077
Unsecured credit facility (Note 3)	267,000	271,600
Senior unsecured notes (Note 4)	499,305	449,463
Accrued expenses and other liabilities	90,320	84,651
Distributions payable	31,575	32,988
Total Liabilities	1,628,212	1,589,779
Minority interests in consolidated partnerships	242,934	242,698
Commitments and contingencies (Notes 9, 10, and 13)	--	--
PARTNERS' CAPITAL (NOTE 7)		
Preferred Capital, 10,854,162 and 11,222,965 units outstanding, respectively	281,690	301,573
General Partners Capital:		
Class A common units, 48,246,083 and 49,982,377 units outstanding, respectively	478,121	551,417
Class B common units, 9,915,313 and 10,283,513 units outstanding, respectively	209,675	231,428
Limited Partners Capital, 7,276,224 and 7,487,218 units outstanding, respectively	71,420	81,887
Total Partners Capital	1,040,906	1,166,305
Total Liabilities and Partners Capital	$ 2,912,052	$ 2,998,782

(see accompanying notes to financial statements)

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

	FOR THE YEAR ENDED DECEMBER 31, 2002
REVENUES (NOTE 10):	
Property operating revenues:	
Base rents	$ 437,393
Tenant escalations and reimbursements	60,689
Total property operating revenues	498,082
Interest income on mortgage notes and notes receivable (including $4,287, $4,196 and $5,237, respectively from related parties)	6,279
Investment and other income (including $85, $5,164 and $21,455, respectively from related parties)	1,731
Total Revenues	506,092
EXPENSES:	
Property operating expenses	175,041
Marketing, general and administrative	31,578
Interest	88,585
Depreciation and amortization	112,341
Total Expenses	407,545
Income before distributions to preferred unit holders, minority interests, equity in earnings of real estate joint ventures and service companies, gain on sales of real estate, valuation reserves, discontinued operations and extraordinary loss	98,547
Minority partners' interest in consolidated partnerships	(18,730)
Equity in earnings of service companies and real estate joint ventures (including $465, $1,450 and $2,792, respectively from related parties)	1,113
Gain on sales of real estate (Note 6)	537
Valuation reserves on investments in affiliate loans and joint ventures and other investments (Notes 8 and 13)	--
Income (loss) before discontinued operations, extraordinary loss and distributions to preferred unitholders	81,467
Discontinued operations:	
Income from discontinued operations	578
Gain on sales of real estate	4,895
Income (loss) before extraordinary loss and distributions to preferred unit holders	86,940
Extraordinary loss on extinguishment of debts	(2,602)
Net income (loss)	84,338
Preferred unit distributions	(23,123)
Net income (loss) allocable to common unitholders	$ 61,215
Net income (loss) allocable to:	
Class A common units	$ 48,286
Class B common units	12,929
Total	$ 61,215
Net income (loss) per weighted average units:	
Class A common	$ .80
Gain on sales of real estate	.01
Discontinued operations	.08
Extraordinary loss	(.04)
Net income (loss) per Class A common	$ .85
Class B common	$ 1.21
Gain on sales of real estate	.01
Discontinued operations	.11
Extraordinary loss	(.05)
Net income (loss) per Class B commonunit	$ 1.28
Weighted average common units outstanding:	
Class A common	57,059,000
Class B common	10,122,000

	FOR THE YEAR ENDED DECEMBER 31,	
	2001	2000
REVENUES (NOTE 10):		
Property operating revenues:		
Base rents	$ 434,671	$ 394,019

Tenant escalations and reimbursements	59,538	54,470
Total property operating revenues	494,209	448,489
Interest income on mortgage notes and notes receivable (including $4,287, $4,196 and $5,237, respectively from related parties)	6,238	8,212
Investment and other income (including $85, $5,164 and $21,455, respectively from related parties)	14,185	26,576
Total Revenues	514,632	483,277
EXPENSES:		
Property operating expenses	167,291	156,103
Marketing, general and administrative	26,600	25,029
Interest	93,055	96,335
Depreciation and amortization	102,108	91,809
Total Expenses	389,054	369,276
Income before distributions to preferred unit holders, minority interests, equity in earnings of real estate joint ventures and service companies, gain on sales of real estate, valuation reserves, discontinued operations and extraordinary loss	125,578	114,001
Minority partners' interest in consolidated partnerships	(15,975)	(9,120)
Equity in earnings of service companies and real estate joint ventures (including $465, $1,450 and $2,792, respectively from related parties)	2,087	4,383
Gain on sales of real estate (Note 6)	20,173	18,669
Valuation reserves on investments in affiliate loans and joint ventures and other investments (Notes 8 and 13)	(166,101)	--
Income (loss) before discontinued operations, extraordinary loss and distributions to preferred unitholders	(34,238)	127,933
Discontinued operations:		
Income from discontinued operations	1,170	1,303
Gain on sales of real estate	--	--
Income (loss) before extraordinary loss and distributions to preferred unit holders	(33,068)	129,236
Extraordinary loss on extinguishment of debts	(2,898)	(1,571)
Net income (loss)	(35,966)	127,665
Preferred unit distributions	(23,977)	(28,012)
Net income (loss) allocable to common unitholders	$ (59,943)	$ 99,653
Net income (loss) allocable to:		
Class A common units	$ (47,283)	$ 76,046
Class B common units	(12,660)	23,607
Total	$ (59,943)	$ 99,653
Net income (loss) per weighted average units:		
Class A common	$ (1.11)	$ 1.22
Gain on sales of real estate	.28	.28
Discontinued operations	.02	.02
Extraordinary loss	(.04)	(.02)
Net income (loss) per Class A common	$ (.85)	$ 1.50
Class B common	$ (1.61)	$ 1.88
Gain on sales of real estate	.42	.43
Discontinued operations	.02	.03
Extraordinary loss	(.06)	(.04)
Net income (loss) per Class B commonunit	$ (1.23)	$ 2.30
Weighted average common units outstanding:		
Class A common	55,773,000	50,766,000
Class B common	10,284,000	10,284,000

(see accompanying notes to financial statements)

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

	GENERAL PARTNERS' CAPITAL				
	PREFERRED CAPITAL	CLASS B COMMON UNITS	CLASS A COMMON UNITS	LIMITED PARTNERS' CAPITAL	TOTAL PARTNERS' CAPITAL
Balance January 1, 2000	$ 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
Net loss	--	(12,660)	(41,253)	(6,030)	(59,943)
Contributions	--	--	82,821	18,745	101,566
Distributions	--	(26,030)	(81,142)	(12,604)	(119,776)
Retirement / redemption of units (Note 7)	(11,553)	--	15,421	(15,577)	(11,709)
Balance December 31, 2001	301,573	231,428	551,417	81,887	1,166,305
Net income	--	12,929	41,604	6,682	61,215
Contributions	--	--	26,227	2,473	28,700
Distributions	--	(26,250)	(84,365)	(12,449)	(123,064)
Retirement / redemption of units (Note 7)	(19,883)	(8,432)	(56,762)	(7,173)	(92,250)
Balance December 31, 2002	$ 281,690	$ 209,675	$ 478,121	$ 71,420	$ 1,040,906

(see accompanying notes to financial statements)

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

	FOR THE YEAR ENDED DECEMBER 31,		
	2002	2001	2000
NET INCOME (LOSS)	$ 84,338	$ (35,966)	$ 127,665
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	112,341	102,931	92,547
Extraordinary loss on extinguishment of debts	2,602	2,898	1,571
Minority partners' interests in consolidated partnerships	18,730	15,975	9,120
Gain on sales of real estate, securities and mortgage repayment	(4,804)	(20,173)	(18,669)
Valuation reserves on investments in affiliate loans and joint ventures and other investments	--	166,101	--
Equity in earnings of service companies and real estate joint ventures	(1,113)	(2,087)	(4,383)
Changes in operating assets and liabilities:			
Prepaid expenses and other assets	4,354	(4,869)	(9,568)
Tenant and affiliate receivables	(4,417)	1,878	(6,394)
Deferred rents receivable	(26,277)	(38,186)	(35,798)
Accrued expenses and other liabilities	10,346	342	14,152
Net cash provided by operating activities	196,100	188,844	170,243
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of commercial real estate properties	--	--	(190,548)
Acquisition of controlling interests in service companies	(122)	--	--
Increase in contract and land deposits and preacquisition costs	--	(3,267)	(2,023)
Additions to developments in progress	(41,896)	(8,260)	(13,392)
Additions to commercial real estate properties	(48,052)	(152,074)	(89,818)
Distributions from investments in real estate joint ventures	276	82	368
Payment of deferred leasing costs	(16,414)	(10,513)	(24,082)
Additions to furniture, fixtures and equipment	(2,414)	(635)	(742)
Investments in affiliate joint ventures	--	(25,056)	(10,780)
Proceeds from redemption of preferred securities	1,528	35,700	19,903
Proceeds from sales of real estate, securities and mortgage note receivable repayments	22,022	76,503	49,810
Net cash used in investing activities	(85,072)	(87,520)	(261,304)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from secured borrowings	--	325,000	297,163
Principal payments on secured borrowings	(11,065)	(302,894)	(27,367)
Proceeds from issuance of senior unsecured notes, net of issuance costs	49,432	--	--
Payment of loan costs and prepayment penalties	(1,568)	(6,252)	(11,649)
Investments in affiliate loans and service companies	--	(14,227)	(14,568)
Proceeds from unsecured credit facility	158,000	153,000	689,600
Principal payments on unsecured credit facility and term loan	(162,600)	(98,000)	(845,600)
Contributions	6,310	2,813	4,010
Distributions	(147,334)	(139,568)	(128,369)
Repurchases of common and preferred units	(74,692)	(1,421)	--
Contributions by minority partners in consolidated partnerships	1,343	101,832	135,975
Distributions to minority partners in consolidated partnerships	(20,051)	(16,458)	(12,632)
Net cash provided by (used in) financing activities	(202,225)	3,825	86,563
Net increase (decrease) in cash and cash equivalents	(91,197)	105,149	(4,498)
Cash and cash equivalents at beginning of period	121,773	16,624	21,122
Cash and cash equivalents at end of period	$ 30,576	$ 121,773	$ 16,624
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for interest, including interest capitalized	$ 98,083	$ 105,087	$ 106,106

(see accompanying notes to financial statements)

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 for future development (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. All properties acquired by the Company are held by or through the Operating Partnership. In addition, in connection with the formation of the Operating Partnership, the Operating Partnership executed various option and purchase agreements whereby it issued units in the Operating Partnership ("Units") to certain 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 other business assets and 100% of the non-voting preferred stock of the management and construction companies. The Company's ownership percentage in the Operating Partnership was approximately 89.5% and 89.2% at December 31, 2002 and 2001, respectively.

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, 2002 and 2001 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2002. The Operating Partnership's investments in majority owned and controlled real estate joint ventures are reflected in the accompanying financial statements on a consolidated basis with a reduction for minority partners' interest. 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. The operating results of Reckson Management Group, Inc., RANY Management Group, Inc., Reckson Construction Group New York, Inc. and Reckson Construction Group, Inc. (collectively, the "Service Companies"), in which the Operating Partnership owned a 97% non-controlling interest, are reflected in the accompanying financial statements on the equity method of accounting through September 30, 2002. On October 1, 2002, the Operating Partnership acquired the remaining 3% interests in the Service Companies for an aggregate purchase price of approximately $122,000. As a result, commencing October 1, 2002, the Operating Partnership consolidates the operations of the Service Companies. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

The minority interests at December 31, 2002 represent a 49% non-affiliated interest in RT Tri-State LLC, owner of a nine property suburban office portfolio, a 40% non-affiliated interest in Omni Partners, L.P., owner of a 579,000 square foot suburban office property and a 49% non-affiliated interest in Metropolitan 919 Third Avenue, LLC, owner of the property located at 919 Third Avenue, New York, NY.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("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.

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

Real Estate

Land, buildings and improvements, furniture, fixtures and equipment are recorded at cost. Tenant improvements, which are included in buildings and improvements, are also stated at cost. Expenditures for ordinary maintenance and repairs are expensed to operations as they are incurred. Renovations and / or replacements, which improve or extend the life of the asset are capitalized and depreciated over their estimated useful lives.

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.

Long Lived Assets

On a periodic basis, management assesses whether there are any indicators that the value of the real estate properties may be impaired. A property's value is impaired only if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property are less than the carrying value of the property. Such cash flows consider factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. To the extent impairment has occurred, the loss will be measured as the excess of the carrying amount of the property over the fair value of the property.

The Operating Partnership is required to make subjective assessments as to whether there are impairments in the value of its real estate properties and other investments. These assessments have a direct impact on the Operating Partnership's net income, because taking an impairment results in an immediate negative adjustment to net income. In determining impairment, if any, the Operating Partnership has adopted Financial Accounting Standards Board ("FASB") Statement No. 144, "Accounting for the Impairment or Disposal of Long Lived Assets" (see Recent Accounting Pronouncements).

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 $5.6 million and $5.1 million at December 31, 2002 and 2001, 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 in obtaining financing 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.

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

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 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 on sales 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 and the Operating Partnership having no substantial continuing involvement with the buyer.

Net Income (Loss) Per Common Partnership Unit

Net income (loss) per Class A common partnership unit and Class B Common partnership unit is determined by allocating net income (loss) 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.

Derivative Instruments

FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities," which became effective January 1, 2001 requires the Operating Partnership to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If a derivative is a hedge, depending on the nature of the hedge, changes in the fair value of the derivative will either be offset against the change in fair value of the hedged asset, liability, or firm commitment through earnings, or recognized in accumulated other comprehensive income ("OCI") until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. As of January 1, 2001, the carrying value of the Operating Partnership's derivatives equaled their fair value and as a result no cumulative effect changes were recorded. Additionally, as of June 30, 2001, the fair value of the Operating Partnership's derivatives equaled approximately $3.7 million and was reflected in other assets and OCI on the Operating Partnership's balance sheet. On July 18, 2001, the mortgage note payable to which these derivatives relate to was funded (see Note 2) and their fair value at that time was approximately $676,000 less than their carrying value. This amount is being amortized to interest expense over the term of the mortgage note to which it relates. Because of the Operating Partnership's minimal use of derivatives, the adoption of this Statement did not have a significant effect on earnings or the financial position of the Operating Partnership.

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

Recent Accounting Pronouncements

In October 2001, the FASB issued Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("Statement No. 144"). Statement No. 144 provides accounting guidance for financial accounting and reporting for the impairment or disposal of long-lived assets. Statement No. 144 supersedes FASB Statement No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of. It also supersedes the accounting and reporting provisions of Accounting Principles Board Opinion No. 30, Reporting the Results of Operations--Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions related to the disposal of a segment of a business. The Operating Partnership adopted Statement No. 144 on January 1, 2002. The adoption of this statement did not have a material effect on the results of operations or the financial position of the Operating Partnership. The adoption of Statement No. 144 does not have an impact on net income (loss) allocable to common shareholders. Statement No. 144 only impacts the presentation of the results of operations and gain (loss) on sales of real estate for those properties sold during the period within the consolidated statements of operations.

On January 1, 2002, the Operating Partnership adopted the provisions of FASB Statement No. 142, "Goodwill and Other Intangible Assets" ("Statement No. 142"). This statement makes significant changes to the accounting for business combinations, goodwill, and intangible assets. Among other provisions, Statement No. 142 requires that a portion of the purchase price of real estate acquisitions be assigned to the fair value of an intangible asset for above market operating leases or to an intangible liability for below market operating leases. Such intangible assets or liabilities are then required to be amortized into revenue over the remaining life of the respective leases. The adoption of this statement did not have an effect on the Operating Partnership's results of operations or financial condition for the year ended December 31, 2002.

In April 2002, the FASB issued Statement No. 145, ("Statement No. 145"), which rescinded Statement No. 4, "Reporting Gains and Losses from Extinguishment of Debt". Statement No. 145 is effective for fiscal years beginning after May 15, 2002. The Operating Partnership will adopt Statement No. 145 on January 1, 2003 which will result in a change to reported net income (loss).

In November 2002, the FASB issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees", Including Indirect Guarantees of Indebtedness of Others ("FIN 45"). FIN 45 significantly changes the current practice in the accounting for, and disclosure of, guarantees. Guarantees and indemnification agreements meeting the characteristics described in FIN 45 are required to be initially recorded as a liability at fair value. FIN 45 also requires a guarantor to make significant new disclosures for virtually all guarantees even if the likelihood of the guarantor having to make payment under the guarantee is remote. The disclosure requirements within FIN 45 are effective for financial statements for annual or interim periods ending after December 15, 2002. The initial recognition and initial measurement provisions are applicable on a prospective basis to guarantees issued or modified after December 31, 2002. The Operating Partnership is currently evaluating the effects of FIN 45 on the Operating Partnership's results of operations or financial condition.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"), which explains how to identify variable interest entities ("VIE") and how to assess whether to consolidate such entities. The provisions of this interpretation are immediately effective for VIE's formed after January 31, 2003. For VIE's formed prior to January 31, 2003, the provisions of this interpretation apply to the first fiscal year or interim period beginning after June 15, 2003. Management has not yet determined whether any of its consolidated or unconsolidated subsidiaries represent VIE's pursuant to such interpretation. Such determination could result in a change in the Operating Partnership's consolidation policy related to such entities.

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

Reclassifications

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

2. MORTGAGE NOTES PAYABLE

At December 31, 2002, there were 16 fixed rate mortgage notes payable with an aggregate outstanding principal amount of approximately $740.0 million. These mortgage notes are secured by properties with an aggregate carrying value at December 31, 2002 of approximately $1.5 billion and which are pledged as collateral against the mortgage notes payable. In addition, approximately $45.1 million of the $740.0 million is recourse to the Operating Partnership. The mortgage notes bear interest at rates ranging from 6.45% to 10.10%, and mature between 2004 and 2027. The weighted average interest rates on the outstanding mortgage notes payable at December 31, 2002, 2001 and 2000 were approximately 7.3%, 7.3% and 7.8%, respectively. Certain of the mortgage notes payable are guaranteed by certain limited partners in the Operating Partnership and / or the Company.

The following table sets forth the Operating Partnership's mortgage notes payable at December 31, 2002, by scheduled maturity date (dollars in thousands):

PROPERTY	PRINCIPAL OUTSTANDING	INTEREST RATE	MATURITY DATE	AMORTIZATION TERM (YEARS)
80 Orville Drive, Islip, NY	$ 2,616	10.10%	February, 2004	Interest only
395 North Service Road, Melville, NY	19,709	6.45%	October, 2005	$34 per month
200 Summit Lake Drive, Valhalla, NY	19,373	9.25%	January, 2006	25
1350 Avenue of the Americas, NY, NY	74,631	6.52%	June, 2006	30
Landmark Square, Stamford, CT (a)	45,090	8.02%	October, 2006	25
100 Summit Lake Drive, Valhalla, NY	19,101	8.50%	April, 2007	15
333 Earle Ovington Blvd., Mitchel Field, NY (b)	53,864	7.72%	August, 2007	25
810 Seventh Avenue, NY, NY	82,854	7.73%	August, 2009	25
100 Wall Street, NY, NY	35,904	7.73%	August, 2009	25
6900 Jericho Turnpike, Syosset, NY	7,348	8.07%	July, 2010	25
6800 Jericho Turnpike, Syosset, NY	13,922	8.07%	July, 2010	25
580 White Plains Road, Tarrytown, NY	12,685	7.86%	September, 2010	25
919 Third Avenue, NY, NY (c)	246,651	6.867%	August, 2011	30
110 Bi-County Blvd., Farmingdale, NY	3,635	9.125%	November, 2012	20
One Orlando Center, Orlando, FL (d)	38,366	6.82%	November, 2027	28
120 West 45th Street, NY, NY (d)	64,263	6.82%	November, 2027	28
Total / Weighted average	$ 740,012	7.26%		

(a) Encompasses six Class A office properties.

(b) The Operating Partnership has a 60% general partnership interest in this property and its proportionate share of the aggregate principal amount is approximately $32.3 million.

(c) The Operating Partnership has a 51% membership interest in this property and its proportionate share of the aggregate principal amount is approximately $125.8 million.

(d) Subject to interest rate adjustment on November 1, 2004 to the greater of 8.82% per annum or the yield on noncallable U.S. Treasury obligations with a term of fifteen years plus 2% per annum.

In addition, the Operating Partnership has a 60% interest in an unconsolidated joint venture property. The Operating Partnership's pro rata share of the mortgage debt at December 31, 2002 is approximately $7.5 million. This mortgage note payable bears interest at 8.85% per annum and matures on September 1, 2005.

2. MORTGAGE NOTES PAYABLE - (CONTINUED)

Scheduled principal repayments to be made during the next five years and thereafter, for mortgage notes payable outstanding at December 31, 2002, are as follows (in thousands):

	SCHEDULED PRINCIPAL	DUE AT MATURITY	TOTAL
2003	$ 12,300	$ --	$ 12,300
2004	13,169	2,616	15,785
2005	14,167	18,553	32,720
2006	13,785	129,920	143,705
2007	11,305	60,539	71,844
Thereafter	117,389	346,269	463,658
	$ 182,115	$ 557,897	$ 740,012

3. UNSECURED CREDIT FACILITY

The Operating Partnership currently has a three year $500 million unsecured revolving credit facility (the "Credit Facility") from JPMorgan Chase Bank, as administrative agent, Wells Fargo Bank, National Association as syndication agent and Citicorp North America, Inc. and Wachovia Bank, National Association as co-documentation agents. The Credit Facility matures in December 2005, contains options for a one year extension subject to a fee of 25 basis points and, upon receiving additional lender commitments, increasing the maximum revolving credit amount to $750 million. In addition, borrowings under the Credit Facility are currently priced off LIBOR plus 90 basis points and the Credit Facility carries a facility fee of 20 basis points per annum. In the event of a change in the Operating Partnership's unsecured credit rating the interest rates and facility fee are subject to change. The outstanding borrowings under the Credit Facility were $267.0 million at December 31, 2002.

The Credit Facility replaced the Operating Partnership's $575 million unsecured credit facility (the "Prior Facility" and together with the Credit Facility, the "Credit Facility"). As a result, certain deferred loan costs incurred in connection with the Prior Facility were written off. Such amount is reflected as an extraordinary loss on the Operating Partnership's consolidated statements of operations.

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, 2002, the Operating Partnership had availability under the Credit Facility to borrow approximately an additional $203.0 million subject to compliance with certain financial covenants.

The Operating Partnership capitalized interest incurred on borrowings to fund certain development projects in the amount of $8.3 million, $10.2 million and $11.5 million for the years ended December 31, 2002, 2001 and 2000, respectively.

4. SENIOR UNSECURED NOTES

As of December 31, 2002, the Operating Partnership had outstanding approximately $499.3 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 by scheduled maturity date (dollars in thousands):

ISSUANCE	FACE AMOUNT	COUPON RATE	TERM	MATURITY
March 26, 1999	$ 100,000	7.40%	5 years	March 15, 2004
June 17, 2002	$ 50,000	6.00%	5 years	June 15, 2007
August 27, 1997	$ 150,000	7.20%	10 years	August 28, 2007
March 26, 1999	$ 200,000	7.75%	10 years	March 15, 2009

4. SENIOR UNSECURED NOTES - (CONTINUED)

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 and June 17, 2002 were issued at aggregate discounts of $738,000 and 267,500, respectively. Such discounts are being amortized over the term of the Senior Unsecured Notes to which they relate.

On June 17, 2002, the Operating Partnership issued $50 million of 6.00% (6.125% effective rate) Senior Unsecured Notes. Net proceeds of approximately $49.4 million received from this issuance were used to repay outstanding borrowings under the Prior Facility.

5. LAND LEASES AND AIR RIGHTS

The Operating Partnership leases, pursuant to noncancellable operating leases, the land on which twelve of its buildings were constructed. The leases, which contain renewal options, expire between 2009 and 2084. 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 $3.3 million and $3.0 million at December 31, 2002 and 2001, 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 two air rights lease agreements. These lease agreements have terms expiring between 2048 and 2073, including renewal options.

Reckson Management Group, Inc. is subject to operating leases for certain of its management offices and warehouse storage space. These operating leases expire between 2003 and 2009 (see Note 8).

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

YEAR ENDED DECEMBER 31,	LAND LEASES	AIR RIGHTS	OPERATING LEASES
2003	$ 2,707	$ 369	$ 1,368
2004	2,811	379	1,313
2005	2,814	379	1,359
2006	2,795	379	1,407
2007	2,735	379	1,455
Thereafter	43,276	4,280	683
	$ 57,138	$ 6,165	$ 7,585

6. COMMERCIAL REAL ESTATE INVESTMENTS

As of December 31, 2002, the Operating Partnership owned and operated 75 office properties (inclusive of eleven office properties owned through joint ventures) comprising approximately 13.6 million square feet, 101 industrial properties comprising approximately 6.7 million square feet and two retail properties comprising approximately 20,000 square feet located in the Tri-State Area.

The Operating Partnership also owns approximately 338 acres of land in 14 separate parcels of which the Operating Partnership can develop approximately 3.2 million square feet of office space and approximately 470,000 square feet of industrial / R&D space. Included in these development parcels is 52.7 acres of land located in Valhalla, NY which the Operating Partnership acquired in April 2002 for approximately $23.8 million and which it can develop approximately 875,000 square feet of office space. The Operating Partnership currently owns and operates three buildings encompassing approximately 700,000

6. COMMERCIAL REAL ESTATE INVESTMENTS - (CONTINUED)

square feet in the same office park in which this land parcel is located. This acquisition was financed in part from the sales proceeds of an office property being held by a qualified intermediary for the purposes of an exchange of real property pursuant to Section 1031 of the Code and from an advance under the Credit Facility. The Operating Partnership is currently evaluating alternative land uses for certain of the land holdings to realize the highest economic value. These alternatives may include rezoning certain land parcels from commercial to residential for potential disposition. As of December 31, 2002, the Operating Partnership had invested approximately $121.2 million in these development projects. Management has made subjective assessments as to the value and recoverability of these investments based on current and proposed development plans, market comparable land values and alternative use values. The Operating Partnership has capitalized approximately $10.5 million for the year ended December 31, 2002 related to real estate taxes, interest and other carrying costs related to these development projects.

During February 2003, the Operating Partnership, through Reckson Construction Group Inc., entered into a contract with an affiliate of First Data Corp. to sell a 19.3-acre parcel of land located in Melville, New York and has been retained by the purchaser to develop a build-to-suit 195,000 square foot office building for aggregate consideration of approximately $47 million. This transaction is scheduled to close during the first quarter of 2003 and construction of the aforementioned office building is scheduled to commence shortly thereafter.

The Operating Partnership holds a $17.0 million note receivable which bears interest at 11.5% per annum and is secured by a minority partnership interest in Omni Partners, L.P., owner of the Omni, a 579,000 square foot Class A office property located in Uniondale, N.Y. (the "Omni Note"). The Operating Partnership currently owns a 60% majority partnership interest in Omni Partners, L.P. and on March 14, 2007 may exercise an option to acquire the remaining 40% interest for a price based on 90% of the fair market value of the property. The Operating Partnership also holds three other notes receivable aggregating $36.5 million which bear interest at rates ranging from 10.5% to 12% per annum and are secured in part by a minority partner's preferred unit interest in the Operating Partnership, certain interest in real property and a personal guaranty (the "Other Notes" and collectively with the Omni Note, the "Note Receivable Investments"). As of December 31, 2002, management has made subjective assessments as to the underlying security value on the Operating Partnership's Note Receivable Investments. Based on these assessments the Operating Partnership's management believes there is no impairment to the carrying value related to the Operating Partnership's Note Receivable Investments. The Operating Partnership also owns a 355,000 square foot office building in Orlando, Florida. This non-core real estate holding was acquired in May 1999 in connection with the Operating Partnership's initial New York City portfolio acquisition. This property is cross collateralized under a $103 million mortgage note payable along with one of the Operating Partnership's New York City buildings.

The Operating Partnership also owns a 60% non-controlling interest in a 172,000 square foot office building located at 520 White Plains Road in White Plains, New York (the "520JV") which it manages. The remaining 40% interest is owned by JAH Realties L.P. Jon Halpern, the CEO and a director of HQ Global Workplaces, is a partner in JAH Realties, L.P. As of December 31, 2002, the 520JV had total assets of $21.0 million, a mortgage note payable of $12.5 million and other liabilities of $197,000. The Company's allocable share of the 520JV mortgage note payable is approximately $7.5 million. This mortgage note payable bears interest at 8.85% per annum and matures on September 1, 2005. In addition, the 520JV had total revenues of $4.2 million and $4.0 million and total expenses of $3.3 million and $3.3 million for the years ended December 31, 2002 and 2001, respectively. The operating agreement of the 520JV requires joint decisions from all members on all significant operating and capital decisions including sale of the property, refinancing of the property's mortgage debt, development and approval of leasing strategy and leasing of rentable space. As a result of the decision-making participation relative to the operations of the property, the Operating Partnership accounts for the 520JV under the equity

6. COMMERCIAL REAL ESTATE INVESTMENTS - (CONTINUED)

method of accounting. The 520JV contributed approximately $648,000 and $478,000 to the Operating Partnership's equity in earnings of real estate joint ventures for the year ended December 31, 2002 and 2001, respectively.

On August 7, 2002, the Operating Partnership sold an industrial property on Long Island aggregating approximately 32,000 square feet for approximately $1.8 million. This property was sold to the sole tenant of the property through an option contained in the tenant's lease. On August 8, 2002, the Operating Partnership sold two Class A office properties located in Westchester County, NY aggregating approximately 157,000 square feet for approximately $18.5 million. Net proceeds from these sales were used to repay borrowings under the Credit Facility and for general purposes. The Operating Partnership recorded an aggregate net gain of approximately $4.9 million as a result of these sales. In addition, in accordance with Statement No. 144, the operating results of these properties and the resulting gain on sales of real estate have been reflected as discontinued operations for all periods presented on the accompanying statements of operations.

During September 2000, the Operating Partnership formed a joint venture (the "Tri-State JV") with Teachers Insurance and Annuity Association ("TIAA") and contributed nine Class A suburban office properties aggregating approximately 1.5 million square feet to the Tri-State JV for a 51% majority ownership interest. TIAA contributed approximately $136 million for a 49% interest in the Tri-State JV which was then distributed to the Operating Partnership. As a result, the Operating Partnership realized a gain of approximately $15.2 million. The Operating Partnership is responsible for managing the day-to-day operations and business affairs of the Tri-State JV and has substantial rights in making decisions affecting the properties such as leasing, marketing and financing. The minority member has certain rights primarily intended to protect its investment. For purposes of its financial statements the Operating Partnership consolidates the Tri-State JV.

On December 21, 2001, the Operating Partnership formed a joint venture with the New York State Teachers' Retirement System ("NYSTRS") (the "919JV") whereby NYSTRS acquired a 49% indirect interest in the property located at 919 Third Avenue, New York, NY for $220.5 million which included $122.1 million of its proportionate share of secured mortgage debt and approximately $98.4 million of cash which was then distributed to the Operating Partnership. As a result, the Operating Partnership realized a gain of approximately $18.9 million. The Operating Partnership is responsible for managing the day-to-day operations and business affairs of the 919JV and has substantial rights in making decisions affecting the property such as developing a budget, leasing and marketing. The minority member has certain rights primarily intended to protect its investment. For purposes of its financial statements the Operating Partnership consolidates the 919JV.

7. PARTNERS CAPITAL

On December 31, 2002, the Operating Partnership had issued and outstanding 9,915,313 Class B common units. The distributions from the Class B common units is subject to adjustment annually based on a formula which measures increases or decreases in the Company's Fund From Operations, as defined, over a base year. The Class B common units currently receive an annual distribution of $2.5884 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.

The Board of Directors of the Company has authorized the purchase of up to an additional five million shares of the Company's Class A common stock and / or its Class B common stock. Under this buy-back program, the Operating Partnership purchased 368,200 Class B common units at an average

7. PARTNERS CAPITAL - (CONTINUED)

price of $22.90 per Class B unit and 2,698,400 Class A common units at an average price of $21.60 per Class A unit for an aggregate purchase price for both the Class A and Class B common units of approximately $66.7 million. As a result of these purchases, annual common unit distributions will decrease by approximately $5.5 million. Previously, in conjunction with the Company's prior stock buy-back program, the Operating Partnership purchased and retired 1,410,804 Class B common units at an average price of $21.48 per Class B unit and 61,704 Class A common units at an average price of $23.03 per Class A unit for an aggregate purchase price for both the Class A and Class B common units of approximately $31.7 million.

The Board of Directors of the Company has formed a pricing committee to consider purchases of up to $75 million of the Company's outstanding preferred securities. During October 2002, the Company purchased and retired 357,500 shares of its Series A preferred stock at $22.29 per share for approximately $8.0 million. As a result, the Operating Partnership purchased and retired an equal number of preferred units of general partnership interest from the Company and reduced annual preferred distributions by approximately $682,000.

During the year ended December 31, 2002, approximately 11,303 preferred units of limited partnership interest, with a liquidation preference value of approximately $11.3 million, were exchanged for 451,934 Units at an average price of $24.66 per Unit. In addition, the Company increased its general partnership interest in the Operating Partnership by acquiring 666,468 outstanding Units from certain limited partners in exchange for an equal number of shares of its Class A common stock.

During the year ended December 31, 2001, approximately 11,553 preferred units of limited partnership interest, with a liquidation preference value of approximately $11.6 million, were exchanged for 456,351 Units at an average price of $25.32 per Unit. In addition, the Company increased its general partner interest in the Operating Partnership by acquiring 660,370 outstanding Units from certain limited partners in exchange for an equal number of shares of it's Class A common stock.

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.

During July 1998, the Operating Partnership formed Metropolitan Partners, LLC ("Metropolitan") for the purpose of acquiring Class A office properties in New York City. In May 2001, a minority partner that owned an $85 million preferred equity investment in Metropolitan converted its preferred equity investment into 3,453,881 shares of the Company's Class A common stock based on a conversion price of $24.61 per share and the Operating Partnership issued 3,453,881 Class A common units to the Company. As a result of the minority partner's conversion of their preferred equity investment, the Operating Partnership owns 100% of Metropolitan.

The Company has historically structured long term incentive programs ("LTIP") using restricted stock and stock loans. In July 2002, as a result of certain provisions of the Sarbanes Oxley legislation, the Company has discontinued the use of stock loans in its LTIP. In connection with LTIP grants made prior to the enactment of the Sarbanes Oxley legislation the Company made stock loans to certain executive and senior officers to purchase 1,372,393 shares of its Class A common stock at market prices ranging from $18.44 per share to $27.13 per share. The stock loans were set to bear interest at the mid-term Applicable Federal Rate and were secured by the shares purchased. Such stock loans including accrued interest vest and are ratably forgiven each year on the annual anniversary of the grant date based upon vesting periods ranging from four to ten years based on continued service and in part on attaining certain annual performance measures. These stock loans had an initial aggregate weighted average vesting period of approximately nine years. Approximately $4.5 million of compensation expense was recorded for the year ended December 31, 2002 related to these LTIP. Such amount has been included in marketing, general and administrative expenses on the accompanying consolidated statements of operations.

During 2002, approximately $3.9 million of stock loans made in prior years in connection with the aforementioned LTIP matured. These stock loans were secured by 155,418 shares of Class A common stock which were issued at prices ranging from $22.50 per share to $27.13 per share. As a result of the Company discontinuing the use of stock loans as part of its LTIP, the stock loans were satisfied with restricted stock held by the Company which secured the stock loans. The aggregate market value of these shares on the maturity dates of the stock loans was approximately $3.4 million. The aggregate difference between the market value of these shares and the carrying value of the stock loans was recorded as a loss on the accompanying consolidated statements of operations. The 155,418 shares of Class A common stock were subsequently retired by the Company and the related Units were cancelled by the Operating Partnership.

The outstanding stock loan balances due from the Company's executive and senior officers aggregated approximately $17.0 million and $24.3 million at December 31, 2002 and 2001, respectively, and have been included as a reduction of additional paid in capital on the accompanying consolidated statements of partners' capital. The Company has other outstanding loans to its executive and senior officers amounting to approximately $1.0 million at December 31, 2002 and 2001, related to life insurance contracts and approximately $1.0 million and $.9 million at December 31, 2002 and 2001, respectively, primarily related to tax payment advances on a stock compensation award made to a non-executive officer.

In November 2002, the Company granted rights to 190,524 shares of its Class A common stock to certain executive officers. These shares vest ratably over a four-year period and will be issued in ratable installments on each anniversary date of the grant as compensation to the executive officer.

Effective January 2003, the Company established a new LTIP for its executive and senior officers. The four year plan has a core component which provides for annual stock based compensation based

7. PARTNERS CAPITAL - (CONTINUED)

upon continued service and in part based on attaining certain annual performance measures. The plan has a special long-term component which provides for compensation to be earned at the end of a four year period if the Company attains certain four year cumulative performance measures. Amounts earned under the special long-term component may be paid in cash or stock at the discretion of the Compensation Committee of the Board. Performance measures are based on total shareholder returns on a relative and absolute basis.

The Operating Partnership issues additional units to the Company with terms similar to the terms of any securities issued by the Company (including any securities issued by the Company upon the exercise of stock options), and thereby increases the Company's general partnership interest in the Operating Partnership. Any consideration received by the Company in respect of the issuance of its securities is contributed to the Operating Partnership. In addition, the Operating Partnership or a subsidiary, funds the compensation of personnel, including any amounts payable under the Company's LTIP.

As of December 31, 2002, the Company had approximately 5.2 million shares of its Class A common stock reserved for issuance under its stock option plans, in certain cases subject to vesting terms, at a weighted average exercise price of $23.42 per option. In addition, the Company has approximately 1.7 million shares of its Class A common stock reserved for future issuance under its stock option plans.

8. RELATED PARTY TRANSACTIONS

In connection with the Company's initial public offering ("IPO"), the Operating Partnership was granted ten year options to acquire ten properties (the "Option Properties" which are either owned by certain Rechler family members who are also executive officers of the Company, or in which the Rechler family members own a non-controlling minority interest at a price based upon an agreed upon formula. In years prior to 2001, one Option Property was sold by the Rechler family members to a third party and four of the Option 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. Currently, certain Rechler family members retain their equity interests in the five remaining Option Properties (the "Remaining Option Properties") which were not contributed to the Operating Partnership as part of the IPO. Such options provide the Operating Partnership the right to acquire fee interest in two of the Remaining Option Properties and the Rechlers' minority interests in three Remaining Option Properties. The Independent Directors of the Company are currently reviewing whether the Company should exercise one or more of the options relating to the Remaining Option Properties.

The Operating Partnership conducts its management, leasing and construction related services through the Company's taxable REIT subsidiaries as defined by the Internal Revenue Code of 1986 (the "Code"). These services are currently provided by Reckson Management Group, Inc., RANY Management Group, Inc., Reckson Construction Group New York, Inc. and Reckson Construction Group, Inc. (collectively, the "Service Companies") in which, as of September 30, 2002, the Operating Partnership owned a 97% non-controlling interest. An entity which is substantially owned by certain Rechler family members who are also executive officers of the Company owned a 3% controlling interest in the Service Companies. In order to minimize the potential for corporate conflicts of interests which became possible as a result of changes to the Code that permit REIT's to own 100% of taxable REIT subsidiaries, the Independent Directors of the Company approved the purchase by the Operating Partnership of the remaining 3% interest in the Service Companies. On October 1, 2002, the Operating Partnership acquired such 3% interests in the Service Companies for an aggregate purchase price of approximately $122,000. Such amount was less than the total amount of capital contributed to the Service Companies by the Rechler family members. As a result of the acquisition of the remaining interests in the Service Companies, the Operating Partnership commenced consolidating the operations of the Service Companies. During 2002, Reckson Construction Group, Inc. billed approximately $144,000 of market rate services and Reckson Management Group, Inc. billed approximately $313,000 of market rate management fees to the Remaining Option Properties. In addition, for the year ended December 31, 2002, Reckson Construction Group, Inc. performed market rate services, aggregating approximately $322,000 for a property in which certain executive officers maintain an equity interest.

Reckson Management Group, Inc. leases 43,713 square feet of office and storage space at a Remaining Option Property for its corporate offices located in Melville, New York at an annual base rent of approximately $1.2 million. Reckson Management Group, Inc. also leases 10,722 square feet of warehouse space used for equipment, materials and inventory storage at a Remaining Option Property located in Deer Park, New York at an annual base rent of approximately $75,000.

A company affiliated with an Independent Director of the Company leases 15,566 square feet in a property owned by the Operating Partnership at an annual base rent of approximately $431,500. Reckson Strategic Venture Partners, LLC ("RSVP") leases 5,144 square feet in one of the Operating Partnership's joint venture properties at an annual base rent of approximately $176,000.

During 1997, the Company formed FrontLine Capital Group, formerly Reckson Service Industries, Inc. ("FrontLine") and RSVP. RSVP is a real estate venture capital fund which invests primarily in real estate and real estate operating companies outside the Operating Partnership's core office and industrial focus and whose common equity is held indirectly by FrontLine. In connection with the formation and spin-off of FrontLine, the Operating Partnership established an unsecured credit facility with FrontLine

8. RELATED PARTY TRANSACTIONS- (CONTINUED)

(the "FrontLine Facility") in the amount of $100 million for FrontLine to use in its investment activities, operations and other general corporate purposes. The Operating Partnership advanced approximately $93.4 million under the FrontLine Facility. The Operating Partnership also approved the funding of investments of up to $100 million relating to RSVP (the "RSVP Commitment"), through RSVP-controlled joint ventures (for REIT-qualified investments) or advances made to FrontLine under an unsecured loan facility (the "RSVP Facility") having terms similar to the FrontLine Facility (advances made under the RSVP Facility and the FrontLine Facility hereafter, the "FrontLine Loans"). During March 2001, the Operating Partnership increased the RSVP Commitment to $110 million and as of December 31, 2002, approximately $109.1 million had been funded through the RSVP Commitment, of which $59.8 million represents investments by the Operating Partnership in RSVP-controlled (REIT-qualified) joint ventures and $49.3 million represents loans made to FrontLine under the RSVP Facility. As of December 31, 2002, interest accrued (net of reserves) under the FrontLine Facility and the RSVP Facility was approximately $19.6 million. RSVP retained the services of two managing directors to manage RSVP's day-to-day operations. Prior to the spin off of Frontline, the Company guaranteed certain salary provisions of their employment agreements with RSVP Holdings, LLC, RSVP's common member. The term of these employment agreements is seven years commencing March 5, 1998, provided however, that the term may be earlier terminated after five years upon certain circumstances. The salary for each managing director is $1 million in the first five years and $1.6 million in years six and seven.

At June 30, 2001, the Company assessed the recoverability of the FrontLine Loans and reserved approximately $3.5 million of the interest accrued during the three-month period then ended. In addition, the Company formed a committee of its Board of Directors, comprised solely of independent directors, to consider any actions to be taken by the Company in connection with the FrontLine Loans and its investments in joint ventures with RSVP. During the third quarter of 2001, the Company noted a significant deterioration in FrontLine's operations and financial condition and, based on its assessment of value and recoverability and considering the findings and recommendations of the committee and its financial advisor, the Company recorded a $163 million valuation reserve charge, inclusive of anticipated costs, in its consolidated statements of operations relating to its investments in the FrontLine Loans and joint ventures with RSVP. The Operating Partnership has discontinued the accrual of interest income with respect to the FrontLine Loans. The Operating Partnership has also reserved against its share of GAAP equity in earnings from the RSVP controlled joint ventures funded through the RSVP Commitment until such income is realized through cash distributions. If the RSVP-controlled joint ventures reported losses, the Operating Partnership would record its proportionate share of such losses.

At December 31, 2001, the Operating Partnership, pursuant to Section 166 of the Code, charged off for tax purposes $70 million of the aforementioned reserve directly related to the FrontLine Facility, including accrued interest. On February 14, 2002, the Operating Partnership charged off for tax purposes an additional $38 million of the reserve directly related to the FrontLine Facility, including accrued interest, and $47 million of the reserve directly related to the RSVP Facility, including accrued interest.

FrontLine is in default under the FrontLine Loans from the Operating Partnership and on June 12, 2002, filed a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code.

As a result of the foregoing, the net carrying value of the Operating Partnership's investments in the FrontLine Loans and joint venture investments with RSVP, inclusive of the Operating Partnership's share of previously accrued GAAP equity in earnings on those investments, is approximately $65 million which was reassessed with no change by management as of December 31, 2002. Such amount has been reflected in investments in service companies and affiliate loans and joint ventures on the Operating Partnership's consolidated balance sheet. The common and preferred members of RSVP are currently in dispute over certain provisions of the RSVP operating agreement. The members are currently negotiating to restructure the RSVP operating agreement to settle the dispute. There can be no assurances that the members will successfully negotiate a settlement.

8. RELATED PARTY TRANSACTIONS- (CONTINUED)

Both the FrontLine Facility and the RSVP Facility terminate on June 15, 2003, are unsecured and advances thereunder are recourse obligations of FrontLine. Notwithstanding the valuation reserve, under the terms of the credit facilities, interest accrued on the FrontLine Loans 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 were outstanding for more than one year increasing annually at a rate of four percent of the prior year's rate. In March 2001, the credit facilities were amended to provide that (i) interest is payable only at maturity and (ii) the Company may transfer all or any portion of its rights or obligations under the credit facilities to its affiliates. The Company requested these changes as a result of changes in REIT tax laws. As a result of FrontLine's default under the FrontLine Loans, interest on borrowings thereunder accrue at default rates ranging between 13% and 14.5% per annum.

Scott H. Rechler, who serves as Co-Chief Executive Officer and a director of the Company, serves as CEO and Chairman of the Board of Directors of FrontLine.

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, 2002 as required by FASB Statement No. 107.

Cash equivalents, accounts receivable, accounts payable and accrued expenses 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. At December 31, 2002, the estimated aggregate fair value of the Operating Partnership's mortgage notes and notes receivable exceeded their carrying value by approximately $1.2 million and the aggregate fair value of the Operating Partnership's long term debt exceeded its carrying value by approximately $20.3 million.

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 Operating Partnership's office and industrial / R&D 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.

Expected future minimum rents to be received over the next five years and thereafter from leases in effect at December 31, 2002 are as follows (in thousands):

2003	$ 409,143
2004	395,029
2005	355,969
2006	309,136
2007	267,376
Thereafter	1,291,328
	$ 3,027,981

10. RENTAL INCOME - (CONTINUED)

Minimum rental income is recognized on a straight-line basis over the term of the lease. The excess of rents recognized over amounts contractually due are included in deferred rents receivable on the accompanying balances sheets. Contractually due but unpaid rents are included in tenant receivables on the accompanying balance sheets.

During the year ended December 31, 2002, the Operating Partnership incurred approximately $6.3 million of bad debt expense related to tenant receivables and deferred rents receivable which accordingly reduced total operating revenues on the accompanying statements of operations.

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. The Operating Partnership has Managing Directors who report directly to the Company's Co-Presidents 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.

The Operating Partnership does not consider (i) interest incurred on its Credit Facility and Senior Unsecured Notes, (ii) the operating performance of the office property located in Orlando, Florida, (iii) the operating performance of those properties reflected as discontinued operations on the Operating Partnership's consolidated statements of operations and (iv) the operating results of the Service Companies as part of its Core Portfolio's property operating performance for purposes of its component disclosure set forth below.

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

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):

	2002		
	CORE PORTFOLIO	OTHER	CONSOLIDATED TOTALS
Revenues:			
Base rents, tenant escalations and reimbursements	$ 489,818	$ 8,264	$ 498,082
Other income	1,070	6,940	8,010
Total Revenues	490,888	15,204	506,092
Expenses:			
Property expenses	170,723	4,318	175,041
Marketing, general and administrative	18,686	12,892	31,578
Interest	51,907	36,678	88,585
Depreciation and amortization	104,064	8,277	112,341
Total Expenses	345,380	62,165	407,545
Income (loss) before preferred distributions, minority interests, equity in earnings of real estate joint ventures and service companies, gain on sales of real estate, discontinued operations and extraordinary loss	$ 145,508	$ (46,961)	$ 98,547
Total assets	$ 2,685,817	$ 226,235	$ 2,912,052

11. SEGMENT DISCLOSURE - (CONTINUED)

	2001		
	CORE PORTFOLIO	OTHER	CONSOLIDATED TOTALS
Revenues:			
Base rents, tenant escalations and reimbursements	$ 484,953	$ 9,256	$ 494,209
Other income	4,314	16,109	20,423
Total Revenues	489,267	25,365	514,632
Expenses:			
Property expenses	164,357	2,934	167,291
Marketing, general and administrative	20,466	6,134	26,600
Interest	51,376	41,679	93,055
Depreciation and amortization	94,480	7,628	102,108
Total Expenses	330,679	58,375	389,054
Income (loss) before preferred distributions, minority interests, valuation reserves, equity in earnings of real estate joint ventures and service companies, gain on sales of real estate, discontinued operations and extraordinary loss	$ 158,588	$ (33,010)	$ 125,578
Total assets	$ 2,763,771	$ 235,011	$ 2,998,782

	2000		
	CORE PORTFOLIO	OTHER	CONSOLIDATED TOTALS
Revenues:			
Base rents, tenant escalations and reimbursements	$ 438,738	$ 9,751	$ 448,489
Other income	1,212	33,576	34,788
Total Revenues	439,950	43,327	483,277
Expenses:			
Property expenses	153,577	2,526	156,103
Marketing, general and administrative	20,414	4,615	25,029
Interest	40,463	55,872	96,335
Depreciation and amortization	83,663	8,146	91,809
Total Expenses	298,117	71,159	369,276
Income (loss) before preferred distributions, minority interests, equity in earnings of real estate joint ventures and service companies, gain on sales of real estate, discontinued operations and extraordinary loss	$ 141,833	$ (27,832)	$ 114,001
Total assets	$ 2,604,494	$ 395,300	$ 2,999,794

12. NON-CASH INVESTING AND FINANCING ACTIVITIES

Additional supplement disclosures of non-cash inveseting and financing activities are as follows:

On May 31, 2001, Metropolitan's minority partner, at its election, converted its preferred equity investment into 3,453,881 shares of the Company's Class A common stock based on a conversion price of $24.61 per share. As a result, the Operating Partnership issued 3,453,881 Class A common units to the Company.

On December 21, 2001, in connection with the sale of a 49% indirect interest in the property located at 919 Third Avenue, New York, NY, the Operating Partnership's share of secured mortgage debt was reduced by approximately $122.1 million.

During the year ended December 31, 2001, approximately 11,553 preferred units of limited partnership interest, with a liquidation preference value of approximately $11.6 million, were exchanged

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

for 456,351 Units at an average price of $25.32 per Unit. In addition, the Company increased its general partnership interest in the Operating Partnership by acquiring 660,370 outstanding Units from certain limited partners in exchange for an equal number of shares of its Class A common stock.

During the year ended December 31, 2002, approximately 11,303 preferred units of limited partnership interest, with a liquidation preference value of approximately $11.3 million, were exchanged for 451,934 Units at an average price of $24.66 per Unit. In addition, the Company increased its general partnership interest in the Operating Partnership by acquiring 666,468 outstanding Units from certain limited partners in exchange for an equal number of shares of its Class A common stock.

13. COMMITMENTS AND CONTINGENCIES

The Operating Partnership had outstanding undrawn letters of credit against its Credit Facility of approximately $1.0 million and $37.4 million at December 31, 2002 and 2001, respectively.

HQ Global Workplaces, Inc. ("HQ"), one of the largest providers of flexible officing solutions in the world and which is controlled by FrontLine, currently operates nine (formerly eleven) executive office centers in the Operating Partnership's properties, three of which are held through joint ventures. The leases under which these office centers operate expire between 2008 and 2011, encompass approximately 202,000 square feet and have current contractual annual base rents of approximately $6.1 million. On March 13, 2002, as a result of experiencing financial difficulties, HQ voluntarily filed a petition for relief under Chapter 11 of the U.S. Bankruptcy Code. Subsequent to HQ filing for bankruptcy protection it defaulted under their leases with the Operating Partnership. Further, effective March 13, 2002, the Bankruptcy Court granted HQ's petition to reject two of its leases with the Operating Partnership. The two rejected leases aggregated approximately 23,900 square feet and provided for contractual base rents of approximately $548,000 for the 2002 calendar year. Commencing April 1, 2002 and pursuant to the bankruptcy filing, HQ has been paying current rental charges under its leases with the Operating Partnership, other than under the two rejected leases. The Operating Partnership is in negotiation to restructure four of the leases and leave the terms of the remaining five leases unchanged. All negotiations with HQ are conducted through a committee designated by the Company's Board and chaired by an independent director. There can be no assurance as to whether any deal will be consummated with HQ or if HQ will affirm or reject any or all of its remaining leases with the Operating Partnership. As a result of the foregoing, the Operating Partnership has reserved approximately $550,000 (net of minority partners' interests and including the Operating Partnership's share of unconsolidated joint venture interest), or 74%, of the amounts due from HQ as of December 31, 2002. Scott H. Rechler serves as non-executive Chairman of the Board of HQ and Jon Halpern is the Chief Executive Officer and a director of HQ.

WorldCom/MCI and its affiliates ("WorldCom"), a telecommunications company, which leased, as of December 31, 2002, approximately 527,000 square feet in thirteen of the Operating Partnership's properties located throughout the Tri-State Area voluntarily filed a petition for relief under Chapter 11 of the U.S. Bankruptcy Code on July 21, 2002. The total annualized base rental revenue from these leases amounted to approximately $12.0 million, or 2.9% of the Operating Partnership's total 2002 annualized rental revenue, making it the Operating Partnership's second largest tenant based on base rental revenue earned on a consolidated basis. All of WorldCom's leases were current on base rental charges through December 31, 2002 and the Operating Partnership currently holds approximately $300,000 in security deposits relating to these leases. In February 2003, the Bankruptcy Court granted WorldCom's petition to reject three of its leases with the Operating Partnership. The three rejected leases aggregated approximately 192,000 square feet and provided for contractual base rents of approximately $4.8 million for the 2002 calendar year. The Operating Partnership is currently in negotiations to restructure the remaining WorldCom leases. There can be no assurance as to whether WorldCom will affirm or reject

13. COMMITMENTS AND CONTINGENCIES - (CONTINUED)

any or all of its remaining leases with the Operating Partnership. As a result of the foregoing, the Operating Partnership has written off approximately $1.1 million of deferred rent receivable. In addition, the Operating Partnership reserved an additional $475,000 against the deferred rents receivable representing approximately 46% of the outstanding deferred rents receivable attributable to the remaining WorldCom leases.

MetroMedia Fiber Network Services, Inc. ("MetroMedia"), which leased approximately 112,000 square feet in one property from the Operating Partnership, voluntarily filed a petition for relief under Chapter 11 of the U.S. Bankruptcy Code in May 2002. MetroMedia's lease with the Operating Partnership provided for contractual base rent of approximately $25 per square foot amounting to $2.8 million per calendar year and expired in May 2010. In July 2002, the Bankruptcy Court granted MetroMedia's petition to restructure and reduce space under its existing lease. As a result, the lease was amended to reduce MetroMedia's space by 80,357 square feet to 31,718 square feet. Annual base rent on the 31,718 square feet MetroMedia will continue to lease is $25 per square foot amounting to approximately $793,000 per annum. Further, pursuant to the Bankruptcy Court order MetroMedia is required to pay to the Operating Partnership a surrender fee of approximately $1.8 million. As a result of the foregoing, the Operating Partnership wrote-off approximately $388,000 of deferred rent receivable relating to this lease and recognized the aforementioned surrender fee.

Arthur Andersen, LLP ("AA") leased approximately 38,000 square feet in one of the Operating Partnership's New York City buildings. AA's lease with the Operating Partnership provided for base rent of approximately $2 million on an annualized basis and expired in April 2004. AA has experienced significant financial difficulties with its business and as a result has entered into a lease termination agreement with the Operating Partnership effective November 30, 2002. In October 2002, AA paid the Operating Partnership for all base rental and other charges through November 30, 2002 and a lease termination fee of approximately $144,000. As a result of the foregoing, the Operating Partnership has written off approximately $130,000 of deferred rent receivable attributable to AA's lease.

14. QUARTERLY FINANCIAL DATA (UNAUDITED)

The following summary represents the Operating Partnership's results of operations for each fiscal quarter during 2002 and 2001 (in thousands, except unit data):

	2002			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Total revenues	123,794	124,778	128,678	128,842
Income before distributions to preferred unit holders, minority interests, equity in earnings of real estate joint ventures and service companies gain on sales of real estate, discontinued operations and extraordinary loss	$ 27,878	$ 25,737	$ 22,778	$ 22,154
Preferred unit distributions	(5,948)	(5,767)	(5,760)	(5,648)
Minority partners' interest in consolidated partnerships	(5,120)	(4,813)	(4,446)	(4,351)
Equity in earnings of real estate joint ventures and service companies	335	159	104	515
Gain on sales of real estate	537	--	--	--
Discontinued operations	234	152	5,399	(312)
Extraordinary loss	--	--	--	(2,602)
Net income allocable to common unit holders	17,916	15,468	18,075	9,756
Net income allocable to:				
Class A common units (a)	$ 14,093	$ 12,211	$ 14,275	$ 7,707
Class B common units (a)	3,823	3,257	3,800	2,049
Total	$ 17,916	$ 15,468	$ 18,075	$ 9,756
Net income per weighted average common unit:				
Class A common (a)	$ .25	$ .21	$ .25	$ .14
Class B common (a)	$ .37	$ .32	$ .38	$ .21
Weighted average common units outstanding:				
Class A common	57,520,000	58,275,000	56,802,000	55,660,000
Class B common	10,284,000	10,284,000	10,101,000	9,915,000

(a) The net income allocable to common unit holders for the first, second and third quarters as previously reported has been adjusted to record the amortization of stock loans to certain executive and senior officers of the Company and other costs incurred by the Company on behalf of the Operating Partnership. These amounts aggregated approximately $.95 million, $.94 million and $1.1 million, respectively. Such amounts also adjusted net income per weighted average common unit as follows:

	First Quarter	Second Quarter	Third Quarter
Class A common	$ (.01)	$ (.01)	$ (.02)
Class B common	$ (.02)	$ (.02)	$ (.03)

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

14. QUARTERLY FINANCIAL DATA (UNAUDITED) - (CONTINUED)

	2001			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Total revenues	$ 129,548	$ 130,750	$ 130,695	$ 123,639
Income before distributions to preferred unit holders, minority interests, valuation reserves, equity in earnings of real estate joint ventures and service companies, gain on sales of real estate, discontinued operations and extraordinary loss	$ 35,525	$ 32,363	$ 30,375	$ 27,315
Preferred unit distributions	(6,085)	(5,928)	(5,996)	(5,968)
Minority partners' interest in consolidated partnerships	(5,755)	(4,065)	(3,065)	(3,090)
Valuation reserves on investments in affiliate loans and joint ventures and other investments	--	--	(163,000)	(3,101)
Equity in earnings of real estate joint ventures and service companies	398	801	505	383
Gain on sales of real estate	--	--	972	19,201
Discontinued operations	322	263	208	377
Extraordinary loss	--	--	(2,898)	--
Net income (loss) allocable to common unit holders	$ 24,405	$ 23,434	$ (142,899)	$ 35,117
Net income (loss) allocable to:				
Class A common units	$ 18,765	$ 18,535	$ (112,159)	$ 27,576
Class B common units	5,640	4,899	(30,740)	7,541
Total	$ 24,405	$ 23,434	$ (142,899)	$ 35,117
Net income (loss) per weighted average common unit:				
Class A common	$ .35	$ .34	$ (1.96)	$ .48
Class B common	$ .55	$ .48	$ (2.99)	$ .73
Weighted average common units outstanding:				
Class A common	53,177,000	54,984,000	57,368,000	57,499,000
Class B common	10,284,000	10,284,000	10,284,000	10,284,000

RECKSON OPERATING PARTNERSHIP, L.P.
SCHEDULE III-REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2002
(IN THOUSANDS)

COLUMN A	COLUMN B	COLUMN C	
		INITIAL COST	
DESCRIPTION	ENCUMBRANCE	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
104 Parkway Drive So., Hauppauge, New York	--	54	804
125 Ricefield Lane Hauppauge, New York	--	13	852
120 Ricefield Lane Hauppauge, New York	--	16	1,051
135 Ricefield Lane Hauppauge, New York	--	24	906
1997 Portfolio Acquisition, Hauppauge, New York (10 additional buildings in Vanderbilt Industrial Park)	--	930 (B)	20,619
425 Rabro Drive Hauppauge, New York	--	665	3,489
600 Old Willets Path Hauppauge, New York	--	295	3,521
Airport International Plaza, Islip, New York (17 buildings in an industrial park)	2,616 (C)	1,263	13,608
120 Wilbur Place Islip, New York	--	202	1,154
2004 Orville Drive North Islip, New York	--	633	4,226
2005 Orville Drive North Islip, New York	--	984	5,410
County Line Industrial Center, Melville, New York (3 buildings in an industrial park)	--	628	3,686
30 Hub Drive Melville, New York	--	469	1,571
32 Windsor Place, Islip, New York	--	32	321
42 Windsor Place Islip, New York	--	48	327
505 Walt Whitman Rd., Huntington, New York	--	140	42
1170 Northern Blvd., N. Great Neck, New York	--	30	99
50 Charles Lindbergh Blvd., Mitchel Field, New York	--	(A)	12,089
200 Broadhollow Road Melville, New York	--	338	3,354
48 South Service Road Melville, New York	--	1,652	10,245
395 North Service Road Melville, New York	19,709	(A)	15,551
6800 Jericho Turnpike Syosset, New York	13,922	582	6,566
6900 Jericho Turnpike Syosset, New York	7,348	385	4,228

COLUMN A	COLUMN D		COLUMN E			COLUMN F
	COST CAPITALIZED, SUBSEQUENT TO ACQUISITION		GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD			
DESCRIPTION	LAND	BUILDINGS AND IMPROVEMENTS	LAND	BUILDINGS AND IMPROVEMENTS	TOTAL	ACCUMULATED DEPRECIATION
Vanderbilt Industrial Park, Hauppauge, New York (27 buildings in an industrial park)	173	14,258	2,113	24,213	26,326	16,514
85 Nicon Court Hauppauge, New York	--	243	797	3,061	3,858	684
104 Parkway Drive So., Hauppauge, New York	--	236	54	1,040	1,094	232
125 Ricefield Lane Hauppauge, New York	--	332	13	1,184	1,197	425
120 Ricefield Lane Hauppauge, New York	--	422	16	1,473	1,489	320
135 Ricefield Lane Hauppauge, New York	--	473	24	1,379	1,403	529
1997 Portfolio Acquisition, Hauppauge, New York (10 additional buildings in Vanderbilt Industrial Park)	--	4,011	930	24,630	25,560	5,385
425 Rabro Drive Hauppauge, New York	--	398	665	3,887	4,552	732
600 Old Willets Path Hauppauge, New York	--	727	295	4,248	4,543	788
Airport International Plaza, Islip, New York (17 buildings in an industrial park)	--	11,814	1,263	25,422	26,685	17,794
120 Wilbur Place Islip, New York	8	247	210	1,401	1,611	234
2004 Orville Drive North Islip, New York	--	1,431	633	5,657	6,290	1,689
2005 Orville Drive North Islip, New York	--	1,176	984	6,586	7,570	1,071
County Line Industrial Center, Melville, New York (3 buildings in an industrial park)	--	2,848	628	6,534	7,162	5,264
30 Hub Drive Melville, New York	--	324	469	1,895	2,364	525
32 Windsor Place, Islip, New York	--	46	32	367	399	367
42 Windsor Place Islip, New York	--	700	48	1,027	1,075	857
505 Walt Whitman Rd., Huntington, New York	--	59	140	101	241	88
1170 Northern Blvd., N. Great Neck, New York	--	187	30	286	316	133
50 Charles Lindbergh Blvd., Mitchel Field, New York	--	5,973	0	18,062	18,062	11,458
200 Broadhollow Road Melville, New York	--	3,562	338	6,916	7,254	4,726
48 South Service Road Melville, New York	--	5,611	1,652	15,856	17,508	9,189
395 North Service Road Melville, New York	--	7,575	0	23,126	23,126	13,405
6800 Jericho Turnpike Syosset, New York	--	10,092	582	16,658	17,240	11,083
6900 Jericho Turnpike Syosset, New York	--	3,931	385	8,159	8,544	5,035

COLUMN A	COLUMN G	COLUMN H	COLUMN I
DESCRIPTION	DATE OF CONSTRUCTION	DATE ACQUIRED	LIFE ON WHICH DEPRECIATION IS COMPUTED
Vanderbilt Industrial Park, Hauppauge, New York (27 buildings in an industrial park)	1961-1979	1961-1979	10 - 30 Years
85 Nicon Court Hauppauge, New York	1984	1995	10 - 30 Years
104 Parkway Drive So., Hauppauge, New York	1985	1996	10 - 30 Years
125 Ricefield Lane Hauppauge, New York	1973	1996	10 - 30 Years
120 Ricefield Lane Hauppauge, New York	1983	1996	10 - 30 Years
135 Ricefield Lane Hauppauge, New York	1981	1996	10 - 30 Years
1997 Portfolio Acquisition, Hauppauge, New York (10 additional buildings in Vanderbilt Industrial Park)	1974-1982	1997	10 - 30 Years
425 Rabro Drive Hauppauge, New York	1980	1997	10 - 30 Years
600 Old Willets Path Hauppauge, New York	1999	1999	10 - 30 Years
Airport International Plaza, Islip, New York (17 buildings in an industrial park)	1970-1988	1970-1988	10 - 30 Years
120 Wilbur Place Islip, New York	1972	1998	10 - 30 Years
2004 Orville Drive North Islip, New York	1998	1996	10 - 30 Years
2005 Orville Drive North Islip, New York	1999	1996	10 - 30 Years
County Line Industrial Center, Melville, New York (3 buildings in an industrial park)	1975-1979	1975-1979	10 - 30 Years
30 Hub Drive Melville, New York	1976	1996	10 - 30 Years
32 Windsor Place, Islip, New York	1971	1971	10 - 30 Years
42 Windsor Place Islip, New York	1972	1972	10 - 30 Years
505 Walt Whitman Rd., Huntington, New York	1950	1968	10 - 30 Years
1170 Northern Blvd., N. Great Neck, New York	1947	1962	10 - 30 Years
50 Charles Lindbergh Blvd., Mitchel Field, New York	1984	1984	10 - 30 Years
200 Broadhollow Road Melville, New York	1981	1981	10 - 30 Years
48 South Service Road Melville, New York	1986	1986	10 - 30 Years
395 North Service Road Melville, New York	1988	1988	10 - 30 Years
6800 Jericho Turnpike Syosset, New York	1977	1978	10 - 30 Years
6900 Jericho Turnpike Syosset, New York	1982	1982	10 - 30 Years

Continued

RECKSON OPERATING PARTNERSHIP, L.P.
SCHEDULE III-REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2002
(IN THOUSANDS)

COLUMN A	COLUMN B	COLUMN C	
		INITIAL COST	
DESCRIPTION	ENCUMBRANCE	LAND	BUILDINGS AND IMPROVEMENTS
300 Motor Parkway Hauppauge, New York	--	276	1,136
88 Duryea Road Melville, New York	--	200	1,565
210 Blydenburgh Road Islandia, New York	--	11	158
208 Blydenburgh Road Islandia, New York	--	12	192
71 Hoffman Lane Islandia, New York	--	19	260
933 Motor Parkway Hauppauge, New York	--	106	375
85 South Service Road Plainview, New York	--	24	145
333 Earl Ovington Blvd., (Omni) Mitchel Field, New York	53,864	(A)	67,221
135 Fell Court Islip, New York	--	462	1,265
40 Cragwood Road South Plainfield, New Jersey	--	725	7,131
110 Marcus Drive Huntington, New York	--	390	1,499
333 East Shore Road Great Neck, New York	--	(A)	564
310 East Shore Road Great Neck, New York	--	485	2,009
70 Schmitt Blvd. Farmingdale, New York	--	727	3,408
19 Nicholas Drive Yaphank, New York	--	160	7,399
1516 Motor Parkway Hauppauge, New York	--	603	6,722
35 Pinelawn Road Melville, New York	--	999	7,073
520 Broadhollow Road Melville, New York	--	457	5,572
1660 Walt Whitman Road Melville, New York	--	370	5,072
70 Maxess Road Melville, New York	--	367	1,859
20 Melville Park Rd., Melville, New York	--	391	2,650
105 Price Parkway Farmingdale, New York	--	2,030	6,327
48 Harbor Park Drive Port Washington, New York	--	1,304	2,247
60 Charles Lindbergh Mitchel Field, New York	--	(A)	20,800
505 White Plains Road Tarrytown, New York	--	210	1,332
555 White Plains Road Tarrytown, New York	--	712	4,133
560 White Plains Road Tarrytown, New York	--	1,521	8,756
580 White Plains Road Tarrytown, New York	12,685	2,414	14,595
660 White Plains Road Tarrytown, New York	--	3,929	22,640
Landmark Square Stamford, Connecticut	45,090	11,603	64,466

COLUMN A	COLUMN D		COLUMN E		
	COST CAPITALIZED, SUBSEQUENT TO ACQUISITION		GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD		
DESCRIPTION	LAND	BUILDINGS AND IMPROVEMENTS	LAND	BUILDINGS AND IMPROVEMENTS	TOTAL
300 Motor Parkway Hauppauge, New York	--	1,833	276	2,969	3,245
88 Duryea Road Melville, New York	--	823	200	2,388	2,588
210 Blydenburgh Road Islandia, New York	--	175	11	333	344
208 Blydenburgh Road Islandia, New York	--	188	12	380	392
71 Hoffman Lane Islandia, New York	--	206	19	466	485
933 Motor Parkway Hauppauge, New York	--	411	106	786	892
85 South Service Road Plainview, New York	--	13	24	158	182
333 Earl Ovington Blvd., (Omni) Mitchel Field, New York	--	22,053	0	89,274	89,274
135 Fell Court Islip, New York	--	273	462	1,538	2,000
40 Cragwood Road South Plainfield, New Jersey	--	6,034	725	13,165	13,890
110 Marcus Drive Huntington, New York	--	107	390	1,606	1,996
333 East Shore Road Great Neck, New York	--	456	0	1,020	1,020
310 East Shore Road Great Neck, New York	--	2,344	485	4,353	4,838
70 Schmitt Blvd. Farmingdale, New York	--	33	727	3,441	4,168
19 Nicholas Drive Yaphank, New York	5	6,160	165	13,559	13,724
1516 Motor Parkway Hauppauge, New York	--	472	603	7,194	7,797
35 Pinelawn Road Melville, New York	--	2,786	999	9,859	10,858
520 Broadhollow Road Melville, New York	(1)	2,794	456	8,366	8,822
1660 Walt Whitman Road Melville, New York	--	1,102	370	6,174	6,544
70 Maxess Road Melville, New York	95	2,957	462	4,816	5,278
20 Melville Park Rd., Melville, New York	--	106	391	2,756	3,147
105 Price Parkway Farmingdale, New York	--	469	2,030	6,796	8,826
48 Harbor Park Drive Port Washington, New York	--	520	1,304	2,767	4,071
60 Charles Lindbergh Mitchel Field, New York	--	4,198	0	24,998	24,998
505 White Plains Road Tarrytown, New York	--	342	210	1,674	1,884
555 White Plains Road Tarrytown, New York	51	4,656	763	8,789	9,552
560 White Plains Road Tarrytown, New York	(1)	4,479	1,520	13,235	14,755
580 White Plains Road Tarrytown, New York	--	3,553	2,414	18,148	20,562
660 White Plains Road Tarrytown, New York	45	6,431	3,974	29,071	33,045
Landmark Square Stamford, Connecticut	832	31,464	12,435	95,930	108,365

COLUMN A	COLUMN F	COLUMN G	COLUMN H	COLUMN I
DESCRIPTION	ACCUMULATED DEPRECIATION	DATE OF CONSTRUCTION	DATE ACQUIRED	LIFE ON WHICH DEPRECIATION IS COMPUTED
300 Motor Parkway Hauppauge, New York	1,775	1979	1979	10 - 30 Years
88 Duryea Road Melville, New York	1,496	1980	1980	10 - 30 Years
210 Blydenburgh Road Islandia, New York	315	1969	1969	10 - 30 Years
208 Blydenburgh Road Islandia, New York	344	1969	1969	10 - 30 Years
71 Hoffman Lane Islandia, New York	433	1970	1970	10 - 30 Years
933 Motor Parkway Hauppauge, New York	692	1973	1973	10 - 30 Years
85 South Service Road Plainview, New York	153	1961	1961	10 - 30 Years
333 Earl Ovington Blvd., (Omni) Mitchel Field, New York	30,782	1990	1995	10 - 30 Years
135 Fell Court Islip, New York	509	1965	1992	10 - 30 Years
40 Cragwood Road South Plainfield, New Jersey	8,397	1970	1983	10 - 30 Years
110 Marcus Drive Huntington, New York	1,310	1980	1980	10 - 30 Years
333 East Shore Road Great Neck, New York	700	1976	1976	10 - 30 Years
310 East Shore Road Great Neck, New York	2,277	1981	1981	10 - 30 Years
70 Schmitt Blvd. Farmingdale, New York	845	1965	1995	10 - 30 Years
19 Nicholas Drive Yaphank, New York	2,556	1989	1995	10 - 30 Years
1516 Motor Parkway Hauppauge, New York	1,737	1981	1995	10 - 30 Years
35 Pinelawn Road Melville, New York	2,802	1980	1995	10 - 30 Years
520 Broadhollow Road Melville, New York	2,723	1978	1995	10 - 30 Years
1660 Walt Whitman Road Melville, New York	1,417	1980	1995	10 - 30 Years
70 Maxess Road Melville, New York	1,239	1967	1995	10 - 30 Years
20 Melville Park Rd., Melville, New York	603	1965	1996	10 - 30 Years
105 Price Parkway Farmingdale, New York	1,632	1969	1996	10 - 30 Years
48 Harbor Park Drive Port Washington, New York	563	1976	1996	10 - 30 Years
60 Charles Lindbergh Mitchel Field, New York	6,078	1989	1996	10 - 30 Years
505 White Plains Road Tarrytown, New York	497	1974	1996	10 - 30 Years
555 White Plains Road Tarrytown, New York	3,554	1972	1996	10 - 30 Years
560 White Plains Road Tarrytown, New York	3,606	1980	1996	10 - 30 Years
580 White Plains Road Tarrytown, New York	5,294	1997	1996	10 - 30 Years
660 White Plains Road Tarrytown, New York	7,976	1983	1996	10 - 30 Years
Landmark Square Stamford, Connecticut	19,337	1973-1984	1996	10 - 30 Years

Continued

RECKSON OPERATING PARTNERSHIP, L.P.
SCHEDULE III-REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2002
(IN THOUSANDS)

COLUMN A	COLUMN B	COLUMN C	
		INITIAL COST	
DESCRIPTION	ENCUMBRANCE	LAND	BUILDINGS AND IMPROVEMENTS
110 Bi -County Blvd. Farmingdale, New York	3,635	2,342	6,665
One Eagle Rock, East Hanover, New Jersey	--	803	7,563
710 Bridgeport Avenue Shelton, Connecticut	--	5,405	21,620
101 JFK Expressway Short Hills, New Jersey	--	7,745	43,889
10 Rooney Circle West Orange, New Jersey	--	1,302	4,615
Executive Hill Office Park West Orange, New Jersey	--	7,629	31,288
3 University Plaza Hackensack, New Jersey	--	7,894	11,846
150 Motor Parkway Hauppauge, New York	--	1,114	20,430
Reckson Executive Park Ryebrook, New York	--	18,343	55,028
University Square Princeton, New Jersey	--	3,288	8,888
100 Andrews Road Hicksville, New York	--	2,337	1,711
80 Grasslands Elmsford, New York	--	1,208	6,728
65 Marcus Drive Melville, New York	--	295	1,966
100 Forge Way Rockaway, New Jersey	--	315	902
200 Forge Way Rockaway, New Jersey	--	1,128	3,228
300 Forge Way Rockaway, New Jersey	--	376	1,075
400 Forge Way Rockaway, New Jersey	--	1,142	3,267
51 -- 55 Charles Lindbergh Blvd. Mitchel Field, New York	--	(A)	27,975
100 Summit Drive Valhalla, New York	19,101	3,007	41,351
115/117 Stevens Avenue Valhalla, New York	--	1,094	22,490
200 Summit Lake Drive Valhalla, New York	19,373	4,343	37,305
140 Grand Street White Plains, New York	--	1,932	18,744
500 Summit Lake Drive Valhalla, New York	--	7,052	37,309
99 Cherry Hill Road Parsippany, New Jersey	--	2,360	7,508
119 Cherry Hill Road Parsippany, New Jersey	--	2,512	7,622
45 Melville Park Road Melville, New York	--	355	1,487
500 Saw Mill River Road Elmsford, New York	--	1,542	3,796
120 W.45th Street New York, New York	64,263	28,757	162,809
1255 Broad Street Clifton, New Jersey	--	1,329	15,869
810 7th Avenue New York, New York	82,854	26,984 (A)	152,767

COLUMN A	COLUMN D		COLUMN E		
	COST CAPITALIZED, SUBSEQUENT TO ACQUISITION		GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD		
DESCRIPTION	LAND	BUILDINGS AND IMPROVEMENTS	LAND	BUILDINGS AND IMPROVEMENTS	TOTAL
110 Bi -County Blvd. Farmingdale, New York	--	406	2,342	7,071	9,413
One Eagle Rock, East Hanover, New Jersey	--	3,151	803	10,714	11,517
710 Bridgeport Avenue Shelton, Connecticut	7	946	5,412	22,566	27,978
101 JFK Expressway Short Hills, New Jersey	(3,098)	(16,116)	4,647	27,773	32,420
10 Rooney Circle West Orange, New Jersey	1	1,002	1,303	5,617	6,920
Executive Hill Office Park West Orange, New Jersey	4	2,778	7,633	34,066	41,699
3 University Plaza Hackensack, New Jersey	--	2,684	7,894	14,530	22,424
150 Motor Parkway Hauppauge, New York	--	3,479	1,114	23,909	25,023
Reckson Executive Park Ryebrook, New York	--	4,550	18,343	59,578	77,921
University Square Princeton, New Jersey	(1)	1,694	3,287	10,582	13,869
100 Andrews Road Hicksville, New York	151	5,742	2,488	7,453	9,941
80 Grasslands Elmsford, New York	--	606	1,208	7,334	8,542
65 Marcus Drive Melville, New York	56	954	351	2,920	3,271
100 Forge Way Rockaway, New Jersey	--	98	315	1,000	1,315
200 Forge Way Rockaway, New Jersey	--	483	1,128	3,711	4,839
300 Forge Way Rockaway, New Jersey	--	254	376	1,329	1,705
400 Forge Way Rockaway, New Jersey	--	187	1,142	3,454	4,596
51 -- 55 Charles Lindbergh Blvd. Mitchel Field, New York	--	4,292	0	32,267	32,267
100 Summit Drive Valhalla, New York	--	4,879	3,007	46,230	49,237
115/117 Stevens Avenue Valhalla, New York	--	1,911	1,094	24,401	25,495
200 Summit Lake Drive Valhalla, New York	--	4,010	4,343	41,315	45,658
140 Grand Street White Plains, New York	(1)	300	1,931	19,044	20,975
500 Summit Lake Drive Valhalla, New York	--	7,837	7,052	45,146	52,198
99 Cherry Hill Road Parsippany, New Jersey	5	1,330	2,365	8,838	11,203
119 Cherry Hill Road Parsippany, New Jersey	6	1,097	2,518	8,719	11,237
45 Melville Park Road Melville, New York	(1)	1,825	354	3,312	3,666
500 Saw Mill River Road Elmsford, New York	--	205	1,542	4,001	5,543
120 W.45th Street New York, New York	7,721 (D)	3,756	36,478	166,565	203,043
1255 Broad Street Clifton, New Jersey	--	4,077	1,329	19,946	21,275
810 7th Avenue New York, New York	117	13,920	27,101	166,687	193,788

COLUMN A DESCRIPTION	COLUMN F ACCUMULATED DEPRECIATION	COLUMN G DATE OF CONSTRUCTION	COLUMN H DATE ACQUIRED	COLUMN I LIFE ON WHICH DEPRECIATION IS COMPUTED
110 Bi -County Blvd. Farmingdale, New York	1,508	1984	1997	10 - 30 Years
One Eagle Rock, East Hanover, New Jersey	3,087	1986	1997	10 - 30 Years
710 Bridgeport Avenue Shelton, Connecticut	4,493	1971-1979	1997	10 - 30 Years
101 JFK Expressway Short Hills, New Jersey	5,132	1981	1997	10 - 30 Years
10 Rooney Circle West Orange, New Jersey	1,096	1971	1997	10 - 30 Years
Executive Hill Office Park West Orange, New Jersey	6,337	1978-1984	1997	10 - 30 Years
3 University Plaza Hackensack, New Jersey	3,136	1985	1997	10 - 30 Years
150 Motor Parkway Hauppauge, New York	5,028	1984	1997	10 - 30 Years
Reckson Executive Park Ryebrook, New York	10,587	1983-1986	1997	10 - 30 Years
University Square Princeton, New Jersey	1,774	1987	1997	10 - 30 Years
100 Andrews Road Hicksville, New York	1,897	1954	1996	10 - 30 Years
80 Grasslands Elmsford, New York	1,389	1989/1964	1997	10 - 30 Years
65 Marcus Drive Melville, New York	724	1968	1996	10 - 30 Years
100 Forge Way Rockaway, New Jersey	190	1986	1998	10 - 30 Years
200 Forge Way Rockaway, New Jersey	630	1989	1998	10 - 30 Years
300 Forge Way Rockaway, New Jersey	328	1989	1998	10 - 30 Years
400 Forge Way Rockaway, New Jersey	580	1989	1998	10 - 30 Years
51 -- 55 Charles Lindbergh Blvd. Mitchel Field, New York	7,035	1981	1998	10 - 30 Years
100 Summit Drive Valhalla, New York	8,114	1988	1998	10 - 30 Years
115/117 Stevens Avenue Valhalla, New York	3,928	1984	1998	10 - 30 Years
200 Summit Lake Drive Valhalla, New York	6,718	1990	1998	10 - 30 Years
140 Grand Street White Plains, New York	3,078	1991	1998	10 - 30 Years
500 Summit Lake Drive Valhalla, New York	7,159	1986	1998	10 - 30 Years
99 Cherry Hill Road Parsippany, New Jersey	1,340	1982	1998	10 - 30 Years
119 Cherry Hill Road Parsippany, New Jersey	1,425	1982	1998	10 - 30 Years
45 Melville Park Road Melville, New York	763	1998	1998	10 - 30 Years
500 Saw Mill River Road Elmsford, New York	670	1968	1998	10 - 30 Years
120 W.45th Street New York, New York	20,103	1998	1999	10 - 30 Years
1255 Broad Street Clifton, New Jersey	2,922	1999	1999	10 - 30 Years
810 7th Avenue New York, New York	20,037	1970	1999	10 - 30 Years

Continued

RECKSON OPERATING PARTNERSHIP, L.P.
SCHEDULE III-REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2002
(IN THOUSANDS)

COLUMN A	COLUMN B	COLUMN C	
		INITIAL COST	
DESCRIPTION	ENCUMBRANCE	LAND	BUILDINGS AND IMPROVEMENTS
120 Mineola Blvd. Mineola, New York	--	1,869	10,603
100 Wall Street New York, New York	35,904	11,749	66,517
One Orlando Orlando, Florida	38,366	9,386	51,136
1350 Avenue of the Americas New York, New York	74,631	19,222	109,168
919 3rd. Avenue New York, New York	246,651	101,644 (A)	205,736
538 Broadhollow Road Melville, New York	--	3,900	21,413
360 Hamilton Avenue White Plains, New York	--	2,838	34,606
492 River Road Nutley, New Jersey	--	2,615	5,102
275 Broadhollow Road Melville, New York	--	3,850	12,958
400 Garden City Plaza Garden City, New York	--	9,081	17,004
90 Merrick Avenue East Meadow, New York	--	(A)	23,804
120 White Plains Road Tarrytown, New York	--	3,852	24,861
100 White Plains Road Tarrytown, New York	--	79	472
51 JFK Parkway Short Hills, New Jersey	--	10,053	62,504
680 Washington Blvd Stamford, Connecticut	--	4,561	23,698
750 Washington Blvd Stamford, Connecticut	--	7,527	31,940
1305 Walt Whitman Road Melville, New York	--	3,934	24,040
50 Marcus Drive Melville, New York	--	930	13,600
100 Grasslands Road Elmsford, New York	--	289	3,382
2002 Orville Drive North Bohemia, New York	--	1,950	9,959
390 Motor Parkway Hauppauge, New York	--	240	5,787
58 South Service Road Melville, New York	--	1,061	
400 Moreland Road Commack, New York	--	343	1,219
103 JFK Parkway Short Hills, New Jersey	--	3,098	18,011
Land held for development	--	92,924	--
Developments in progress	--	--	28,311
Other property	--	--	--
Total	$740,012	$ 483,555	$1,968,635

COLUMN A	COLUMN D		COLUMN E		
	COST CAPITALIZED, SUBSEQUENT TO ACQUISITION		GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD		
DESCRIPTION	LAND	BUILDINGS AND IMPROVEMENTS	LAND	BUILDINGS AND IMPROVEMENTS	TOTAL
120 Mineola Blvd. Mineola, New York	5	1,041	1,874	11,644	13,518
100 Wall Street New York, New York	93	9,798	11,842	76,315	88,157
One Orlando Orlando, Florida	32	3,779	9,418	54,915	64,333
1350 Avenue of the Americas New York, New York	--	18,037	19,222	127,205	146,427
919 3rd. Avenue New York, New York	12,795	86,412	114,439	292,148	406,587
538 Broadhollow Road Melville, New York	--	1,038	3,900	22,451	26,351
360 Hamilton Avenue White Plains, New York	--	21,351	2,838	55,957	58,795
492 River Road Nutley, New Jersey	--	4,145	2,615	9,247	11,862
275 Broadhollow Road Melville, New York	--	312	3,850	13,270	17,120
400 Garden City Plaza Garden City, New York	--	667	9,081	17,671	26,752
90 Merrick Avenue East Meadow, New York	--	1,111	0	24,915	24,915
120 White Plains Road Tarrytown, New York	--	359	3,852	25,220	29,072
100 White Plains Road Tarrytown, New York	--	79	79	551	630
51 JFK Parkway Short Hills, New Jersey	1	824	10,054	63,328	73,382
680 Washington Blvd Stamford, Connecticut	--	168	4,561	23,866	28,427
750 Washington Blvd Stamford, Connecticut	--	139	7,527	32,079	39,606
1305 Walt Whitman Road Melville, New York	--	41	3,934	24,081	28,015
50 Marcus Drive Melville, New York	65	4,912	995	18,512	19,507
100 Grasslands Road Elmsford, New York	--	1,214	289	4,596	4,885
2002 Orville Drive North Bohemia, New York	--	254	1,950	10,213	12,163
390 Motor Parkway Hauppauge, New York	--	833	240	6,620	6,860
58 South Service Road Melville, New York	6,886	42,218	7,947	42,218	50,165
400 Moreland Road Commack, New York	1,141	1,510	1,484	2,729	4,213
103 JFK Parkway Short Hills, New Jersey	217	9,585	3,315	27,596	30,911
Land held for development	--	--	92,924		92,924
Developments in progress	--	--		28,311	28,311
Other property	--	18,650		18,650	18,650
Total	$27,409	$474,928	$510,964	$2,443,563	$2,954,527

COLUMN A	COLUMN F	COLUMN G	COLUMN H	COLUMN I
	ACCUMULATED	DATE OF	DATE	LIFE ON WHICH DEPRECIATION

DESCRIPTION	DEPRECIATION	CONSTRUCTION	ACQUIRED	IS COMPUTED
120 Mineola Blvd. Mineola, New York	1,500	1977	1999	10 - 30 Years
100 Wall Street New York, New York	9,382	1969	1999	10 - 30 Years
One Orlando Orlando, Florida	6,566	1987	1999	10 - 30 Years
1350 Avenue of the Americas New York, New York	12,397	1966	2000	10 - 30 Years
919 3rd. Avenue New York, New York	16,375	1970	2000	10 - 30 Years
538 Broadhollow Road Melville, New York	1,802	2000	2000	10 - 30 Years
360 Hamilton Avenue White Plains, New York	6,319	2000	2000	10 - 30 Years
492 River Road Nutley, New Jersey	924	2000	2000	10 - 30 Years
275 Broadhollow Road Melville, New York	1,813	1970	1997	10 - 30 Years
400 Garden City Plaza Garden City, New York	2,166	1989	1997	10 - 30 Years
90 Merrick Avenue East Meadow, New York	3,563	1985	1997	10 - 30 Years
120 White Plains Road Tarrytown, New York	3,076	1984	1997	10 - 30 Years
100 White Plains Road Tarrytown, New York	39	1984	1997	10 - 30 Years
51 JFK Parkway Short Hills, New Jersey	7,619	1988	1998	10 - 30 Years
680 Washington Blvd Stamford, Connecticut	2,883	1989	1998	10 - 30 Years
750 Washington Blvd Stamford, Connecticut	3,738	1989	1998	10 - 30 Years
1305 Walt Whitman Road Melville, New York	3,043	1999	1999	10 - 30 Years
50 Marcus Drive Melville, New York	1,106	2001	1998	10 - 30 Years
100 Grasslands Road Elmsford, New York	460	2001	1997	10 - 30 Years
2002 Orville Drive North Bohemia, New York	919	2001	1996	10 - 30 Years
390 Motor Parkway Hauppauge, New York	1,046	2001	1997	10 - 30 Years
58 South Service Road Melville, New York	1,308	2001	1998	10 - 30 Years
400 Moreland Road Commack, New York	41	2002	1997	10 - 30 Years
103 JFK Parkway Short Hills, New Jersey	2,854	2002	1997	10 - 30 Years
Land held for development		N/A	Various	N/A
Developments in progress	--			
Other property	2,713			
Total	$445,029			

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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 Includes costs incurred to acquire the lessor's rights to an air rights lease agreement.

The aggregate cost of Federal Income Tax purposes was approximately $2,191 million at December 31, 2002.

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, 2002 are as follows:

	2002	2001	2000
Real estate balance at beginning of period	$ 2,880,879	$ 2,770,607	$ 2,208,399
Improvements / revaluations	91,900	193,492	166,260
Disposal, including write-off of fully depreciated building improvements	(18,252)	(83,220)	(52,092)
Acquisitions	--	--	448,040
Balance at end of period	$ 2,954,527	$ 2,880,879	$ 2,770,607

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, 2002 are as follows:

	2002	2001	2000
Balance at beginning of period	$ 357,112	$ 284,315	$ 215,112
Depreciation for period	91,940	83,316	71,478
Disposal, including write-off of fully depreciated building improvements	(4,023)	(10,519)	(2,275)
Balance at end of period	$ 445,029	$ 357,112	$ 284,315

Index to Exhibits

EXHIBIT NUMBER	FILING REFERENCE	DESCRIPTION
3.1	a	Amended and Restated Agreement of Limited Partnership of the Registrant
3.2	e	Supplement to the Amended and Restated Agreement of Limited Partnership of the Registrant Establishing Series A Preferred Units of Limited Partnership Interest
3.3	e	Supplement to the Amended and Restated Agreement of Limited Partnership of the Registrant Establishing Series B Preferred Units of Limited Partnership Interest
3.4	e	Supplement to the Amended and Restated Agreement of Limited Partnership of the Registrant Establishing Series C Preferred Units of Limited Partnership Interest
3.5	e	Supplement to the Amended and Restated Agreement of Limited Partnership of the Registrant Establishing Series D Preferred Units of Limited Partnership Interest
3.6	g	Supplement to the Amended and Restated Agreement of Limited Partnership of the Registrant Establishing Series B Common Units of Limited Partnership Interest
3.7	g	Supplement to the Amended and Restated Agreement of Limited Partnership of the Registrant Establishing Series E Preferred Partnership Units of Limited Partnership
3.8	j	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	f	Form of 7.40% Notes due 2004 of the Registrant
4.2	f	Form of 7.75% Notes due 2009 of the Registrant
4.3	f	Indenture, dated March 26, 1999, among the Registrant, Reckson Associates Realty Corp. (the "Company"), and The Bank of New York, as trustee
4.4	j	Rights Agreement, dated as of October 13, 2000, between the Registrant and American Stock Transfer and Trust Company
4.5	o	Form of 6.00% Notes due 2007 of the Registrant
4.6	d	Note Purchase Agreement for the Senior Unsecured Notes
10.1	d	Third Amended and Restated Agreement of Limited Partnership of Omni Partners, L.P.
10.2	h	Amendment and Restatement of Employment and Non-Competition Agreement, dated as of August 15, 2000 between the Company and Donald Rechler
10.3	h	Amendment and Restatement of Employment and Non-Competition Agreement, dated as of August 15, 2000 between the Company and Scott Rechler
10.4	h	Amendment and Restatement of Employment and Non-Competition Agreement, dated as of August 15, 2000 between the Company and Mitchell Rechler
10.5	h	Amendment and Restatement of Employment and Non-Competition Agreement, dated as of August 15, 2000 between the Company and Gregg Rechler
10.6	h	Amendment and Restatement of Employment and Non-Competition Agreement, dated as of August 15, 2000 between the Company and Roger Rechler
10.7	h	Amendment and Restatement of Employment and Non-Competition Agreement, dated as of August 15, 2000 between the Company and Michael Maturo
10.8	h	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	m	Amended and Restated 1995 Stock Option Plan
10.12	c	1996 Employee Stock Option Plan
10.13	b	Ground Leases for certain of the properties
10.14	a	Indemnity Agreement relating to 100 Oser Avenue
10.15	m	Amended and Restated 1997 Stock Option Plan
10.16	d	1998 Stock Option Plan
10.17	h	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Donald Rechler
10.18	h	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Scott Rechler
10.19	h	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Mitchell Rechler
10.20	h	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Gregg Rechler
10.21	h	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Roger Rechler
10.22	h	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Michael Maturo
10.23	h	Amended and Restated Severance Agreement, dated August 15, 2000 between the Company and Jason Barnett
10.24	g	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")
10.25	g	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")
10.26	g	Letter Agreement, dated November 30, 1999, amending the RSVP Credit Agreement and the RSI Credit Agreement
10.27	k	Second Amendment to the Amended and Restated Credit Agreement, dated March 30, 2001, between the Registrant and FrontLine Capital Group
10.28	l	Loan Agreement, dated as of June 1, 2001, between 1350 LLC, as Borrower, and Secore Financial Corporation, as Lender
10.29	l	Loan Agreement, dated as of July 18, 2001, between Metropolitan 919 3rd Avenue, LLC, as Borrower, and Secore Financial Corporation, as Lender

10.30	h	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
10.31	i	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
10.32	i	Consolidated, Amended and Restated Secured Promissory Note relating to Metropolitan 810 7th Ave., LLC and 100 Wall Company LLC
10.33	n	Amended and Restated Operating Agreement of 919 JV LLC
10.34	p	2002 Stock Option Plan
10.35	r	Indemnification Agreement, dated as of May 23, 2002, between the Company and Donald J. Rechler*

EXHIBIT NUMBER	FILING REFERENCE	DESCRIPTION
10.36	q	Second Amended and Restated Credit Agreement, dated as of December 30, 2002, among the Registrant, the institutions from time to time party thereto as Lenders and JPMorgan Chase Bank, as Administrative Agent
10.37	q	Form of Guarantee Agreement to the Second Amended and Restated Credit Agreement, between and among the Registrant, the institutions from time to time party thereto as Lenders and JPMorgan Chase Bank, as Administrative Agent
10.38	q	Form of Promissory Note to the Second Amended and Restated Credit Agreement, between and among the Registrant, the institutions from time to time party thereto as Lenders and JPMorgan Chase Bank, as Administrative Agent
10.39	q	First Amendment to Second Amended and Restated Credit Agreement, dated as of January 24, 2003, among the Registrant, JPMorgan Chase Bank, as Administrative Agent for the institutions from time to time party thereto as Lenders and Key Bank, N.A., as New Lender
10.40		Long-Term Incentive Award Agreement, dated March 13, 2003, between the Company and Scott H. Rechler**
10.41		Award Agreement, dated November 14, 2002, between the Company and Scott H. Rechler***
10.42		Award agreement, dated March 13, 2003, between the Company and Scott H. Rechler****
12.1		Statement of Ratios of Earnings to Fixed Charges
21.1		Statement of Subsidiaries
23.1		Consent of Independent Auditors
24.1		Power of Attorney (included in Part IV of the Form 10-K)
99.1		Certification of Donald J. Rechler, Co-Chief Executive Officer of the Company, the sole general partner of the Registrant, pursuant to Section 1350 of Chapter 63 of title 18 of the United States Code
99.2		Certification of Scott H. Rechler, Co-Chief Executive Officer of the Company, the sole general partner of the Registrant, pursuant to Section 1350 of Chapter 63 of title 18 of the United States Code
99.3		Certification of Michael Maturo, Executive Vice President, Treasurer and Chief Financial Officer of the Company, the sole general partner of the Registrant, pursuant to Section 1350 of Chapter 63 of title 18 of the United States Code

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(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 Company's Form 8-K report filed with the SEC on March 1, 1999 and incorporated herein by reference.

(f) Previously filed as an exhibit to the Registrant's Form 8-K filed with SEC on March 26, 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 17, 2000 and incorporated herein by reference.

(h) 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.

(i) 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.

(j) Previously filed as an exhibit to the Registrant's Form 10-K filed with the SEC on March 22, 2001 and incorporated herein by reference.

(k) Previously filed as an exhibit to the Registrant's Form 10-Q filed with the SEC on May 14, 2001 and incorporated herein by reference.

(l) Previously filed as an exhibit to the Registrant's Form 10-Q filed with the SEC on August 14, 2001 and incorporated herein by reference.

(m) Previously filed as an exhibit to the Company's Form 10-Q filed with the SEC on November 14, 2001 and incorporated herein by reference.

(n) Previously filed as an exhibit to the Registrant's Form 8-K filed with the SEC on January 8, 2002 and incorporated herein by reference.

(o) Previously filed as an exhibit to the Registrant's Form 8-K filed with the SEC on June 18, 2002 and incorporated herein by reference.

(p) Previously filed as an exhibit to the Registrant's Form 10-Q filed with the SEC on August 14, 2002 and incorporated herein by reference.

(q) Previously filed as an exhibit to the Registrant's Current Report on 8-K filed with the SEC on January 27, 2003 and incorporated herein by reference.

(r) Previously filed with the Registrant's Form 10-Q filed with the SEC on November 14, 2002 and incorporated herein by reference.

* Each of Scott H. Rechler, Mitchell D. Rechler, Gregg M. Rechler, Michael Maturo, Roger M. Rechler, Jason M. Barnett, Herve A. Kevenides, John V.N. Klein, Lewis S. Ranieri and Conrad D. Stephenson has entered into an Indemnification Agreement with the Company, dated May 23, 2002. Each of Ronald H. Menaker and Peter Quick has entered into an Indemnification Agreement with the Company dated May 1, 2002. These Agreements are identical in all material respects to the Indemnification Agreement for Donald J. Rechler filed herewith.

** Each of Donald J. Rechler, Mitchell D. Rechler, Gregg M. Rechler, Michael Maturo, Roger M. Rechler and Jason M. Barnett has entered into a Long-Term Incentive Award Agreement with the Company, dated March 13, 2003. These Agreements are identical in all material respects to the

Long-Term Incentive Award Agreement for Scott H. Rechler filed herewith.

*** Each of Donald J. Rechler, Mitchell D. Rechler, Gregg M. Rechler, Michael Maturo and Roger M. Rechler has been awarded certain rights to shares of Class A common stock of the Company, pursuant to award agreements dated Nov ember 14, 2002. These Agreements are identical in all material respects to the Agreement for Scott H. Rechler filed herewith, except that Donald J. Rechler received rights to 46,983 shares each of Mitchell D. Rechler, Gregg M. Rechler and Michael Maturo received rights to 27,588 shares and Roger M. Rechler received rights to 25,530 shares.

**** Each of Donald J. Rechler, Mitchell D. Rechler, Gregg M. Rechler, Michael Maturo, Roger M. Rechler and Jason M. Barnett has been awarded certain rights to shares of Class A common stock of the Company, pursuant to award agreements dated March 13, 2003. These Agreements are identical in all material respects to the Agreement for Scott H. Rechler filed herewith.

REPORTS ON FORM 8-K

On November 5, 2002, the Registrant submitted a report on Form 8-K under Item 9 thereof in order to submit supplemental operating and financial data for the quarter ended September 30, 2002.

On November 6, 2002, the Registrant submitted a report on Form 8-K under Item 9 thereof in order to submit its third quarter presentation.

EXHIBIT 10.40

RECKSON ASSOCIATES REALTY CORP.
LONG-TERM INCENTIVE AWARD AGREEMENT

RECITALS

A. Scott Rechler (the "Grantee") is an executive officer of Reckson Associates Realty Corp. (the "Company") or one of its Affiliates.

B. The Grantee has been selected by the Compensation Committee of the Board of Directors of the Company (the "Committee") to receive a grant of a core annual long-term incentive award (the "Core Award") and a special long-term incentive award (the "Special Award"), effective as of March 13, 2003 (the "Date of Grant").

NOW, THEREFORE, the Company hereby grants to the Grantee, effective as of the Date of Grant, the Core Award in the form of 138,889 restricted shares of the Class A Common Stock ($0.01 par value per share) of the Company (the "Common Stock") and the Special Award in the Target Amount, in each case subject to the terms and conditions of this Long-Term Incentive Award Agreement (this "Agreement").

1. Nature of Core Award; Restrictions on Transfer: The restricted shares of Common Stock that comprise the Core Award (the "Core Shares") will be granted to the Grantee under the Company's 2002 Stock Option Plan (the "Plan"), the terms and conditions of which are hereby incorporated by reference. The Core Shares will not be transferable by the Grantee until such shares become vested in accordance with Section 3.

2. Nature of Special Award; Restrictions on Transfer: The Special Award represents a potential cash bonus (with a stated Target Amount) that may become vested and earned based upon the Grantee's continued employment and the achievement of the performance goals set forth in Section 4 hereof. The Grantee's actual Special Award amount, if any, will be based on the Grantee's vested interest in a portion of the Excess Shareholder Return and, to the extent this amount as determined under Section 4(a) is less than 25% of the Target Amount, may be based on the Grantee's Target Amount as provided in Section 4(b). The Grantee's right in the Special Award represents a mere unfunded and unsecured contingent promise to pay by the Company. The Grantee will have no rights as a shareholder of the Company based on or attributable to the Grantee's Special Award or Target Amount, and neither such Special Award, nor such Target Amount, nor any interest therein may be transferred, assigned, alienated or anticipated other than by will or the laws of descent and distribution.

3. Vesting of the Core Shares: The Core Shares generally will become vested and transferable as follows:

(a) 6.25% of the Core Shares will become cumulatively vested and transferable on each of the first four anniversaries of the Date of Grant (each such anniversary

hereinafter referred to as an "Annual Vesting Date"); in each case provided that the Grantee remains in continuous employment with the Company or any of its Affiliates until such date.

(b) 18.75% of the Core Shares will become cumulatively vested and transferable on each of the Annual Vesting Dates; in each case provided that the Grantee remains in continuous employment with the Company or any of its Affiliates until such date; and provided, further, that any shares which otherwise would become vested on such Annual Vesting Date will not become so vested unless the Company has achieved, during the last year completed before the applicable Annual Vesting Date, a cumulative and compounded total return to shareholders based on the Base Price (including all dividends and stock appreciation) that either (i) is at or above the 50th percentile of the cumulative and compounded total return to shareholders achieved by members of the Peer Group during the same period, or (ii) equals a cumulative and compounded total return of at least 9% per annum. If the vesting performance requirement is not satisfied for a given period, the Core Shares from such year or years will not be forfeited and will be eligible to become vested if the vesting performance requirement applicable to such Core Shares is satisfied on a cumulative and compounded basis for an extended performance period that includes the year ended prior to the original Annual Vesting Date and the and the year ended on the following Annual Vesting Date. If necessary, this cumulative and compounded method of satisfying the vesting performance requirement also will be applied on a look-back basis at the end of the four-year vesting performance period. For purposes of this Section, (i) the performance of the Company relative to the performance of members of the Peer Group will be determined using the actual closing prices per share on the New York Stock Exchange of the Common Stock and the securities of the members of the Peer Group on the applicable anniversary of the Date of Grant (or the last trading day preceding such anniversary if the anniversary does not fall on a trading day), and (ii) the per annum percentage performance of the Company will be determined using the 45-day VWAP for the period ending on the applicable anniversary of the Date of Grant (or the last trading day preceding such anniversary if the anniversary does not fall on a trading day).

(c) Notwithstanding the foregoing, if a Change-in-Control occurs

prior to the fourth Annual Vesting Date and the Grantee remains in continuous employment with the Company or any of its Affiliates until such occurrence, all non-vested Core Shares will thereupon become fully vested and transferable.

(d) Notwithstanding the foregoing, if the Grantee's employment with the Company and all Affiliates is terminated prior to the fourth Annual Vesting Date by reason of the Grantee's death or Disability, by the Grantee for Good Reason, or by the Company or any Affiliate for any reason other than Cause or transfer to another Affiliate, all non-vested Core Shares will thereupon become fully vested and transferable. If the Grantee's employment with the Company and all Affiliates is terminated prior to the fourth Annual Vesting Date for any other reason, any Core Shares that have not yet become vested will thereupon be forfeited.

(e) Notwithstanding the foregoing, if the Grantee remains in continuous employment with the Company or any of its Affiliates until an applicable Annual Vesting Date

but the vesting performance requirement is not satisfied for the year ending on such date (or any extended performance period as contemplated in Section 3(b) above), and if the Committee determines that it nevertheless would be consistent with the spirit and intent of this Agreement to vest some or all of the Core Shares that otherwise would have become vested and transferable on that Annual Vesting Date, then the Committee, in its sole and absolute discretion, may elect to vest some or all of such Core Shares.

4. Vesting of the Special Award: The Special Award generally will become vested as follows:

(a) The Special Award (determined as set forth below) will become vested on the fourth Annual Vesting Date; provided that the Grantee remains in continuous employment with the Company or any of its Affiliates until the fourth Annual Vesting Date; and provided, further, that the Company has achieved, during the four years completed before the fourth Annual Vesting Date, a cumulative and compounded total return to shareholders based on the Base Price (including all dividends and stock appreciation) that either (i) is at or above the 60th percentile of the cumulative and compounded total return to shareholders achieved by members of the Peer Group during the same period, or (ii) equals a cumulative and compounded total return of at least 9% per annum. The dollar amount of Grantee's Special Award that becomes vested on such fourth Annual Vesting Date will equal (i) 10% of the Excess Shareholder Return, multiplied by (ii) the Grantee's Special Award Percentage. The value of the portion of the Special Award that becomes vested by operation of the preceding sentence may not be less than zero, but may exceed the Grantee's Target Amount. The Committee will determine the levels of the Company's shareholder return in good faith as soon as practicable after the fourth Annual Vesting Date. For purposes of this Section, (i) the performance of the Company relative to the performance of members of the Peer Group will be determined using the actual closing prices per share on the New York Stock Exchange of the Common Stock and the securities of the members of the Peer Group on the applicable anniversary of the Date of Grant (or the last trading day preceding such anniversary if the anniversary does not fall on a trading day), and (ii) the per annum percentage performance of the Company will be determined using the 45-day VWAP for the period ending on the applicable anniversary of the Date of Grant (or the last trading day preceding such anniversary if the anniversary does not fall on a trading day).

(b) To the extent that the amount of the Special Award that becomes vested to the Grantee on the fourth Annual Vesting Date pursuant to Section 4(a) above equals less than 25% of the Target Amount, the Committee, in its sole and absolute discretion, may provide for the vesting and payment of an amount equal to not more than 25% of the Grantee's Target Amount; provided that the Grantee remains in continuous employment with the Company or any of its Affiliates until the fourth Annual Vesting Date; and provided, further, that the Company has achieved, during the four years completed before the fourth Annual Vesting Date, a cumulative and compounded total return to shareholders based on the Base Price (including all dividends and stock appreciation) that either (i) is at or above the 60th percentile of the cumulative and compounded total return to shareholders achieved by members of the Peer Group during the same period, or (ii) equals a cumulative and compounded total return of at least 9%

per annum. The Committee will determine the levels of the Company's shareholder return in good faith and the extent to which such award becomes vested as soon as practicable after the applicable anniversary date.

(c) Notwithstanding the foregoing, if a Change-in-Control occurs prior to the fourth Annual Vesting Date and the Grantee remains in continuous employment with the Company or any of its Affiliates until such occurrence, the Grantee's Target Amount will thereupon become fully vested, and all obligations to the Grantee in respect of the Special Award shall be satisfied in full upon payment thereof.

(d) Notwithstanding the foregoing, if the Grantee's employment with the Company and all Affiliates is terminated prior to the fourth Annual Vesting Date by the Grantee for Good Reason, or by the Company or any Affiliate for any reason other than death, Disability, Cause or transfer to another Affiliate, the Grantee's Target Amount will thereupon become fully vested, and all obligations to the Grantee in respect of the Special Award shall be satisfied in full upon payment thereof. If the Grantee's employment with the Company and all Affiliates is terminated prior to the fourth Annual Vesting Date by reason of the Grantee's retirement at or after age 65, then a pro rata portion (if any) of the Special Award (calculated at the end of the four-year performance period) will become vested as of the date of the Grantee's retirement, and all obligations to the Grantee in respect of the Special Award shall be satisfied in full upon payment thereof. Such pro rata portion will equal (i) the portion of the Special Award that otherwise would have become vested under Sections 4(a) or (b) (as applicable) if the Grantee had remained employed with the Company or any Affiliate until the fourth Annual Vesting Date, multiplied by (ii) the number of years from the Date of Grant to the date of death or Disability (rounded to the next whole year), and divided by (iii) four. If the Grantee's employment with the Company and all Affiliates is terminated prior to the fourth Annual Vesting Date by reason of the Grantee's death or Disability, then the portion (if any) of the Special Award that otherwise would have become vested under Sections 4(a) or (b) (as applicable) if the Grantee had remained employed with the Company or any Affiliate until the fourth Annual Vesting Date (calculated at the end of the four-year performance period) will become vested. If the Grantee's employment with the Company and all Affiliates is terminated prior to the fourth Annual Vesting Date for any other reason, to the extent the Special Award (or a portion thereof) has not yet become vested under Section 4(a) or (b), the Grantee's right to receive any portion of the Special Award will thereupon be forfeited by the Grantee, and the Company will have no obligations to the Grantee in respect thereof.

(e) Notwithstanding the foregoing (including, without limitation, Section 4(b)), if the Grantee remains in continuous employment with the Company or any of its Affiliates until the fourth Annual Vesting Date but the vesting performance requirement set forth in Section 4(a) or 4(b) is not satisfied for the period ending on such date, and if the Committee determines that it nevertheless would be consistent with the spirit and intent of this Agreement to vest some or all of the Special Award that otherwise would have become vested on that anniversary date, then the Committee, in its sole and absolute discretion, may elect to vest some or all of such Special Award.

5. Delivery of Core Shares and Payment of Special Award. Subject to Section 12, as soon as practicable after any portion of the Grantee's Core Shares become vested and transferable (as determined under Section 3), the Company will instruct its stock transfer agent (i) to issue certificates to the Grantee representing such vested Core Shares without the legends contemplated under Section 1 and (ii) to process any applicable transfers of such vested Core Shares. As soon as reasonably practicable after any portion of the Grantee's Special Award is determined to have become vested, the Company will distribute the amount or value of such vested Special Award (as determined under Section 4) to the Grantee in cash (less applicable withholding in accordance with Section 12); provided, however, that the Committee, in its sole and absolute discretion, may elect to distribute some or all of such vested Special Award in the form of shares of Common Stock, provided further that sufficient shares of Common Stock are available for such distribution under the Plan or any other Company plan or program that provides for the issuance of equity to employees. If any portion of the Special Award is satisfied by the distribution of shares of Common Stock, the value of such shares will be determined using the 45-day VWAP on the date such Special Awards is vested. Notwithstanding any provision of any employment, severance or change of control agreement between the Grantee and the Company to the contrary, the Grantee shall not be entitled to receive any payment or benefit from the Company intended to defray or offset some or all of the Grantee's income tax liability with respect to benefits under this Agreement.

6. Payment of Dividends: The Core Shares will accrue on a cumulative basis all dividends paid on such shares from the date of actual issuance through the date of vesting. Subject to Section 12, as soon as practicable after any Core Shares become vested, the Company will pay to the Grantee in cash or in kind (as applicable) the dividends accrued with respect to such shares. No dividends will accrue with respect to the Special Award.

7. Adjustment. The Committee will make or provide for such adjustments in the number of shares of Common Stock underlying the Core Shares and the vesting performance requirements applicable to Core Shares and the Special Award covered by this Agreement, as the Committee may in good faith determine to be equitably required in order to prevent any dilution or expansion of the rights of the Grantee that otherwise would result from (i) any stock dividend, stock split, combination of shares, recapitalization or similar change in the capital structure of the Company or (ii) any merger, consolidation, spin-off, spin-out, split-off, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of warrants or other rights to purchase securities or any other transaction or event having an effect similar to any of the foregoing.

8. Compliance With Law. The Company and the Grantee will make reasonable efforts to comply with all applicable securities laws. In addition, notwithstanding any provision of this Agreement to the contrary, no Core Shares or Special Award will become vested or be paid at a time that such vesting or payment would result in a violation of any such law.

9. Investment Representation; Registration.

(a) In order to comply with Section 8 hereof and any applicable securities law, the Company may require the Grantee (i) to furnish evidence satisfactory to the Company (including, without limitation, a written and signed representation letter) to the effect that any shares of Common Stock acquired pursuant to this Agreement were acquired for investment only and not for resale or distribution and (ii) to agree that all such shares will only be sold following registration under the Securities Act of 1933 (the "Securities Act") or pursuant to an exemption therefrom.

(b) The Company may affix a legend to the certificates representing unregistered shares of Common Stock issued pursuant to this Agreement, if any, to the effect that such shares have not been registered under the Securities Act and may only be sold or transferred upon registration or pursuant to an exemption therefrom.

(c) The Company will have no obligation to register under the Securities Act any shares of Common Stock or any other securities issued pursuant to this Agreement.

10. Severability. In the event that one or more of the provisions of this Agreement may be invalidated for any reason by a court, any provision so invalidated will be deemed to be separable from the other provisions hereof, and the remaining provisions hereof will continue to be valid and fully enforceable.

11. Governing Law. This Agreement is made under, and will be construed in accordance with, the laws of the State of New York, without giving effect to the principle of conflict of laws of such State.

12. Withholding and Taxes. No later than the date as of which an amount first becomes includible in the gross income of the Grantee for income tax purposes or subject to Federal Insurance Contributions Act withholding with respect to any award under this Agreement, such Grantee will pay to the Company or, if appropriate, any of its Affiliates, or make arrangements satisfactory to the Committee regarding the payment of, any United States federal, state or local or foreign taxes of any kind required by law to be withheld with respect to such amount. The Committee may permit or require that withholding obligations be settled with Common Stock, including Common Stock that is part of the award that gives rise to the withholding requirement. The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company and its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Grantee. The Committee may establish such procedures as it deems appropriate for the settlement of withholding obligations with Common Stock.

13. Certain Definitions.

(a) "Affiliate" means any person or entity that, at the time of reference, is controlled by, controlling of or under common control with the Company.

(b) "Base Price" means the closing price per share of the Common Stock on the New York Stock Exchange on the Date of Grant.

(c) "Cause" means a finding by the Company's Board of Directors that the Grantee has (i) acted with gross negligence or willful misconduct in connection with the performance of his material duties to the Company or any Affiliate; (ii) defaulted in the performance of his material duties to the Company or any Affiliate and has not corrected such action within 15 days of receipt of written notice thereof; (iii) willfully acted against the best interests of the Company or any Affiliate, which act has had a material and adverse impact on the financial affairs of the Company or such Affiliate; or (iv) been convicted of a felony or committed a material act of common law fraud against the Company, any Affiliate or any of their employees and such act or conviction has had, or the Company's Board of Directors reasonably determines will have, a material adverse effect on the interests of the Company or such Affiliate; provided, however, that a finding of Cause will not become effective unless and until the Board of Directors provides the Grantee notice that it is considering making such finding and a reasonable opportunity to be heard by the Board of Directors.

(d) A "Change-in-Control" will be deemed to have occurred if following the Date of Grant:

(i) any Person, together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Securities Exchange Act of 1934 (the "Exchange Act")) of such Person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of (A) the combined voting power of the Company's then outstanding securities having the right to vote in an election of the Company's Board of Directors ("Voting Securities"), (B) the combined voting power of the Company's then outstanding Voting Securities and any securities convertible into Voting Securities, or (C) the then outstanding shares of all classes of stock of the Company; or

(ii) individuals who, as of the effective date of this Agreement, constitute the Company's Board of Directors (the "Incumbent Directors") cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Company's Board of Directors, provided that any person becoming a director of the Company subsequent to the effective date of this Agreement whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A under the Exchange Act) shall, for purposes of this Agreement, be considered an Incumbent Director; or

(iii) consummation of (1) any consolidation or merger of the Company or any subsidiary where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term

is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, but based solely on their prior ownership of shares of the Company, shares representing in the aggregate more than 60% of the voting shares of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), or (2) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company;

(iv) stockholder approval of any plan or proposal for the liquidation or dissolution of the Company;

(v) Notwithstanding the foregoing, a "Change-in-Control" shall not be deemed to have occurred for purposes of the foregoing clause (i) (A) solely as the result of an acquisition of securities by the Company which, by reducing the number of shares of stock or other Voting Securities outstanding, increases (x) the proportionate number of shares of stock of the Company beneficially owned by any Person to 30% or more of the shares of stock then outstanding or (y) the proportionate voting power represented by the Voting Securities beneficially owned by any Person to 30% or more of the combined voting power of all then outstanding Voting Securities; provided, however, that if any Person referred to in clause (x) or (y) of this sentence shall thereafter become the beneficial owner of any additional stock of the Company or other Voting Securities (other than pursuant to a share split, stock dividend, or similar transaction), then a "Change-in-Control" shall be deemed to have occurred for purposes of the foregoing clause (i), and (B) solely as a result of the direct or indirect acquisition of beneficial ownership of Voting Securities by any executive officers of the Company on the date hereof and/or the Company, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Company or any of its subsidiaries if the Grantee is one of the executive officers participating in such acquisition.

(e) "Disability" means that the Grantee has been unable to efficiently perform his duties to the Company and all Affiliates because of any physical or mental injury or illness until the earlier of such time when (i) the period of injury or illness (whether or not the same injury or illness) exceeds 180 consecutive days or (ii) the Grantee becomes eligible to receive benefits under a comprehensive disability insurance policy maintained or sponsored by the Company.

(f) "Excess Shareholder Return" means the dollar value, if any, of the cumulative and compounded return to shareholders based on the Base Price (including all dividends and stock appreciation) in excess of a cumulative and compounded return of 9% per annum during the four years completed before the fourth anniversary of the Date of Grant. For this purpose, such return shall be calculated as the product of (i) the sum of (A) the increase in market value of the per share price of the Common Stock over the Base Price as of the fourth anniversary of the Date of Grant and (B) the total amount of the dividends paid per share of Common Stock during such four-year period; less the amount equal to a cumulative and compounded return of 9% per annum on the Base Price, and (ii) the annual weighted average shares of Common Stock outstanding for such four-year period.

(g) "Good Reason" means the occurrence of any of the following events or conditions, which event or condition is not corrected by the Company within 30 days of written notice from the Grantee: (i) any failure of the Board of Directors of the Company to elect the Grantee to offices with the same or substantially the same duties and responsibilities as in effect on the Date of Grant, (ii) any material failure by the Company or any Affiliate to timely pay or provide to the Grantee any compensation or benefits required to be paid or provided under the terms of any employment or similar agreement in effect during the term of this Agreement between the Grantee and the Company or such Affiliate, (iii) any material breach by the Company or any Affiliate of any other provision of any employment or similar agreement in effect during the term of this Agreement between the Grantee and the Company or such Affiliate, and (iv) any failure by the Company or any Affiliate to timely offer to renew (and to hold such offer to renew open for acceptance for a reasonable period of time) on substantially identical terms until at least the fourth anniversary of the Date of Grant any employment agreement in effect on the Date of Grant between the Grantee and the Company or such Affiliate.

(h) "Peer Group" means the business entities set forth on Exhibit A to this Agreement, and any successors to the businesses or assets of such entities as determined by the Committee in its sole and absolute discretion. If an entity listed on such Exhibit ceases to exist during the term of this Agreement and the Committee determines that there is no successor to the business or assets of such entity, then such entity will cease to be treated as a member of the Peer Group to the extent and for the periods determined by the Committee in its sole and absolute discretion.

(i) "Person" has the meaning used in Sections 13(d) and 14(d) of the Exchange Act.

(j) "Special Award Percentage" means 10.04%.

(k) "Target Amount" means $2,500,000.00.

(l) "VWAP" means the volume weighted average closing price per share of the Common Stock on the New York Stock Exchange during the period ending on the last trading day before the date of determination.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the 13th day of March, 2003.

RECKSON ASSOCIATES REALTY CORP.

By: /s/ Michael Maturo

Name: Michael Maturo
Title: Executive Vice President & Chief Financial Officer

/s/ Scott Rechler

The Grantee

EXHIBIT 10.41

RECKSON ASSOCIATES REALTY CORP.
AWARD AGREEMENT

RECITALS

A. Scott H. Rechler (the "Grantee") is the Co-Chief Executive Officer of Reckson Associates Realty Corp. (the "Company").

B. The Grantee has been selected by the Compensation Committee (the "Committee") of the Board of Directors of the Company to receive a grant of rights (the "Rights") to receive shares of the Company's Class A common stock (the "Common Shares"), as approved by the Board of Directors of the Company on November 14, 2002 (the "Date of Grant").

NOW, THEREFORE, subject to the terms and conditions set forth herein, the Company hereby grants to the Grantee 35,247 Rights, on the terms and conditions herein set forth.

1. TERMS; VESTING OF RIGHTS.

(a) The Grantee will not possess any voting rights by virtue of the ownership of the Rights granted hereby.

(b) Unless terminated as hereinafter provided, the Rights will become cumulatively vested with respect to twenty-five percent (25%) of such Rights on each anniversary of the Date of Grant (each, a "Vesting Date") (and shall be fully vested on the fourth anniversary of the Date of Grant), in each case provided that the Grantee remains in continuous service with the Company or any Affiliate until the applicable Vesting Date. For the purposes of this agreement, the continuous service of the Grantee with the Company or any Affiliate will not be deemed to have been interrupted, and the Grantee will not be deemed to have terminated his service, by reason of the transfer of such service among the Company and its Affiliates. The Grantee also will not be deemed to have terminated his service by reason of a leave of absence approved by the Committee; however, the vesting of the Rights will be suspended during any such leave, and each date on which a portion of the Rights otherwise would have become vested during or after the leave shall be deferred by a period equal to the length of the leave.

(c) Notwithstanding the provisions of Section 1(b), if the Grantee's service with the Company and all Affiliates terminates by reason of his death or Disability, or if Grantee terminates his service with the Company for Good Reason, prior to the Vesting Date on which the Rights would otherwise become fully vested, the Rights will become fully vested.

(d) Notwithstanding the provisions of Section 1(b), if the Grantee's service with the Company and all Affiliates is terminated by the Company and/or such Affiliates without Cause or if there shall occur a Change in Control prior to the Vesting Date on which the Rights would otherwise become fully vested, the Rights will become fully vested.

2. TERMINATION OF RIGHTS. Subject to the provisions of Sections 1(c) and (d), the unvested portion of the Rights will terminate and expire automatically and without further notice

immediately upon the termination of the Grantee's service with the Company and all Affiliates for any reason.

3. DISTRIBUTION AND PAYMENT OF RIGHTS. As soon as practicable after each Vesting Date, the Company shall pay to the Grantee, if Common Shares are then available for issuance under one of the existing stock option plans of the Company, a number of Common Shares equal to the number of Rights vesting on such Vesting Date (subject to adjustment for any stock splits, reverse stock splits or other similar events as the Committee may determine) (a "Common Shares Payment") or, if no Common Shares are then available, an amount of cash equal to (i) the FMV per Common Share on the Vesting Date, multiplied by (ii) the number of vested and unexpired Rights then held by or with respect to the Grantee (a "Cash Payment"). The Company shall deduct and withhold from such payments any applicable federal, state, local or foreign taxes unless the Grantee has made arrangements satisfactory to the Company for other payment of such taxes.

4. PAYMENT OF DIVIDENDS. The Rights will accrue on a cumulative basis cash payments equivalent to the dividends paid on the Common Shares from the Date of Grant through the Vesting Date. Subject to the deduction and withholding from such payments for tax purposes as described in Section 3, as soon as practicable after any Rights become vested, the Company will pay to the Grantee in cash or in kind (as applicable) the dividends accrued with respect to such Rights.

5. TAX PAYMENTS. The Grantee is hereby also granted an award in the form of cash payments (each, a "Tax Payment") from the Company at such times and in such amounts so as to cover any personal federal, state and local income taxes of the Grantee resulting from (i) the Grantee's receipt of the Rights, (ii) the payment on each Vesting Date of a Common Shares Payment or, if no Common Shares are then available, a Cash Payment and (iii) the cash payments made in respect of the Tax Payments. Each of the events described in (i), (ii) and (iii) above shall be referred to herein as a "Tax Payment Event." The Company shall make a Tax Payment to the Grantee as soon as practicable after the occurrence of a Tax Payment Event, subject to the Company's receipt of verification of the Grantee's tax liability resulting from a Tax Payment Event in a form satisfactory to the Company in its sole discretion.

6. COMPLIANCE WITH LAW. The Company and the Grantee will make reasonable efforts to comply with all applicable securities laws. In addition, notwithstanding any provision of this agreement to the contrary, the Rights will not be exercisable at any time or in any manner that the exercise thereof would result in a violation of any such law.

7. REPRESENTATIONS AND WARRANTIES OF THE GRANTEE; REGISTRATION; REPURCHASE RIGHT. The Grantee hereby represents and warrants to and agrees with the Company as follows:

(a) In order to comply with Section 4 hereof and any applicable securities law, the Company may require the Grantee to furnish evidence satisfactory to the Company (including, without limitation, a written and signed representation letter) to the effect that all rights acquired pursuant to this agreement were acquired by the Grantee for investment only and not for resale or distribution.

(b) The Company shall have no obligation to register under the Securities Act of 1933 any securities deemed to have been issued or awarded pursuant to this agreement.

(c) Certificates Representing Common Shares May Be Legended. The Grantee understands and agrees that certificates representing any Common Shares distributed with respect to the Rights may bear a legend on the face thereof (or on the reverse thereof with a reference to such legend on the face thereof) that restricts the sale, transfer or disposition of the Common Shares otherwise than in accordance with this agreement.

8. SEVERABILITY. In the event that one or more of the provisions of this agreement may be invalidated for any reason by a court, any provision so invalidated will be deemed to be separable from the other provisions hereof, and the remaining provisions hereof will continue to be valid and fully enforceable.

9. GOVERNING LAW. This agreement is made under, and will be construed in accordance with, the laws of the State of New York, without giving effect to the principle of conflict of laws of such State.

10. TRANSFERABILITY. Neither the Rights nor any other rights granted hereunder may be anticipated, assigned, alienated or transferred by the Grantee.

11. CERTAIN DEFINITIONS. For purposes of this agreement:

(a) "Affiliate" means any person or entity that, at the time of reference, is controlled by, controlling of or under common control with the Company.

(b) "Change in Control" shall be deemed to have occurred after the effective date of this agreement if:

(i) any Person (as defined below), together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Securities Exchange Act of 1934 (the "Exchange Act")) of such Person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of either (A) the combined voting power of the Company's then outstanding securities having the right to vote in an election of the Company's Board of Directors ("Voting Securities"), (B) the combined voting power of the Company's then outstanding Voting Securities and any securities convertible into Voting Securities, or (C) the then outstanding shares of all classes of stock of the Company; or

(ii) individuals who, as of the date hereof, constitute the Company's Board of Directors (the "Incumbent Directors") cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Company's Board of Directors, provided that any person becoming a director of the Company subsequent to the date

hereof whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A under the Exchange Act) shall, for purposes hereof, be considered an Incumbent Director; or

(iii) the stockholders of the Company shall approve (A) any consolidation or merger of the Company or any Affiliate where the stockholders of the Company, immediately prior to

the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, but based solely on their prior ownership of shares of the Company, shares representing in the aggregate more than 60% of the voting shares of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (B) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company or (C) any plan or proposal for the liquidation or dissolution of the Company.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred for purposes of the foregoing clause (i) solely as the result of an acquisition of securities by the Company which, by reducing the number of shares of stock or other Voting Securities outstanding, increases (x) the proportionate number of shares of stock of the Company beneficially owned by any Person to 30% or more of the shares of stock then outstanding or (y) the proportionate voting power represented by the Voting Securities beneficially owned by any Person to 30% or more of the combined voting power of all then outstanding Voting Securities; provided, however, that if any Person referred to in clause (x) or (y) of this sentence shall thereafter become the beneficial owner of any additional stock of the Company or other Voting Securities (other than pursuant to a stock split, stock dividend, or similar transaction), then a "Change in Control" shall be deemed to have occurred for purposes of the foregoing clause (i).

(c) "Disability" means any physical or mental illness, injury or condition that would qualify the Grantee for benefits under any long-term disability benefit plan maintained by the Company or any Affiliate and applicable to the Grantee.

(d) "FMV" as of any date and in respect of any Common Shares shall be:

(i) if the Common Shares are listed for trading on the New York Stock Exchange, the closing price, regular way, of the Common Shares as reported on the New York Stock Exchange Composite Tape, or if no such reported sale of the Common Shares shall have

occurred on such date, on the next preceding date on which there was such a reported sale; or

(ii) if the Common Shares are not so listed but are listed on another national securities exchange or authorized for quotation on the National Association of Securities Dealers Inc.'s NASDAQ National Market System ("NASDAQ/NMS"), the closing price, regular way, of the Common Shares on such exchange or NASDAQ/NMS, as the case may be, on which the largest number of Common Shares have been traded in the aggregate on the preceding twenty trading days, or if no such reported sale of the Shares shall have occurred on such date on such exchange or NASDAQ/NMS, as the case may be, on the preceding date on which there was such a reported sale on such exchange or NASDAQ/NMS, as the case may be; or

(iii) if the Common Shares are not listed for trading on a national securities exchange or authorized for quotation on NASDAQ/NMS, the average of the closing bid and asked prices as reported by the National Association of Securities Dealers Automated Quotation System ("NASDAQ") or, if no such prices shall have been so reported for such date, on the next preceding date for which such prices were so reported.

(e) "Good Reason" means the occurrence of any of the following events or conditions, which event or condition is not corrected by the Company within 30 days of written notice from the Grantee: (i) any failure of the Board of Directors of the Company to elect the Grantee to offices with the same or substantially the same duties and responsibilities as in effect on the Date of Grant, (ii) any material failure by the Company or any Affiliate to timely pay or provide to the Grantee any compensation or benefits required to be paid or provided under the terms of any employment or similar agreement in effect during the term of this agreement between the Grantee and the Company or such Affiliate, (iii) any material breach by the Company or any Affiliate of any other provision of any employment or similar agreement in effect during the term of this agreement between the Grantee and the Company or such Affiliate, and (iv) any failure by the Company or any Affiliate to timely offer to renew (and to hold such offer to renew open for acceptance for a reasonable period of time) on substantially identical terms until at least the fourth anniversary of the Date of Grant any employment agreement in effect on the Date of Grant between the Grantee and the Company or such Affiliate.

(f) "Person" shall have the meaning used in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that the term "Person" shall not include (A) any current partner of Reckson Operating Partnership, L.P., any stockholder or employee of the Company on the date hereof or any estate or member of the

immediate family of such a partner, stockholder or employee, or (B) the Company, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Company or any of its subsidiaries.

This agreement is executed by the Company as of the Date of Grant.

RECKSON ASSOCIATES REALTY CORP.

By: /s/ Michael Maturo

Name: Michael Maturo

Title: Executive Vice President, Treasurer and Chief Financial Officer

The undersigned Grantee hereby acknowledges receipt of an executed original of this agreement and accepts the Rights granted hereunder, subject to the terms and conditions hereinabove set forth.

/s/ Scott H. Rechler

Grantee

Dated: November 14, 2002

EXHIBIT 10.42

RECKSON ASSOCIATES REALTY CORP.
AWARD AGREEMENT

RECITALS

A. Scott H. Rechler (the "Grantee") is the Co-Chief Executive Officer of Reckson Associates Realty Corp. (the "Company").

B. The Grantee has been selected by the Compensation Committee (the "Committee") of the Board of Directors of the Company to receive a grant of rights (the "Rights") to receive shares of the Company's Class A common stock (the "Common Shares"), as approved by the Board of Directors of the Company on March 13, 2003 (the "Date of Grant").

NOW, THEREFORE, subject to the terms and conditions set forth herein, the Company hereby grants to the Grantee 8,680 Rights, on the terms and conditions herein set forth.

1. TERMS; VESTING OF RIGHTS.

(a) The Grantee will not possess any voting rights by virtue of the ownership of the Rights granted hereby.

(b) Unless terminated as hereinafter provided, the Rights will be fully earned on the second anniversary of the Date of Grant and will become cumulatively vested with respect to thirty-three and one-third percent (33 1/3%) of such Rights on each of the second, third and fourth anniversary of the Date of Grant (each, a "Vesting Date") (and shall be fully vested on the fourth anniversary of the Date of Grant), in each case provided that the Grantee remains in continuous service with the Company or any Affiliate until the applicable Vesting Date. For the purposes of this agreement, the continuous service of the Grantee with the Company or any Affiliate will not be deemed to have been interrupted, and the Grantee will not be deemed to have terminated his service, by reason of the transfer of such service among the Company and its Affiliates. The Grantee also will not be deemed to have terminated his service by reason of a leave of absence approved by the Committee; however, the earning and vesting of the Rights will be suspended during any such leave, and each date on which a portion of the Rights otherwise would have become earned and vested during or after the leave shall be deferred by a period equal to the length of the leave.

(c) Notwithstanding the provisions of Section 1(b), if the Grantee's service with the Company and all Affiliates terminates by reason of his death or Disability, or if Grantee terminates his service with the Company for Good Reason, prior to the Vesting Date on which the Rights would otherwise become fully earned and vested, the Rights will become fully earned and vested.

(d) Notwithstanding the provisions of Section 1(b), if the Grantee's service with the Company and all Affiliates is terminated by the Company and/or such Affiliates without Cause or if there shall occur a Change in Control prior to the Vesting Date on which the Rights

would otherwise become fully earned and vested, the Rights will become fully earned and vested.

2. TERMINATION OF RIGHTS. Subject to the provisions of Sections 1(c) and (d), the unearned and unvested portion of the Rights will terminate and expire automatically and without further notice immediately upon the termination of the Grantee's service with the Company and all Affiliates for any reason.

3. DISTRIBUTION AND PAYMENT OF RIGHTS. As soon as practicable after each Vesting Date, the Company shall pay to the Grantee, if Common Shares are then available for issuance under one of the existing stock option plans of the Company, a number of Common Shares equal to the number of Rights being earned and vesting on such Vesting Date (subject to adjustment for any stock splits, reverse stock splits or other similar events as the Committee may determine) or, if no Common Shares are then available, an amount of cash equal to (i) the FMV per Common Share on the Vesting Date, multiplied by (ii) the number of earned, vested and unexpired Rights then held by or with respect to the Grantee. The Company shall deduct and withhold from such payments any applicable federal, state, local or foreign taxes unless the Grantee has made arrangements satisfactory to the Company for other payment of such taxes. Notwithstanding any provision of any employment, severance or change of control agreement between the Grantee and the Company to the contrary, the Grantee shall not be entitled to receive any payment or benefit from the Company intended to defray or offset some or all of the Grantee's income tax liability with respect to benefits under this agreement.

4. PAYMENT OF DIVIDENDS. The Rights will accrue on a cumulative basis cash payments equivalent to the dividends paid on the Common Shares from the Date of Grant through the Vesting Date. Subject to the deduction and withholding from such payments for tax purposes as described in Section 3, as soon as practicable after any Rights become vested, the Company will pay to the Grantee in cash or in kind (as applicable) the dividends accrued with respect to such Rights.

5. COMPLIANCE WITH LAW. The Company and the Grantee will make reasonable efforts to comply with all applicable securities laws. In addition, notwithstanding any provision of this agreement to the contrary, the Rights will not be exercisable at any time or in any manner that the exercise thereof would result in a violation of any such law.

6. REPRESENTATIONS AND WARRANTIES OF THE GRANTEE; REGISTRATION; REPURCHASE RIGHT. The Grantee hereby represents and warrants to and agrees with the Company as follows:

(a) In order to comply with Section 4 hereof and any applicable securities law, the Company may require the Grantee to furnish evidence satisfactory to the Company (including, without limitation, a written and signed representation letter) to the effect that all rights acquired pursuant to this agreement were acquired by the Grantee for investment only and not for resale or distribution.

(b) The Company shall have no obligation to register under the Securities Act of 1933 any securities deemed to have been issued or awarded pursuant to this agreement.

(c) Certificates Representing Common Shares May Be Legended. The Grantee understands and agrees that certificates representing any Common Shares distributed with respect to the Rights may bear a legend on the face thereof (or on the reverse thereof with a reference to such legend on the face thereof) that restricts the sale, transfer or disposition of the Common Shares otherwise than in accordance with this agreement.

7. SEVERABILITY. In the event that one or more of the provisions of this agreement may be invalidated for any reason by a court, any provision so invalidated will be deemed to be separable from the other provisions hereof, and the remaining provisions hereof will continue to be valid and fully enforceable.

8. GOVERNING LAW. This agreement is made under, and will be construed in accordance with, the laws of the State of New York, without giving effect to the principle of conflict of laws of such State.

9. TRANSFERABILITY. Neither the Rights nor any other rights granted hereunder may be anticipated, assigned, alienated or transferred by the Grantee.

10. CERTAIN DEFINITIONS. For purposes of this agreement:

(a) "Affiliate" means any person or entity that, at the time of reference, is controlled by, controlling of or under common control with the Company.

(b) "Change in Control" shall be deemed to have occurred after the effective date of this agreement if:

(i) any Person (as defined below), together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Securities Exchange Act of 1934 (the "Exchange Act")) of such Person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of either (A) the combined voting power of the Company's then outstanding securities having the right to vote in an election of the Company's Board of Directors ("Voting Securities"), (B) the combined voting power of the Company's then outstanding Voting Securities and any securities convertible into Voting Securities, or (C) the then outstanding shares of all classes of stock of the Company; or

(ii) individuals who, as of the date hereof, constitute the Company's Board of Directors (the "Incumbent Directors") cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Company's Board of Directors, provided that any person becoming a director of the Company subsequent to the date hereof whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors (other than

an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A under the Exchange Act) shall, for purposes hereof, be considered an Incumbent Director; or

(iii) the stockholders of the Company shall approve (A) any consolidation or merger of the Company or any Affiliate where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, but based solely on their prior ownership of shares of the Company, shares representing in the aggregate more than 60% of the voting shares of the corporation

issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (B) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company or (C) any plan or proposal for the liquidation or dissolution of the Company.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred for purposes of the foregoing clause (i) solely as the result of an acquisition of securities by the Company which, by reducing the number of shares of stock or other Voting Securities outstanding, increases (x) the proportionate number of shares of stock of the Company beneficially owned by any Person to 30% or more of the shares of stock then outstanding or (y) the proportionate voting power represented by the Voting Securities beneficially owned by any Person to 30% or more of the combined voting power of all then outstanding Voting Securities; provided, however, that if any Person referred to in clause (x) or (y) of this sentence shall thereafter become the beneficial owner of any additional stock of the Company or other Voting Securities (other than pursuant to a stock split, stock dividend, or similar transaction), then a "Change in Control" shall be deemed to have occurred for purposes of the foregoing clause (i).

(c) "Disability" means any physical or mental illness, injury or condition that would qualify the Grantee for benefits under any long-term disability benefit plan maintained by the Company or any Affiliate and applicable to the Grantee.

(d) "FMV" as of any date and in respect of any Common Shares shall be:

(i) if the Common Shares are listed for trading on the New York Stock Exchange, the closing price, regular way, of the Common Shares as reported on the New York Stock Exchange Composite Tape, or if no such reported sale of the Common Shares shall have occurred on such date, on the next preceding date on which there was such a reported sale; or

(ii) if the Common Shares are not so listed but are listed on another national securities exchange or authorized for quotation on the National Association of Securities Dealers Inc.'s NASDAQ National Market System ("NASDAQ/NMS"), the closing price, regular way, of the Common Shares on such exchange or NASDAQ/NMS, as the case may be, on which the largest number of Common Shares have been traded in the aggregate on the preceding twenty trading days, or if no such reported sale of the Shares shall have occurred on such date on such exchange or NASDAQ/NMS, as the case may be, on the preceding date on which there was such a reported sale on such exchange or NASDAQ/NMS, as the case may be; or

(iii) if the Common Shares are not listed for trading on a national securities exchange or authorized for quotation on NASDAQ/NMS, the average of the closing bid and asked prices as reported by the National Association of Securities Dealers Automated Quotation System ("NASDAQ") or, if no such prices shall have been so reported for such date, on the next preceding date for which such prices were so reported.

(e) "Good Reason" means the occurrence of any of the following events or conditions, which event or condition is not corrected by the Company within 30 days of written notice from the Grantee: (i) any failure of the Board of Directors of the Company to elect the Grantee to offices with the same or substantially the same duties and responsibilities as in effect on the Date of Grant, (ii) any material failure by the Company or any Affiliate to timely pay or provide to the Grantee any compensation or benefits required to be paid or provided under the terms of any employment or similar agreement in effect during the term of this agreement between the Grantee and the Company or such Affiliate, (iii) any material breach by the Company or any Affiliate of any other provision of any employment or similar agreement in effect during the term of this agreement between the Grantee and the Company or such Affiliate, and (iv) any failure by the Company or any Affiliate to timely offer to renew (and to hold such offer to renew open for acceptance for a reasonable period of time) on substantially identical terms until at least the fourth anniversary of the Date of Grant any employment agreement in effect on the Date of Grant between the Grantee and the Company or such Affiliate.

(f) "Person" shall have the meaning used in Sections 13(d) and 14(d) of the Exchange Act.

This agreement is executed by the Company as of the Date of Grant.

RECKSON ASSOCIATES REALTY CORP.

By: /s/ Michael Maturo

Name: Michael Maturo

Title: Executive Vice President, Treasurer and Chief Financial Officer

The undersigned Grantee hereby acknowledges receipt of an executed original of this agreement and accepts the Rights granted hereunder, subject to the terms and conditions hereinabove set forth.

/s/ Scott H. Rechler

Grantee

Dated: March 13, 2003

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:

2002	2001	2000	1999	1998
1.89x	2.25x	2.10x	2.05x	1.98x

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:

2002	2001	2000	1999	1998
1.54x	1.81x	1.61x	1.53x	1.59x

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

The above ratios were calculated in accordance with Item 503 of Regulation S-K. As a result, all years prior to 2002 have been restated to exclude income from discontinued operations.

EXHIBIT 21.1

RECKSON OPERATING PARTNERSHIP, L. P.

STATEMENT OF SUBSIDIARIES

Name	State of Organization
Omni Partners, L. P.	Delaware
Reckson FS Limited Partnership	Delaware
Metropolitan Partners, LLC	Delaware
Reckson Management Group, Inc.	New York
RANY 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 27, 2003, 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, 2002.

New York, New York
March 24, 2003

RECKSON OPERATING PARTNERSHIP, L.P.
EXHIBIT 99.1
CERTIFICATION PURSUANT TO SECTION 1350 OF CHAPTER 63 OF
TITLE 18 OF THE UNITED STATES CODE

I, Donald Rechler, CO-Chief Executive Officer of Reckson Associates Realty Corp., the sole general partner of Reckson Operating Partnership, L.P. (the "Company"), certify pursuant to section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1) The Annual Report on Form 10-K of the Company for the annual period ended December 31, 2002 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 13, 2003

RECKSON OPERATING PARTNERSHIP, L.P.
By: Reckson Associates Realty Corp., its sole general partner

By /s/ Donald Rechler

Donald Rechler, Co-Chief Executive Officer

RECKSON OPERATING PARTNERSHIP, L.P.
EXHIBIT 99.2
CERTIFICATION PURSUANT TO SECTION 1350 OF CHAPTER 63 OF
TITLE 18 OF THE UNITED STATES CODE

I, Scott H. Rechler, CO-Chief Executive Officer of Reckson Associates Realty Corp., the sole general partner of Reckson Operating Partnership, L.P. (the "Company"), certify pursuant to section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1) The Annual Report on Form 10-K of the Company for the annual period ended December 31, 2002 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 13, 2003

RECKSON OPERATING PARTNERSHIP, L.P.
By: Reckson Associates Realty Corp., its sole general partner

By /s/ Scott H. Rechler

Scott H. Rechler, Co-Chief Executive Officer

RECKSON OPERATING PARTNERSHIP, L.P.
EXHIBIT 99.3
CERTIFICATION PURSUANT TO SECTION 1350 OF CHAPTER 63 OF
TITLE 18 OF THE UNITED STATES CODE

I, Michael Maturo, Executive Vice President, Treasurer and Chief Financial Officer of Reckson Associates Realty Corp., the sole general partner of Reckson Operating Partnership, L.P. (the "Company"), certify pursuant to section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1) The Annual Report on Form 10-K of the Company for the annual period ended December 31, 2002 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 13, 2003

RECKSON OPERATING PARTNERSHIP, L.P.
By: Reckson Associates Realty Corp., its sole general partner

By /s/ Michael Maturo

Michael Maturo, Executive Vice President,
Treasurer and Chief Financial Officer