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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2002

COMMISSION FILE NUMBER: 1-13762

RECKSON OPERATING PARTNERSHIP, L.P.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

Delaware	11-3233647
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)
225 Broadhollow Road, Melville, NY	11747
(Address of principal executive office)	(zip code)

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

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) YES_X_ NO__, AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS. YES_X_ NO__.

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RECKSON OPERATING PARTNERSHIP, L.P.
QUARTERLY REPORT
FOR THE THREE MONTHS ENDED JUNE 30, 2002

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ITEM 1 - FINANCIAL STATEMENTS

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

	JUNE 30, 2002 (UNAUDITED)	DECEMBER 31, 2001
ASSETS		
Commercial real estate properties, at cost		
Land	$ 418,748	$ 408,837
Buildings and improvements	2,405,072	2,328,374
Developments in progress:		
Land	90,229	69,365
Development costs	24,919	74,303
Furniture, fixtures and equipment	7,791	7,725
	2,946,759	2,888,604
Less accumulated depreciation	(408,349)	(361,960)
	2,538,410	2,526,644
Investments in real estate joint ventures	5,697	5,744
Investment in mortgage notes and notes receivable	55,368	56,234
Cash and cash equivalents	39,281	121,773
Tenant receivables	11,511	9,633
Investments in service companies and affiliate loans and joint ventures	86,787	84,142
Deferred rents receivable	94,264	81,089
Prepaid expenses and other assets	24,554	45,303
Contract and land deposits and pre-acquisition costs	101	3,782
Deferred lease and loan costs	64,811	64,438
TOTAL ASSETS	$ 2,920,784	$ 2,998,782
LIABILITIES		
Mortgage notes payable	$ 745,983	$ 751,077
Unsecured credit facility	176,000	271,600
Senior unsecured notes	499,239	449,463
Accrued expenses and other liabilities	75,215	84,651
Distributions payable	33,199	32,988
TOTAL LIABILITIES	1,529,636	1,589,779
Minority partners' interests in consolidated partnerships	243,286	242,698
Commitments and contingencies	--	--
PARTNERS' CAPITAL		
Preferred Capital, 11,211,662 and 11,222,965 units outstanding, respectively	290,270	301,573
General Partners' Capital:		
Class A common units, 50,988,233 and 49,982,377 units outstanding, respectively	553,800	551,417
Class B common units, 10,283,513 units outstanding	225,619	231,428
Limited Partners' Capital:		
Class A common units, 7,276,224 and 7,487,218 units outstanding, respectively	78,173	81,887
TOTAL PARTNERS' CAPITAL	1,147,862	1,166,305
TOTAL LIABILITIES AND PARTNERS' CAPITAL	$ 2,920,784	$ 2,998,782

(see accompanying notes to financial statements)

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

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2002	2001	2002	2001
REVENUES:				
Base rents	$ 109,528	$ 111,184	$ 216,697	$ 218,678
Tenant escalations and reimbursements	14,099	14,165	29,435	30,110
Equity in earnings of real estate joint ventures and service companies	159	801	494	1,199
Interest income on mortgage notes and notes receivable	1,565	1,559	3,121	3,067
Gain on sales of real estate	--	--	537	--
Investment and other income	282	4,674	815	10,204
TOTAL REVENUES	125,633	132,383	251,099	263,258
EXPENSES:				
Property operating expenses	41,739	40,874	83,951	81,868
Marketing, general and administrative	6,758	7,353	12,947	13,837
Interest	22,119	23,557	43,110	47,188
Depreciation and amortization	28,031	27,172	54,167	50,693
TOTAL EXPENSES	98,647	98,956	194,175	193,586
Income before distributions to preferred unit holders and minority interests	26,986	33,427	56,924	69,672
Minority partners' interests in consolidated partnerships	(4,813)	(4,065)	(9,933)	(9,820)
Net income	22,173	29,362	46,991	59,852
Preferred unit distributions	(5,767)	(5,928)	(11,715)	(12,013)
Net income available to common unit holders	$ 16,406	$ 23,434	$ 35,276	$ 47,839
Net Income available to:				
Class A common units	$ 12,928	$ 18,535	$ 27,746	$ 37,300
Class B common units	3,478	4,899	7,530	10,539
Total	$ 16,406	$ 23,434	$ 35,276	$ 47,839
Net income per weighted average common units:				
Class A common unit	$ .22	$ .34	$ .48	$ .69
Class B common unit	$ .34	$ .48	$ .73	$ 1.02
Weighted average common units outstanding:				
Class A common units	58,275	54,985	57,900	54,086
Class B common units	10,284	10,284	10,284	10,284

(see accompanying notes to financial statements)

RECKSON OPERATING PARTNERSHIP, L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited and in thousands)

	SIX MONTHS ENDED JUNE 30, 2002	SIX MONTHS ENDED JUNE 30, 2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 46,991	$ 59,852
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	54,167	50,693
Gain on sales of real estate	(537)	--
Minority partners' interests in consolidated partnerships	9,933	9,820
Equity in earnings of real estate joint ventures and service companies	(494)	(1,199)
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	20,914	(1,482)
Tenant receivables	(1,878)	1,682
Deferred rents receivable	(13,175)	(22,150)
Real estate tax escrows	288	(1,266)
Accrued expenses and other liabilities	(9,490)	(1,931)
Net cash provided by operating activities	106,719	94,019
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in contract deposits and pre-acquisition costs	--	(1,343)
Proceeds from mortgage note receivable repayments	8	2,945
Additions to commercial real estate properties	(20,810)	(87,982)
Additions to developments in progress	(31,809)	(5,252)
Payment of leasing costs	(6,169)	(5,998)
Additions to furniture, fixtures and equipment	(64)	(244)
Proceeds from sales of real estate and marketable securities	2,128	--
Investments in affiliate joint ventures	--	(24,966)
Net cash used in investing activities	(56,716)	(122,840)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on secured borrowings	(5,094)	(73,801)
Payment of loan costs	(990)	(789)
Increase in investments in affiliate loans and service companies	(2,651)	(5,042)
Proceeds from issuance of senior unsecured notes	49,432	--
Proceeds from secured borrowings	--	75,000
Proceeds from of unsecured credit facility	45,000	118,000
Repayment of unsecured credit facility	(140,600)	--
Distributions to minority partners in consolidated partnerships	(9,559)	(10,727)
Contributions	6,014	1,331
Distributions	(74,047)	(65,510)
Net cash (used in) provided by financing activities	(132,495)	38,462
Net (decrease) increase in cash and cash equivalents	(82,492)	9,641
Cash and cash equivalents at beginning of period	121,773	16,624
Cash and cash equivalents at end of period	$ 39,281	$ 26,265

(see accompanying notes to financial statements)

RECKSON OPERATING PARTNERSHIP, L.P.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2002
(UNAUDITED)

1. ORGANIZATION AND FORMATION OF THE OPERATING PARTNERSHIP

Reckson Operating Partnership, L. P. (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").

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

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 common units of limited partnership interest in the Operating Partnership ("Units") to the continuing investors and assumed certain indebtedness in exchange for interests in certain property partnerships, fee simple and leasehold interests in properties and development land, certain other business assets and 100% of the non-voting preferred stock of the management and construction companies. At June 30, 2002, the Company's ownership percentage in the Operating Partnership was approximately 89.4%.

2. BASIS OF PRESENTATION

The accompanying consolidated financial statements include the consolidated financial position of the Operating Partnership and its subsidiaries at June 30, 2002 and December 31, 2001 and the results of their operations for the three and six months ended June 30, 2002 and 2001, respectively, and, their cash flows for the six months ended June 30, 2002 and 2001, respectively. The Operating Partnership's investments in majority owned and/or 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 results of the service businesses currently conducted by Reckson Management Group, Inc., RANY Management Group, Inc. Reckson Construction Group New York, Inc. and Reckson Construction Group, Inc., in which the Operating Partnership owns a 97% non-controlling interest, are reflected in the accompanying financial statements on the equity method of accounting. The Operating Partnership also invests in real estate joint ventures where it may own less than a controlling interest. Such investments are also reflected in the accompanying financial statements on the equity method of accounting. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

The minority partners' interests in consolidated partnerships at June 30, 2002 represent a 49% non-affiliated interest in RT Tri-State LLC, owner of an eight property suburban office portfolio, a 40% non-affiliated interest in Omni Partners, L.P., owner of a 575,000 square foot suburban office property and beginning December 21, 2001, a 49% non-affiliated interest in Metropolitan 919 Third Avenue, LLC, owner of the property located at 919 Third Avenue, New York, NY.

The accompanying interim unaudited financial statements have been prepared by the Operating Partnership's management pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosure normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") may have been condensed or omitted pursuant to such rules and regulations, although management believes that the disclosures are adequate to make the information presented not misleading. The unaudited financial statements as of June 30, 2002 and for the three and six month periods ended June 30, 2002 and 2001 include, in the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial information set forth herein. The results of operations for the interim periods are not necessarily indicative of the results that may be expected for the year ending December 31, 2002. These financial statements should be read in conjunction with the Operating Partnership's audited financial statements and notes thereto included in the Operating Partnership's Form 10-K for the year ended December 31, 2001.

In October 2001, the Financial Accounting Standards Board issued Statement No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. Statement No. 144 provides accounting guidance for financial accounting and reporting for the impairment or disposal of long-lived assets. Statement No. 144 supersedes 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.

Effective January 1, 2002 the Company has elected to follow FASB Statement No. 123, "Accounting for Stock Based Compensation". Statement No.123 requires the use of option valuation models which determine the fair value of the option on the date of the grant. All future employee stock option grants will be expensed over the options' vesting periods based on the fair value at the date of the grant in accordance with Statement No. 123. The Company expects minimal financial impact in the current year from the adoption of Statement No. 123. To determine the fair value of the stock options granted, the Company intends to use a Black-Scholes option pricing model. Historically, the Company had applied Accounting Principles Board Opinion No. 25 and related interpretations in accounting for its stock option plans and reported pro forma disclosures in its Form 10-K filings by estimating the fair value of options issued and the related expense in accordance with Statement No. 123. Accordingly, no compensation cost had been recognized for its stock option plans in the past.

In April 2002, the FASB issued 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.

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

3. MORTGAGE NOTES PAYABLE

As of June 30, 2002, the Operating Partnership had approximately $746.0 million of fixed rate mortgage notes which mature at various times between 2004 and 2027. The notes are secured by 21 properties with a net carrying value of approximately $1.5 billion and have a weighted average interest rate of approximately 7.3%.

4. SENIOR UNSECURED NOTES

As of June 30, 2002, the Operating Partnership had outstanding approximately $499.2 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

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% (6.13% effective rate) senior unsecured notes. Net proceeds of approximately $49.4 million received from this issuance were used to repay outstanding borrowings under the Operating Partnership's unsecured credit facility.

5. UNSECURED CREDIT FACILITY

As of June 30, 2002, the Operating Partnership had a three year $575 million unsecured revolving credit facility (the "Credit Facility") from The JPMorgan Chase Bank as administrative agent, UBS Warburg LLC as syndication agent and Deutsche Bank as documentation agent. The Credit Facility matures in September 2003 and borrowings under the Credit Facility are currently priced off LIBOR plus 105 basis points.

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 June 30, 2002, the Operating Partnership had availability under the Credit Facility to borrow approximately an additional $400 million, subject to compliance with certain financial covenants.

6. COMMERCIAL REAL ESTATE INVESTMENTS

As of June 30, 2002, the Operating Partnership owned and operated 77 office properties (inclusive of eleven office properties owned through joint ventures) comprising approximately 13.8 million square feet, 102 industrial properties comprising approximately 6.8 million square feet and two retail properties comprising approximately 20,000 square feet located in the Tri-State Area.

The Operating Partnership also owns approximately 254 acres of land in 12 separate parcels of which the Operating Partnership can develop approximately two million square feet of office space and approximately 450,000 square feet of industrial space. On April 1, 2002, the Operating Partnership paid approximately $23.8 million to acquire an additional 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 is located. The Operating Partnership financed this acquisition 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 of 1986 (the "Code") and from an advance under the Credit Facility. In addition, the Operating Partnership owns a 32 acre land parcel in Rye Brook, NY which is under contract for sale for approximately $22.3 million. The sale of this land is subject to certain rezoning and other municipal approvals. At this time it is undetermined whether these approvals or rezoning will be obtained and the sale closed. The Operating Partnership currently owns and operates six buildings encompassing approximately 542,000 square feet in the same office park in which this land is located. As of June 30, 2002, the Operating Partnership had invested approximately $115 million in these developments in progress. Management has made subjective assessments as to the value and recoverability of these investments based on current and proposed development plans. The Operating Partnership has capitalized approximately $5.4 million for the six months ended June 30, 2002 related to real estate taxes, interest and other carrying costs related to these developments in progress.

The Operating Partnership also owns a 357,000 square foot office building in Orlando, Florida. Additionally, the Operating Partnership holds a $17.0 million interest in a note receivable secured by a partnership interest in Omni Partners, L.P., owner of the Omni, a 575,000 square foot Class A office property located in Uniondale, NY and three other notes receivable aggregating $36.5 million which bear interest at rates ranging from 10.5% to 12% per annum and are secured by a minority partner's preferred unit interest in the Operating Partnership and certain real property. As of June 30, 2002, management has made subjective assessments as to the underlying security value on the Operating Partnership's note receivable investments. These assessments indicated an excess of market value over carrying value related to the Operating Partnership's note receivable investments.

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"). As of June 30, 2002, the 520JV had total assets of $21.5 million, a mortgage note payable of $12.8 million and other liabilities of $.9 million. The Operating Partnership's allocable share of the 520JV mortgage note payable is approximately $7.7 million. In addition, the 520JV had total revenues of $1,615,000 and total expenses of $1,637,000 for the six months ended June 30, 2002. The Operating Partnership accounts for the 520JV under the equity method of accounting. The 520JV contributed approximately $29,000 and $216,000 to the Operating Partnership's equity in earnings of real estate joint ventures for the six months ended June 30, 2002 and 2001, respectively.

On December 21, 2001, the Operating Partnership formed a joint venture with the New York State Teachers' Retirement System ("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. On January 4, 2002, net proceeds from this sale were used primarily to repay borrowings under the Credit Facility and for working capital purposes.

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 the sale of August 8th were used to repay borrowings under the Credit Facility.

7. PARTNERS' CAPITAL

On March 28, 2002, approximately 11,303 Series E preferred units of the limited partnership interest, with a liquidation preference value of approximately $11.3 million, were exchanged for 451,934 Units at a price of $25.01 per Unit. In addition, during the three months ended June 30, 2002, the Company increased its general partner interest in the Operating Partnership by acquiring 666,466 outstanding Units from certain limited partners in exchange for an equal number of shares of its Class A common stock.

As of June 30, 2002, the Operating Partnership had issued and outstanding 10,283,513 Class B common units, all of which are held by the Company and which were entitled to receive an annual distribution of $2.5968 per unit. The distribution on the Class B units is subject to adjustment annually based on a formula which measures increases or decreases in the Company's Funds From Operations, as defined, over a base year. On July 31, 2002, the annual distribution on the Class B common unit was decreased to $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 Operating Partnership, at its option, may redeem any or all of the Class B common units in exchange for an equal number of Class A common units at any time following November 23, 2003.

During May 2002, the Operating Partnership declared the following distributions:

SECURITY	DISTRIBUTION	RECORD DATE	PAYMENT DATE	THREE MONTHS ENDED	ANNUALIZED DISTRIBUTION
Class A common unit	$.4246	July 5, 2002	July 17, 2002	June 30, 2002	$1.6984
Class B common unit	$.6471	July 15, 2002	July 31, 2002	July 31, 2002	$2.5884
Series A preferred unit	$.476563	July 15, 2002	July 31, 2002	July 31, 2002	$1.9063
Series E preferred unit	$.553125	July 15, 2002	July 31, 2002	July 31, 2002	$2.2125

The Board of Directors of the Company has authorized the purchase of up to an additional five million shares of the Company's Class B common stock and/or its Class A common stock. Subsequent to June 30, 2002, the Operating Partnership purchased 368,200 Class B common units at an average price of $22.90 per Class B unit and 1,856,200 Class A common units at an average price of $21.98 per Class A unit for an aggregate purchase price for both the Class A and Class B units of approximately $49.2 million. Previously, in conjunction with the Company's common 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 unit and 61,704 Class A common units at an average price of $23.03 per unit for an aggregate purchase price of approximately $31.7 million. In addition, 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.

On May 22, 2002, approximately $1.4 million of loans made to certain executive officers to purchase the Company's common stock matured. The loans were secured by 61,668 shares of the Company's Class A common stock. The loans were satisfied by the executive officers with the 61,668 shares of Class A common stock. The market value of these shares on May 22, 2002 was sufficient to fully satisfy these loans and as such there was no financial impact to the Company. The Company has subsequently retired these shares.

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

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.

8. SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION (IN THOUSANDS)

	SIX MONTHS ENDED JUNE 30, 2002	SIX MONTHS ENDED JUNE 30, 2001
Cash paid during the period for interest........................	$ 45,817	$ 52,766
Interest capitalized during the period	$ 4,406	$ 5,137

9. 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"). In addition the Operating Partnership's portfolio includes one office property located in Orlando, Florida. The Operating Partnership has managing directors who report directly to the Co-Presidents and Chief Financial Officer of the Company who have been identified as the Chief Operating Decision Makers due to 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 and (ii) the operating performance of the office property located in Orlando, Florida as part of its Core Portfolio's property operating performance for purposes of its component disclosure set forth below.

The following table sets forth the components of the Operating Partnership's revenues and expenses and other related disclosures for the three and six months ended June 30, 2002 and 2001 (in thousands):

	THREE MONTHS ENDED					
	JUNE 30, 2002			JUNE 30, 2001		
	CORE PORTFOLIO	OTHER	CONSOLIDATED TOTALS	CORE PORTFOLIO	OTHER	CONSOLIDATED TOTALS
REVENUES:						
Base rents, tenant escalations and reimbursements........	$ 121,517	$ 2,110	$ 123,627	$ 123,030	$ 2,319	$ 125,349
Equity in earnings of real estate joint ventures and service companies...........	--	159	159	--	801	801
Other income	141	1,706	1,847	1,929	4,304	6,233
Total Revenues........	121,658	3,975	125,633	124,959	7,424	132,383
EXPENSES:						
Property operating Expenses..............	40,190	1,549	41,739	40,080	794	40,874
Marketing, general and administrative....	4,671	2,087	6,758	5,446	1,907	7,353
Interest................	12,990	9,129	22,119	12,149	11,408	23,557
Depreciation and amortization..........	25,831	2,200	28,031	25,096	2,076	27,172
Total Expenses......	83,682	14,965	98,647	82,771	16,185	98,956
Income (loss) before distributions to preferred unitholders and minority interests.	$ 37,976	$ (10,990)	$ 26,986	$ 42,188	$ (8,761)	$ 33,427
Total Assets............	$ 2,693,174	$ 227,610	$ 2,920,784	$ 2,691,989	$ 423,705	$ 3,115,694

	SIX MONTHS ENDED					
	JUNE 30, 2002			JUNE 30, 2001		
	CORE PORTFOLIO	OTHER	CONSOLIDATED TOTALS	CORE PORTFOLIO	OTHER	CONSOLIDATED TOTALS
REVENUES:						
Base rents, tenant escalations and reimbursements........	$ 241,715	$ 4,417	$ 246,132	$ 243,752	$ 5,036	$ 248,788
Equity in earnings of real estate joint ventures and service companies...........	--	494	494	--	1,199	1,199
Other income	1,093	3,380	4,473	2,478	10,793	13,271
Total Revenues........	242,808	8,291	251,099	246,230	17,028	263,258
EXPENSES:						
Property operating Expenses.............	81,610	2,341	83,951	80,434	1,434	81,868
Marketing, general and administrative....	9,275	3,672	12,947	10,070	3,767	13,837
Interest................	25,954	17,156	43,110	25,055	22,133	47,188
Depreciation and amortization..........	50,428	3,739	54,167	46,631	4,062	50,693
Total Expenses......	167,267	26,908	194,175	162,190	31,396	193,586
Income (loss) before distributions to preferred unitholders and minority interests..	$ 75,541	$ (18,617)	$ 56,924	$ 84,040	$ (14,368)	$ 69,672

10. RELATED PARTY TRANSACTIONS

As part of the Company's REIT structure it is provided management, leasing and construction related services through taxable REIT subsidiaries as defined by 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"). The Operating Partnership owns a 97% non-controlling interest in the Service Companies. An entity which is substantially owned by certain Rechler family members who are also executive officers of the Company owns a 3% controlling interest in the Service Companies. During the six months ended June 30, 2002, Reckson Construction Group, Inc. billed approximately $77,000 of market rate services and Reckson Management Group, Inc. billed approximately $156,000 of market rate management fees to certain properties in which certain Rechler family members who are also executive officers maintain an equity interest. These properties consist of five properties in which these officers had acquired their interests prior to the initial public offering, but were not contributed to the Company as part of the initial public offering (the "Option Properties"). At the initial public offering the Operating Partnership was granted ten year options to acquire these interests at a price based upon an agreed upon formula. In addition, for the six months ended June 30, 2002, Reckson Construction Group, Inc. performed market rate services, aggregating approximately $200,000 for a property in which certain executive officers maintain an equity interest.

The Company leases 43,713 square feet of office and storage space at an Option Property for its corporate offices located in Melville, New York at an annual base rent of approximately $1.1 million. The Company also leases 10,722 square feet of warehouse space used for equipment, materials and inventory storage at an Option Property located in Deer Park, New York at an annual base rent of approximately $72,000.

A company affiliated with an independent director of the Company, leases 15,566 square feet in a property owned by the Company at an annual base rent of approximately $416,000. In addition, Reckson Strategic Venture Partners, LLC ("RSVP") leases 5,144 square feet in one of the Company's joint venture properties at an annual base rent of approximately $170,000.

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 (the "FrontLine Facility") in the amount of $100 million for FrontLine to use in its investment activities, operations and other general corporate purposes. The Company has 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 Company increased the RSVP Commitment to $110 million and as of June 30, 2002, approximately $109.1 million had been funded through the RSVP Commitment, of which $59.8 million represents investments by the Company in RSVP-controlled (REIT-qualified) joint ventures and $49.3 million represents loans made to FrontLine under the RSVP Facility. As of June 30, 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, 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.

At December 31, 2001, the Company, pursuant to Section 166 of the Code charged off $70 million of the aforementioned reserve directly related to the FrontLine Facility, including accrued interest. On February 14, 2002, the Company charged off 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 United States 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 June 30, 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 have terms of five years, 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.

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.

11. COMMITMENTS AND CONTINGENCIES

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 225,000 square feet and have current contractual annual base rents of approximately $6.7 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. As of June 30, 2002, HQ's leases with the Operating Partnership were in default. 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 three of the leases and leave the terms of the remaining six leases unchanged. All negotiations with HQ are conducted by 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 $500,000 (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 June 30, 2002.

WorldCom/MCI and its affiliates ("WorldCom"), a telecommunications company, which leases as of June 30, 2002 approximately 547,000 square feet in fifteen 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 amounts to approximately $12.3 million, or 2.8% 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 are current on base rental charges through July 31, 2002 and the Operating Partnership currently holds approximately $300,000 in security deposits relating to these leases. There can be no assurance as to whether WorldCom will affirm or reject any or all of its leases with the Operating Partnership. As a result of the foregoing, the Operating Partnership has increased its reserve against the deferred rent receivable on its balance sheet at June 30, 2002 in an amount equal to $1.1 million representing approximately 51% of the outstanding deferred rent receivable attributable to WorldCom.

MetroMedia Fiber Network Services, Inc. ("MetroMedia"), which leases 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, at June 30, 2002, the Operating Partnership has written off approximately $388,000 of deferred rent receivable relating to this lease and recognized the aforementioned surrender fee.

Arthur Andersen, LLP ("AA") leases approximately 38,000 square feet in one of the Operating Partnership's New York City buildings. AA's lease with the Operating Partnership provides for base rent of approximately $2 million on an annualized basis and expires in April 2004. AA is current on all rental charges through July 31, 2002. AA has experienced significant financial difficulties with its business and there is uncertainty as to whether it will remain in its space for the duration of its lease term. As of June 30, 2002, the Operating Partnership has reserved 100% of the deferred rent receivable related to this lease which is approximately $140,000.

ITEM 2. 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. 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 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 release space in a timely manner at current or anticipated rental rate levels; the availability of financing to us or our tenants; credit 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; 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 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 tenant 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, changes in customer payment terms, publicly available information and, to the extent available, guidance provided by the tenant 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 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.

During the six months ended June 30, 2002, the Operating Partnership incurred approximately $3.5 million of bad debt expense related to tenant receivables and deferred rents receivable which accordingly reduced total revenues and reported net income during the period.

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.

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 recognizing 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 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.

As of June 30, 2002, the Operating Partnership owned and operated 77 office properties (inclusive of eleven office properties which are owned through joint ventures) comprising approximately 13.8 million square feet, 102 industrial properties comprising approximately 6.8 million square feet and two retail properties comprising approximately 20,000 square feet located in the Tri-State Area.

The Operating Partnership also owns approximately 254 acres of land in 12 separate parcels of which the Operating Partnership can develop approximately two million square feet of office space and approximately 450,000 square feet of industrial space. On April 1, 2002, the Operating Partnership paid approximately $23.8 million to acquire an additional 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 is located. The Operating Partnership financed this acquisition 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 of 1986 and from an advance under the Operating Partnership's unsecured credit facility. In addition, the Operating Partnership owns a 32 acre land parcel in Rye Brook, NY which is under contract for sale for approximately $22.3 million. The sale of this land is subject to certain rezoning and other municipal approvals. At this time it is undetermined whether these approvals or rezoning will be obtained and the sale closed. The Operating Partnership currently owns and operates six buildings encompassing approximately 542,000 square feet in the same office park in which this land is located. As of June 30, 2002, the Operating Partnership had invested approximately $115 million in these developments in progress. Management has made subjective assessments as to the value and recoverability of these investments based on current and proposed development plans. The Operating Partnership has capitalized approximately $5.4 million for the six months ended June 30, 2002 related to real estate taxes, interest and other carrying costs related to these developments in progress.

The Operating Partnership also owns a 357,000 square foot office building located in Orlando, Florida. Additionally, the Operating Partnership holds a $17.0 million interest in a note receivable secured by a partnership interest in Omni Partners, L. P., owner of the Omni, a 575,000 square foot Class A Office Property located in Uniondale, NY and three other notes aggregating $36.5 million which bear interest at rates ranging from 10.5% to 12% per annum and are secured by a minority partner's preferred unit interest in the Operating Partnership and certain real property. As of June 30, 2002, management has made subjective assessments as to the underlying security value on the Operating Partnership's note receivable investments. These assessments indicated an excess of market value over carrying value related to the Operating Partnership's note receivable investments.

As part of the Company's REIT structure it is provided management, leasing and construction related services through taxable REIT subsidiaries as defined by 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"). The Operating Partnership owns a 97% non-controlling interest in the Service Companies. An entity which is substantially owned by certain Rechler family members who are also executive officers of the Company owns a 3% controlling interest in the Service Companies. During the six months ended June 30, 2002, Reckson Construction Group, Inc. billed approximately $77,000 of market rate services and Reckson Management Group, Inc. billed approximately $156,000 of market rate management fees to certain properties in which certain Rechler family members who are also executive officers maintain an equity interest. These properties consist of five properties in which these officers had acquired their interests prior to the initial public offering, but were not contributed to the Company as part of the initial public offering (the "Option Properties"). At the initial public offering the Operating Partnership was granted ten year options to acquire these interests at a price based upon an agreed upon formula. In addition, for the six months ended June 30, 2002, Reckson Construction Group, Inc. performed market rate services, aggregating approximately $200,000 for a property in which certain executive officers maintain an equity interest.

The Company leases 43,713 square feet of office and storage space at an Option Property for its corporate offices located in Melville, New York at an annual base rent of approximately $1.1 million. The Company also leases 10,722 square feet of warehouse space used for equipment, materials and inventory storage at an Option Property located in Deer Park, New York at an annual base rent of approximately $72,000.

A company affiliated with an independent director of the Company, leases 15,566 square feet in a property owned by the Company at an annual base rent of approximately $416,000. In addition, Reckson Strategic Venture Partners, LLC ("RSVP") leases 5,144 square feet in one of the Company's joint venture properties at an annual base rent of approximately $170,000.

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. For purposes of its financial statements the Operating Partnership consolidates this joint venture.

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. For purposes of its financial statements, the Operating Partnership consolidates this joint venture.

The total market capitalization of the Operating Partnership at June 30, 2002 was approximately $3.3billion. The Operating Partnership's total 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 market 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) the approximately $1.3 billion (including its share of joint venture debt and net of minority partners' interests share of joint venture debt) of debt outstanding at June 30, 2002. As a result, the Operating Partnership's total debt to total market capitalization ratio at June 30, 2002 equaled approximately 39.0%.

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 Company has 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 Company increased the RSVP Commitment to $110 million and as of June 30, 2002, approximately $109.1 million had been funded through the RSVP Commitment, of which $59.8 million represents investments by the Company in RSVP-controlled (REIT-qualified) joint ventures and $49.3 million represents loans made to FrontLine under the RSVP Facility. As of June 30, 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, 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.

At December 31, 2001, the Company, pursuant to Section 166 of the Code charged off $70 million of the aforementioned reserve directly related to the FrontLine Facility, including accrued interest. On February 14, 2002, the Company charged off 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 United States 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 June 30, 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 have terms of five years, 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.

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.

RESULTS OF OPERATIONS

Three months ended June 30, 2002 as compared to the three months ended June 30, 2001.

The Operating Partnership's total revenues decreased by $6.8 million or 5.1% for the three months ended June 30, 2002 as compared to the 2001 period. Property operating revenues, which include base rents and tenant escalations and reimbursements ("Property Operating Revenues") decreased by $1.7 million or 1.4% for the three months ended June 30, 2002 as compared to the 2001 period. The change in Property Operating Revenues is attributable to increases in rental rates in our "same store" properties amounting to $9.1 million. In addition, Property Operating Revenues increased by $0.8 million attributable to lease up of newly developed and redeveloped properties. These increases in Property Operating Revenues were offset by $4.4 million of operating revenue attributable to six properties that were sold in 2001. The Operating Partnership's Property Operating Revenues was further effected by the impact of the straightline rent adjustment of $4.4 million for the three months ended June 30, 2002 as compared to $10.9 million for the 2001 period. Straightline rent for the three months ended June 30, 2002 was decreased by $1.8 million for bad debt reserves. This decrease of $6.5 million is primarily attributable to the property located at 919 Third Avenue for the free rent period, which was effective through February 28, 2002, contained in the lease of the largest tenant in the building. Other revenues (excluding Property Operating Revenues) decreased by $5.0 million or 71.5% for the three months ended June 30, 2002 as compared to the 2001 period. This decrease is primarily attributable to $4.6 million of interest income accrued on the FrontLine Loans during the 2001 period with no such comparable interest earned for the 2002 period.

Property operating expenses, real estate taxes and ground rents ("Property Expenses") increased by $0.9 million or 2.1% for the three months ended June 30, 2002 as compared to the 2001 period. This increase includes a $1.5 million increase in property operating expenses and a $1.1 million increase in real estate taxes related to our "same-store" properties. Included in the $1.5 million of property operations expense increase is $500,000 and $350,000 attributable to increases in security and insurance costs respectively. These increases result primarily from implications of September 11th and security cost increases primarily relate to our New York City properties. These increases in Property Expenses were offset by $1.7 million of expenses attributable to six properties that were sold in 2001.

Gross Operating Margins (defined as Property Operating Revenues less Property Expenses, taken as a percentage of Property Operating Revenues) for the three months ended June 30, 2002 and 2001 were 66.2% and 67.4%, respectively. The decrease in Gross Operating Margins is primarily attributable to decreases in average occupancy of the portfolio and also as a result of an increase in reserves on deferred rents receivable which reduced property operating revenues for the three months ended June 30, 2002.

Marketing, general and administrative expenses decreased by approximately $595,000 or 8.1% for the three months ended June 30, 2002 as compared to the 2001 period. The decrease in marketing, general and administrative expenses is primarily due to staff reduction, cost containment and reduction in legal and professional fees incurred during the 2001 period in connection with certain cancelled acquisition transactions. Marketing, general and administrative expenses, as a percentage of total revenues, were 5.4% for the three months ended June 30, 2002 as compared to 5.6% for the 2001 period. The Operating Partnership capitalized approximately $1.3 million of marketing, general and administrative expenses for the three months ended June 30, 2002 as compared to $1.2 million for the 2001 period. These costs relate to leasing, construction and development activities, which are performed by the Operating Partnership.

Interest expense decreased by approximately $1.4 million for the three months ended June 30, 2002 as compared to the 2001 period. The decrease was primarily attributable to a decrease in interest expense on the Operating Partnership's variable rate debt due to lower interest rates and a lower average balance outstanding on the Operating Partnership's unsecured credit facility. The weighted average balance outstanding was $218.1 million for the three months ended June 30, 2002 as compared to $323.2 million for the three months ended June 30, 2001.

Six months ended June 30, 2002 as compared to the six months ended June 30, 2001.

The Operating Partnership's total revenues decreased by $12.2 million or 4.6% for the six months ended June 30, 2002 as compared to the 2001 period. Property Operating Revenues decreased by $2.6 million or 1.1% for the six months ended June 30, 2002 as compared to the 2001 period. The change in Property Operating Revenues is attributable to increases in rental rates in our "same store" properties amounting to $13.9 million. In addition, Property Operating Revenues increased by $3.0 million attributable to lease up of newly developed and redeveloped properties. These increases in Property Operating Revenues were offset by $9.3 million of revenue attributable to six properties that were sold in 2001. The Operating Partnership's property operating revenues was further effected by the impact of the straightline rent adjustment of $13.0 million for the six months ended June 30, 2002 as compared to $22.0 million for the 2001 period. This decrease of $9.0 million is primarily attributable to the property located at 919 Third Avenue for the free rent period, which was effective through February 28, 2002, contained in the lease of the largest tenant in the building. Straightline rent for the six months ended June 30, 2002 was decreased by $2.5 million for bad debt reserves. Other revenues (excluding Property Operating Revenues) decreased by $9.5 million or 65.7% for the six months ended June 30, 2002 as compared to the 2001 period. This decrease is primarily attributable to $6.1 million of interest income accrued on the FrontLine Loans during the 2001 period with no such comparable interest accrual for the 2002 period.

Property Expenses increased by $2.1 million or 2.5% for the six months ended June 30, 2002 as compared to the 2001 period. This increase is primarily due to a $2.0 million increase in property operating expenses and a $2.2 million increase in real estate taxes related to our "same store" properties. Included in the $2.0 million increase in property operating expenses is $850,000 and $470,000 attributable to increases in security and insurance costs, respectively. The increases result primarily from implications of September 11th and security cost increases primarily relate to our New York City properties. In addition, Property Expenses increased by $0.8 million attributable to the lease up of newly developed and redeveloped properties. These increases in Property Expenses were offset by $3.3 million of expenses attributable to six properties that were sold in 2001.

Gross Operating Margins for the six months ended June 30, 2002 and 2001 were 65.9% and 67.1%, respectively. The decrease in Gross Operating Margins is primarily attributable to decreases in average occupancy of the portfolio and also as a result of an increase in reserves on deferred rents receivable.

Marketing, general and administrative expenses decreased by approximately $890,000 or 6.4% for the six months ended June 30, 2002 as compared to the 2001 period. The decrease in marketing, general and administrative expenses is primarily due to staff reduction, cost containment and reduction in legal and professional fess incurred during the 2001 period in connection with certain cancelled acquisition transactions. Marketing, general and administrative expenses, as a percentage of total revenues, were 5.2% for the six months ended June 30, 2002 as compared to 5.3% for the 2001 period. The Operating Partnership capitalized approximately $2.6 million of marketing, general and administrative expenses for the six months ended June 30, 2002 as compared to $2.4 million for the 2001 period. These costs relate to leasing, construction and development activities, which are performed by the Operating Partnership.

Interest expense decreased by approximately $4.1 million for the six months ended June 30, 2002 as compared to the 2001 period. The decrease was primarily attributable to a decrease in interest expense on the Operating Partnership's variable rate debt due to lower interest rates and a lower average balance outstanding on the Operating Partnership's unsecured credit facility. The weighted average balance outstanding was $211.8 million for the six months ended June 30, 2002 as compared to $289.0 million for the six months ended June 30, 2001.

Liquidity and Capital Resources

As of June 30, 2002, the Operating Partnership had a three year $575 million unsecured revolving credit facility (the "Credit Facility") from The JPMorgan Chase Bank, as administrative agent, UBS Warburg LLC as syndication agent and Deutsche Bank as documentation agent. The Credit Facility matures in September 2003 and borrowings under the Credit Facility are currently priced off LIBOR plus 105 basis points.

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 June 30, 2002, the Operating Partnership had availability under the Credit Facility to borrow approximately an additional $400 million, subject to compliance with certain financial covenants.

On March 28, 2002, approximately 11,303 Series E preferred units of the limited partnership interest, with a liquidation preference value of approximately $11.3 million, were exchanged for 451,934 limited partnership units at a price of $25.01 per unit. In addition, during the three months ended June 30, 2002, the Company increased its general partner interest in the Operating Partnership by acquiring 666,466 outstanding Units from certain limited partners in exchange for an equal number of shares of its Class A common stock.

On June 17, 2002, the Operating Partnership issued $50 million of 6% (6.13% effective rate) senior unsecured notes due June 15, 2007. Net proceeds of approximately $49.4 million were used to repay outstanding borrowings 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 the August 8th sale were used to repay borrowings under the Credit Facility.

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 $17.5 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 from the preferred investors.

As of June 30, 2002 the Operating Partnership had issued and outstanding 10,283,513 Class B common units, all of which are held by the Company and which were entitled to receive an annual distribution of $2.5968 per unit. The distribution on the Class B units is subject to adjustment annually based on a formula which measures increases or decreases in the Company's Funds From Operations ("FFO"), as defined, over a base year. On July 31, 2002, the annual distribution on the Class B common units was decreased to $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 Operating Partnership, at its option, may redeem any or all of the Class B common units in exchange for an equal number of Class A common units 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 B common stock and/or its Class A common stock. Subsequent to June 30, 2002, the Operating Partnership purchased 368,200 Class B common units at an average price of $22.90 per Class B unit and 1,856,200 Class A common units at an average price of $21.98 per Class A unit for an aggregate purchase price for both the Class A and Class B units of approximately $49.2 million. Previously, in conjunction with the Company's common 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 unit and 61,704 Class A common units at an average price of $23.03 per unit for an aggregate purchase price of approximately $31.7 million. In addition, the Board of Directors of the Company has formed a pricing committee to consider purchases up to $75 million of the Company's outstanding preferred securities.

On May 22, 2002, approximately $1.4 million of loans made to certain executive officers to purchase the Company's common stock matured. The loans were secured by 61,668 shares of the Company's Class A common stock. The loans were satisfied by the executive officers with the 61,668 shares of Class A common stock. The market value of these shares on May 22, 2002 was sufficient to fully satisfy these loans and as such there was no financial impact to the Company. The Company has subsequently retired these shares.

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"). As of June 30, 2002, the 520JV had total assets of $21.5 million, a mortgage note payable of $12.8 million and other liabilities of $.9 million. The Operating Partnership's allocable share of the 520JV mortgage note payable is approximately $7.7 million. In addition the 520JV had total revenues of $1,615,000 and total expenses of $1,637,000 for the six months ended June 30, 2002. The Operating Partnership accounts for the 520JV under the equity method of accounting, The 520JV contributed approximately $29,000 and $216,000 to the Operating Partnership's equity in earnings of real estate joint ventures for the six months ended June 30, 2002 and 2001, respectively.

Effective January 1, 2002 the Company has elected to follow FASB Statement No. 123, "Accounting for Stock Based Compensation". Statement No.123 requires the use of option valuation models which determine the fair value of the option on the date of the grant. All future employee stock option grants will be expensed over the options' vesting periods based on the fair value at the date of the grant in accordance with Statement No. 123. The Company expects minimal financial impact in the current year from the adoption of Statement No. 123. To determine the fair value of the stock options granted, the Company intends to use a Black-Scholes option pricing model. Historically, the Company had applied Accounting Principles Board Opinion No. 25 and related interpretations in accounting for its stock option plans and reported pro forma disclosures in its Form 10-K filings by estimating the fair value of options issued and the related expense in accordance with Statement No. 123. Accordingly, no compensation cost had been recognized for its stock option plans in the past.

The Operating Partnership's indebtedness at June 30, 2002 totaled approximately $1.3 billion (including its share of joint venture debt and net of the minority partners' interests share of joint venture debt) and was comprised of $176.0 million outstanding under the Credit Facility, approximately $499.2 million of senior unsecured notes and approximately $610.4 million of mortgage indebtedness. Based on the Operating Partnership's total market capitalization of approximately $3.3 billion at June 30, 2002 (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 market value of a share of the Company's Class A common stock and Class B common stock), (ii) the liquidation preference value of the Operating Partnership's preferred units and (iii) the $1.3 billion of debt), the Operating Partnership's debt represented approximately 39.0% of its total market capitalization

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 225,000 square feet and have current contractual annual base rents of approximately $6.7 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. As of June 30, 2002, HQ's leases with the Operating Partnership were in default. 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 three of the leases and leave the terms of the remaining six leases unchanged. All negotiations with HQ are conducted by 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 $500,000 (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 June 30, 2002.

WorldCom/MCI and its affiliates ("WorldCom"), a telecommunications company which leases as of June 30, 2002 approximately 547,000 square feet in fifteen 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 amounts to approximately $12.3 million, or 2.8% 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 are current on base rental charges through July 31, 2002 and the Operating Partnership currently holds approximately $300,000 in security deposits relating to these leases. There can be no assurance as to whether WorldCom will affirm or reject any or all of its leases with the Operating Partnership. As a result of the foregoing, the Operating Partnership has increased its reserve against the deferred rent receivable on its balance sheet at June 30, 2002 in an amount equal to $1.1 million representing approximately 51% of the outstanding deferred rent receivable attributable to WorldCom.

MetroMedia Fiber Network Services, Inc. ("MetroMedia"), which leases 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, at June 30, 2002, the Operating Partnership has written off approximately $388,000 of deferred rent receivable relating to this lease and recognized the aforementioned surrender fee.

Arthur Andersen, LLP ("AA") leases approximately 38,000 square feet in one of the Operating Partnership's New York City buildings. AA's lease with the Operating Partnership provides for base rent of approximately $2 million on an annualized basis and expires in April 2004. AA is current on all rental charges through July 31, 2002. AA has experienced significant financial difficulties with its business and there is uncertainty as to whether it will remain in its space for the duration of its lease term. As of June 30, 2002, the Operating Partnership has reserved 100% of the deferred rent receivable related to this lease which is approximately $140,000.

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 June 30, 2002 (in thousands):

	MATURITY DATE						
	2002	2003	2004	2005	2006	THEREAFTER	TOTAL
Mortgage notes payable (1)	$ 5,965	$ 12,300	$ 13,169	$14,167	$ 13,785	$128,700	$ 188,086
Mortgage notes payable (2)	--	--	2,616	18,553	129,920	406,808	557,897
Senior unsecured notes	--	--	100,000	--	--	400,000	500,000
Unsecured credit facility	--	176,000	--	--	--	--	176,000
Land lease obligations	1,331	2,687	2,811	2,814	2,795	49,921	62,359
Air rights lease obligations	187	369	379	379	379	4,659	6,352
	$ 7,483	$191,356	$118,975	$35,913	$146,879	$990,088	$1,490,694

(1) Scheduled principal amortization payments
(2) Principal payments due at maturity

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.

In addition, at March 31, 2002, the Operating Partnership had approximately $1.0 million in outstanding undrawn standby letters of credit issued under the Credit Facility which expire in 2003.

Thirteen of the Operating Partnership's office properties and two of the Operating Partnership's industrial 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 nine of the properties expire prior to June 30, 2003. The limitations on the remaining properties expire between 2007 and 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.

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. 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. In addition, the Operating Partnership believes that it will, from time to time, generate funds from the disposition of certain of its real estate properties or interests therein. 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. There can be no assurance that there will be adequate demand for the Operating Partnership's equity securities at the time or at the price in which the Operating Partnership desires to raise capital through the sale of its 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.

The Operating Partnership is subject to federal, state and local laws and regulations relating to the protection of the environment, which may require a current or previous owner or operator of real estate to investigate and clean up hazardous or toxic substances or petroleum product releases at a property. An owner of real estate is liable for the costs of removal or remediation of certain hazardous or toxic substances on or in the property. These laws often impose such liability without regard to whether the owner knew of, or caused, the presence of the contaminants. Clean-up costs and the owner's liability generally are not limited under the enactments and could exceed the value of the property and/or the aggregate assets of the owner. The presence of, or the failure to properly remediate, the substances may adversely affect the owner's ability to sell or rent the property or to borrow using the property as collateral.

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 and/or excluding coverage for acts of terrorism in all risk policies. 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 $100 million per occurrence (except for one property which has an additional aggregate $150 million of coverage). 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.

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.

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 leases also generally provide for fixed base rent increases, direct pass through of certain operating expenses and separate real estate tax escalations 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. 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.

FUNDS FROM OPERATIONS

Management believes that funds from operations ("FFO") is an appropriate measure of performance of an operating partnership whose general partner is an equity REIT. FFO is defined by the National Association of Real Estate Investment Trusts ("NAREIT") as net income or loss, excluding gains or losses from debt restructurings 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 accounting principles generally accepted in the United States 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 Operating Partnership's operating performance or as an alternative to cash flow as a measure of liquidity.

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

The following table presents the Operating Partnership's FFO calculation (in thousands):

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2002	2001	2002	2001
Net income available to common unit holders	$ 16,406	$ 23,434	$ 35,276	$ 47,839
Adjustment for Funds From Operations:				
Add:				
Real estate depreciation and amortization	27,041	26,727	52,362	49,715
Minority partners' interests in consolidated partnerships	4,813	4,065	9,933	9,820
Less:				
Gain on sales of real estate	--	--	537	--
Amounts distributable to minority partners in consolidated partnerships	6,329	5,104	12,893	10,805
Funds From Operations	$ 41,931	$ 49,122	$ 84,141	$ 96,569
Weighted average units outstanding	68,559	65,268	68,184	64,369

ITEM 3. 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 June 30, 2002, the Operating Partnership had no derivatives outstanding.

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 June 30, 2002 (dollars in thousands):

	FOR THE YEAR ENDED DECEMBER 31,							
	2002	2003	2004	2005	2006	THEREAFTER	TOTAL(1)	FMV
Long term debt:								
Fixed rate...........	$ 5,965	$ 12,300	$ 115,785	$ 32,720	$ 143,705	$ 935,508	$ 1,245,983	$ 1,265,746
Weighted average Interest rate.....	7.49%	7.51%	7.47%	6.92%	7.38%	7.27%	7.30%	
Variable rate........	$ --	$ 176,000	$ --	$ --	$ --	$ --	$ 176,000	$ 176,000
Weighted average interest rate.....	--	2.97%	--	--	--	--	2.97%	

(1) Includes aggregate unamortized issuance discounts of approximately $761 on the senior unsecured notes issued during March 1999 and June 2002, which are due at maturity.

In addition, a one percent increase in the LIBOR rate would have an approximate $1.8 million annual increase in interest expense based on $176.0 million of variable rate debt outstanding at June 30, 2002.

The following table sets forth the Operating Partnership's mortgage notes and note receivables by scheduled maturity date, weighted average interest rates and estimated FMV at June 30, 2002 (dollars in thousands):

	FOR THE YEAR ENDED DECEMBER 31,							
	2002	2003	2004	2005	2006	THEREAFTER	TOTAL (1)	FMV
Mortgage notes and notes receivable:								
Fixed rate...........	$ 1,157	$ --	$ 36,500	$ --	$ --	$ 16,990	$ 54,647	$ 55,867
Weighted average interest rate......	9.0%	--	10.23%	--	--	11.92%	10.73%	

(1) Excludes interest receivables aggregating approximately $721.

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

The following table summarizes the expenditures incurred for capital expenditures for the entire portfolio and tenant improvements and leasing commissions for space leased at the Operating Partnership's office and industrial properties for the years 1998 through 2001 and the six months ended June 30, 2002.

NON-INCREMENTAL REVENUE GENERATING CAPITAL EXPENDITURES

	1998	1999	2000	2001	Average 1998-2001	2002
Suburban Office Properties						
Total	$2,004,976	$2,298,899	$3,289,116	$4,606,069	$3,049,765	$2,325,404
Per Square Foot	0.23	0.23	0.33	0.45	0.31	$0.23
NYC Office Properties						
Total	N/A	N/A	$946,718	$1,584,501	$1,265,610	$828,596
Per Square Foot	N/A	N/A	0.38	0.45	0.42	$0.24
Industrial Properties						
Total	$1,205,266	$1,048,688	$813,431	$711,666	$944,763	$437,208
Per Square Foot	0.12	0.11	0.11	0.11	0.11	$0.07

NON-INCREMENTAL REVENUE GENERATING TENANT IMPROVEMENTS AND LEASING COMMISSIONS

	1998	1999	2000	2001	AVERAGE 1998-2001
Long Island Office Properties					
Tenant Improvements	$1,140,251	$1,009,357	$2,853,706	$2,722,457	$1,931,443
Per Square Foot Improved	3.98	4.73	6.99	8.47	6.04
Leasing Commissions	$418,191	$551,762	$2,208,604	$1,444,412	$1,155,742
Per Square Foot Leased	1.46	2.59	4.96	4.49	3.38
Total Per Square Foot	$5.44	$7.32	$11.95	$12.96	$9.42
Westchester Office Properties					
Tenant Improvements	$711,160	$1,316,611	$1,860,027	$2,584,728	$1,618,132
Per Square Foot Improved	4.45	5.62	5.72	5.91	5.43
Leasing Commissions	$286,150	$457,730	$412,226	$1,263,012	$604,780
Per Square Foot Leased	1.79	1.96	3.00	2.89	2.41
Total Per Square Foot	$6.24	$7.58	$8.72	$8.80	$7.84
Connecticut Office Properties					
Tenant Improvements	$202,880	$179,043	$385,531	$213,909	$245,341
Per Square Foot Improved	5.92	4.88	4.19	1.46	4.11
Leasing Commissions	$151,063	$110,252	$453,435	$209,322	$231,018
Per Square Foot Leased	4.41	3.00	4.92	1.43	3.44
Total Per Square Foot	$10.33	$7.88	$9.11	$2.89	$7.55
New Jersey Office Properties					
Tenant Improvements	$654,877	$454,054	$1,580,323	$1,146,385	$958,910
Per Square Foot Improved	3.78	2.29	6.71	2.92	3.93
Leasing Commissions	$396,127	$787,065	$1,031,950	$1,602,962	$954,526
Per Square Foot Leased	2.08	3.96	4.44	4.08	3.64
Total Per Square Foot	$5.86	$6.25	$11.15	$7.00	$7.57
New York City Office Properties					
Tenant Improvements	N/A	N/A	$65,267	$788,930	$427,099
Per Square Foot Improved	N/A	N/A	1.79	15.69	8.74
Leasing Commissions	N/A	N/A	$418,185	$1,098,829	$758,507
Per Square Foot Leased	N/A	N/A	11.50	21.86	16.68
Total Per Square Foot	N/A	N/A	$13.29	$37.55	$25.42
Industrial Properties					
Tenant Improvements	$283,842	$375,646	$650,216	$1,366,488	$669,048
Per Square Foot Improved	0.76	0.25	0.95	1.65	0.90
Leasing Commissions	$200,154	$835,108	$436,506	$354,572	$456,585
Per Square Foot Leased	0.44	0.56	0.64	0.43	0.52
Total Per Square Foot	$1.20	$0.81	$1.59	$2.08	$1.42

	2002	NEW	RENEWAL
Long Island Office Properties			
Tenant Improvements	$817,925	$470,774	$347,151

Per Square Foot Improved	5.33	10.51	3.20
Leasing Commissions	$661,559	$253,957	$407,602
Per Square Foot Leased	4.31	5.67	3.75
Total Per Square Foot	9.63	$16.18	$6.95
Westchester Office Properties			
Tenant Improvements	$1,200,380	$967,886	$232,494
Per Square Foot Improved	7.59	11.53	3.13
Leasing Commissions	$513,884	$357,295	$156,589
Per Square Foot Leased	3.25	4.26	2.11
Total Per Square Foot	$10.84	$15.79	$5.24
Connecticut Office Properties			
Tenant Improvements	$385,999	$384,279	$1,720
Per Square Foot Improved	8.86	9.34	0.71
Leasing Commissions	$101,574	$101,574	$0
Per Square Foot Leased	2.33	2.47	--
Total Per Square Foot	$11.19	$11.81	0.71
New Jersey Office Properties			
Tenant Improvements	$624,731	$336,076	$288,655
Per Square Foot Improved	10.22	19.80	6.54
Leasing Commissions	$330,520	$127,681	$202,839
Per Square Foot Leased	5.13	6.30	4.60
Total Per Square Foot	$15.35	$26.10	$11.14
New York City Office Properties			
Tenant Improvements	$2,074,924	$1,348,436	$726,488
Per Square Foot Improved	20.23	20.47	19.82
Leasing Commissions	$816,045	$389,781	$426,264
Per Square Foot Leased	7.96	5.92	11.63
Total Per Square Foot	$28.19	26.39	$31.44
Industrial Properties			
Tenant Improvements	$743,640	$672,728	$70,912
Per Square Foot Improved	1.56	3.71	--
Leasing Commissions	$330,391	$289,591	$40,800
Per Square Foot Leased	0.69	1.60	0.14
Total Per Square Foot	$2.25	5.32	$0.14

LEASE EXPIRATION SCHEDULE

The following table sets forth scheduled lease expirations for executed leases as of June 30, 2002:

LONG ISLAND OFFICE (EXCLUDING OMNI)

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Leased Sq Ft	Cumulative % of Total Leased Sq Ft	Expiring GAAP Rent (1)	Expiring Cash Rent (2)
2002	17	66,399	2.1%	2.1%	$23.83	$26.06
2003	50	319,071	10.0%	12.1%	$24.48	$26.72
2004	49	301,455	9.5%	21.6%	$21.75	$24.38
2005	71	396,191	12.5%	34.0%	$24.95	$27.66
2006	44	169,206	5.3%	39.4%	$25.18	$28.45
2007	36	423,707	13.3%	52.7%	$24.60	$30.25
2008 and thereafter	81	1,505,191	47.3%	100.0%	--	--
Total/Weighted Average	348	3,181,220	100.0%	--	--	--

OMNI

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Leased Sq Ft	Cumulative % of Total Leased Sq Ft	Expiring GAAP Rent (1)	Expiring Cash Rent (2)
2002	2	34,975	6.3%	6.3%	$28.02	$33.80
2003	3	49,793	9.0%	15.4%	$29.54	$35.16
2004	5	113,793	20.6%	36.0%	$27.29	$34.79
2005	4	43,780	7.9%	43.9%	$28.24	$35.42
2006	0	--	0.0%	43.9%	--	--
2007	2	59,722	10.8%	54.7%	$26.78	$34.41
2008 and thereafter	12	250,112	45.3%	100.0%	--	--
Total/Weighted Average	28	552,175	100.0%	--	--	--

WESTCHESTER OFFICE

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Leased Sq Ft	Cumulative % of Total Leased Sq Ft	Expiring GAAP Rent (1)	Expiring Cash Rent (2)
2002	24	172,220	5.7%	5.7%	$21.16	$22.28
2003	46	242,271	8.0%	13.7%	$22.17	$23.82
2004	38	177,296	5.9%	19.6%	$21.50	$22.52
2005	51	465,316	15.4%	35.0%	$22.62	$23.91
2006	40	720,326	23.8%	58.8%	$22.69	$24.55
2007	33	425,732	14.1%	72.9%	$25.36	$27.15
2008 and thereafter	35	819,145	27.1%	100.0%	--	--
Total/Weighted Average	267	3,022,306	100.0%	--	--	--

LEASE EXPIRATION SCHEDULE

STAMFORD OFFICE

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Leased Sq Ft	Cumulative % of Total Leased Sq Ft	Expiring GAAP Rent (1)	Expiring Cash Rent (2)
2002	13	32,118	3.0%	3.0%	$24.53	$25.96
2003	20	145,085	13.6%	16.6%	$30.97	$31.81
2004	28	236,570	22.2%	38.9%	$22.02	$23.08
2005	24	123,864	11.6%	50.5%	$26.41	$28.18
2006	24	291,313	27.4%	77.9%	$24.22	$25.11
2007	10	94,890	8.9%	86.8%	$32.04	$34.41
2008 and thereafter	9	140,729	13.2%	100.0%	--	--
Total/Weighted Average	128	1,064,569	100.0%	--	--	--

NEW JERSEY OFFICE

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Leased Sq Ft	Cumulative % of Total Leased Sq Ft	Expiring GAAP Rent (1)	Expiring Cash Rent (2)
2002	8	81,618	4.4%	4.4%	$21.13	$21.64
2003	20	319,328	17.2%	21.5%	$27.16	$28.22
2004	28	206,608	11.1%	32.6%	$23.08	$23.91
2005	27	272,784	14.7%	47.3%	$23.83	$24.84
2006	16	181,060	9.7%	57.0%	$24.48	$26.12
2007	5	57,237	3.1%	60.1%	$21.25	$23.18
2008 and thereafter	20	743,082	39.9%	100.0%	--	--
Total/Weighted Average	124	1,861,717	100.0%	--	--	--

NEW YORK CITY OFFICE

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Leased Sq Ft	Cumulative % of Total Leased Sq Ft	Expiring GAAP Rent (1)	Expiring Cash Rent (2)
2002	10	122,367	3.6%	3.6%	$43.61	$40.26
2003	7	114,987	3.4%	6.9%	$32.10	$33.65
2004	20	223,677	6.5%	13.5%	$36.54	$39.89
2005	34	451,470	13.2%	26.7%	$36.30	$38.34
2006	54	346,402	10.1%	36.8%	$30.29	$31.95
2007	12	126,083	3.7%	40.5%	$34.66	$37.35
2008 and thereafter	88	2,034,773	59.5%	100.0%	--	--
Total/Weighted Average	225	3,419,759	100.0%	--	--	--

LEASE EXPIRATION SCHEDULE

INDUSTRIAL

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Leased Sq Ft	Cumulative % of Total Leased Sq Ft	Expiring GAAP Rent (1)	Expiring Cash Rent (2)
2002	8	91,878	1.8%	1.8%	$7.15	$7.95
2003	19	499,273	9.8%	11.6%	$5.67	$6.86
2004	35	562,235	11.0%	22.6%	$6.55	$7.60
2005	26	476,541	9.4%	32.0%	$5.85	$7.30
2006	39	865,820	17.0%	49.0%	$6.65	$7.91
2007	22	229,316	4.5%	53.5%	$7.70	$9.16
2008 and thereafter	50	2,371,109	46.5%	100.0%	--	--
Total / Weighted Average	199	5,096,172	100.0%	--	--	--

RESEARCH & Development

Year of Expiration	Number of Leases Expiring	Square Feet Expiring	% of Total Leased Sq Ft	Cumulative % of Total Leased Sq Ft	Expiring GAAP Rent (1)	Expiring Cash Rent (2)
2002	1	4,620	0.4%	0.4%	$12.85	$12.85
2003	4	91,938	8.2%	8.6%	$10.59	$10.97
2004	9	99,218	8.9%	17.5%	$13.86	$15.07
2005	11	457,440	40.9%	58.3%	$9.95	$11.45
2006	7	83,061	7.4%	65.8%	$17.49	$20.08
2007	4	85,444	7.6%	73.4%	$12.60	$13.95
2008 and thereafter	15	298,015	26.6%	100.0%	--	--
Total / Weighted Average	51	1,119,736	100.0%	--	--	--

The following table sets forth the Operating Partnership's schedule of its top 25 tenants based on base rental revenue as of June 30, 2002:

	Tenant Name (1)	Tenant Type	Total Square Feet	Percent of Consolidated Annualized Base Rental Revenue
*	Debevoise & Plimpton	Office	465,420	5.5%
*	WorldCom/MCI	Office	547,018	2.8%
*	American Express	Office	238,261	1.7%
	Bell Atlantic	Office	208,661	1.3%
*	Shulte Roth & Zabel	Office	230,621	2.2%
*	HQ Global	Office/Industrial	201,900	1.5%
	United Distillers	Office	137,918	0.9%
	Waterhouse Securities	Office	127,143	0.9%
*	Prudential	Office	219,416	0.9%
*	Banque Nationale De Paris	Office	144,334	1.5%
	D.E. Shaw	Office	89,526	0.7%
	Vytra Healthcare	Office	105,612	0.7%
	Metromedia Fiber Network Svcs.	Office	112,075	0.7%
*	Kramer Levin Nessen Kamin,	Office	140,892	1.3%
	Hoffman-La Roche Inc.	Office	120,736	0.6%
	Heller Ehrman White	Office	54,815	0.6%
	Lab Corp	Office	108,000	0.6%
*	Novartis	Office	150,747	0.9%
*	Draft Worldwide, Inc.	Office	124,008	1.1%
	Practicing Law Institute	Office	62,000	0.6%
	Lockheed Martin Corporation	Office	123,554	0.5%
*	State Farm	Office/Industrial	162,650	1.0%
	Estee Lauder	Industrial	370,000	0.5%
*	JP Morgan Chase Bank	Office	69,527	0.6%
	Radianz U.S. No. 2 Inc.	Office	130,009	0.5%

(1) Ranked by pro rata share of annualized base rental revenue

(2) Based on annualized base rental revenue adjusted for pro rata share of joint venture interests.

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

PART II - OTHER INFORMATION

Item 1. 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 or business or financial condition of the Operating Partnership.

On or about October 3, 2001, Burgess Services, LLC ("Burgess Services"), Dominion Venture Group, LLC ("Dominion Venture Group") and certain affiliated parties commenced an action in Oklahoma State Court against Reckson Strategic Venture Partners, LLC ("RSVP"), the Company, and RAP-Dominion LLC ("RAP-Dominion"), a joint venture through which the Operating Partnership invested with RSVP in a venture with certain of the plaintiffs. On April 10, 2002, the litigation was settled without liability on the part of the Company, the Operating Partnership or the defendant. In connection with the settlement, the joint venture will be terminated.

Item 2. Changes in Securities and use of proceeds

During the three months ended June 30, 2002, the Registrant issued 666,466 common units of general partnership interest for an equal number of common units of limited partnership interest. These transactions were exempt from registration pursuant to Section 4(2) of the Securities Act of 1933.

Item 3. Defaults Upon Senior Securities - None

Item 4. Submission of Matters to a Vote of Securities Holders - None

Item 5. Other information

The Company as general partner of the Operating Partnership has received approval of the Audit Committee of the Board permitting Ernst & Young, LLP, the Company's auditors to perform the following non-audit related services: (i) the preparation and review of tax filings; (ii) analysis related to compliance with law including, but not limited to the REIT qualification; (iii) review of Company disclosure related issues; and (iv) analysis relating to alternative structures of potential joint ventures, acquisitions and financings.

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits

10.1	2002 Stock Option Plan of the Company
99.1	Certification of Donald Rechler, Co-CEO of Reckson Associates Realty Corp., the sole general partner of Reckson Operating Partnership, L.P., pursuant to Section 1350 of Chapter 63 of title 18 of the United State Code
99.2	Certification of Scott H. Rechler, Co-CEO of Reckson Associates Realty Corp., the sole general partner of Reckson Operating Partnership, L.P., pursuant to Section 1350 of Chapter 63 of title 18 of the United State Code
99.3	Certification of Michael Maturo, CFO of Reckson Associates Realty Corp., the sole general partner of Reckson Operating Partnership, L.P., pursuant to Section 1350 of Chapter 63 of title 18 of the United State Code

b) During the three months ended June 30, 2002 the Registrant filed the following reports on Form 8K:

On May 2, 2002, the Registrant submitted a report on Form 8-K under Item 9 thereof in order to submit its first quarter presentation in satisfaction of the requirements of Regulation FD.

On May 2, 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 March 31, 2002 in satisfaction of the requirements of Regulation FD.

On May 23, 2002, the Registrant submitted a report on Form 8-K under Item 9 thereof in order to submit the Company's annual shareholders' meeting presentation in satisfaction of the requirements of Regulation FD.

On June 18, 2002, the Registrant submitted a report on Form 8-K under Item 5 thereof relating to the public offering by the Operating Partnership of $50,000,000 aggregate principal amount of its 6.00% senior unsecured notes due 2007.

On June 28, 2002, the Registrant submitted a report on Form 8-K under Item 9 thereof in order to submit a press release concerning certain data on the Registrant's leases with WorldCom/MCI in satisfaction of the requirements of Regulation FD.

SIGNATURES

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

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

By: /s/ Michael Maturo

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

By: /s/ Donald Rechler
- --
Donald Rechler, Co-Chief Executive Officer

DATE: August 12, 2002

EXHIBIT 10.1

RECKSON ASSOCIATES REALTY CORP.
2002 STOCK OPTION PLAN

ARTICLE 1. GENERAL

1.1. Purpose. The purpose of the Reckson Associates Realty Corp. 2002 Stock Option Plan (the "Plan") is to provide for certain of officers, directors and key employees, as defined in Section 1.3, of Reckson Associates Realty Corp. (the "Company") and certain of its Affiliates (as defined below) an equity-based incentive to maintain and enhance the performance and profitability of the Company. It is the further purpose of this Plan to permit the granting of awards that will constitute performance based compensation for certain executive officers, as described in Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated thereunder.

1.2. Administration.

(a) The Plan shall be administered by the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board"), which Committee shall consist of two or more directors, or by the Board. It is intended that the directors appointed to serve on the Committee shall be "non-employee directors" (within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934 (the "Act")) and "outside directors" (within the meaning of Code Section 162(m)); however, the mere fact that a Committee member shall fail to qualify under either of these requirements shall not invalidate any award made by the Committee which award is otherwise validly made under the Plan. The members of the Committee shall be appointed by, and may be changed at any time and from time to time in the discretion of, the Board.

(b) The Committee shall have the authority (i) to exercise all of the powers granted to it under the Plan, (ii) to construe, interpret and implement the Plan and any Plan Agreements (as defined below) executed pursuant to the Plan, (iii) to prescribe, amend and rescind rules relating to the Plan, (iv) to make any determination necessary or advisable in administering the Plan, (v) to correct any defect, supply any omission and reconcile any inconsistency in the Plan and (vi) to delegate to Donald J. Rechler and Scott H. Rechler (the "Proper Officers") its authority to grant awards under the Plan to key employees, excluding those employees who are executive officers ("Non-Executive Officers"), provided that (a) the aggregate number of shares of Common Stock granted to any Non-Executive Officer during any calendar year shall not exceed 100,000 shares and (b) the Proper Officers shall report annually to the Committee regarding the material terms of awards granted to any Non-Executive Officers. The Committee shall have no authority to interpret or administer Article 5 of the Plan or to take any action with respect to any awards thereunder.

(c) The determination of the Committee on all matters relating to the Plan or any Plan Agreement shall be conclusive.

(d) No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any award hereunder.

(e) Notwithstanding anything to the contrary contained herein, the Board may, in its sole discretion, at any time and from time to time, resolve to administer the Plan, in which case, the term Committee as used herein shall be deemed to mean the Board.

1.3. Persons Eligible for Awards. Awards under the Plan may be made to such officers, directors and key employees ("key personnel") of the Company or its Affiliates as the Committee shall from time to time in its sole discretion select. No member of the Board who is not an officer or employee of the Company or an Affiliate (an "Independent Director") shall be eligible to receive any Awards under the Plan, except for non-qualified stock options granted automatically under the provisions of Article 5 of the Plan.

1.4. Types of Awards Under Plan.

(a) Awards may be made under the Plan in the form of (i) stock options ("options"), (ii) restricted stock awards and (iii) unrestricted stock awards, in lieu of cash compensation, all as more fully set forth in Articles 2 and 3.

(b) Options granted under the Plan may be either (i) "nonqualified" stock options ("NQSOs") or (ii) options intended to qualify for incentive stock option treatment described in Code Section 422 ("ISOs"). Grants of options made under the Plan may also be made in lieu of cash fees otherwise payable to Directors of the Company or cash bonuses payable to employees of the Company or any Affiliate.

(c) All options when granted are intended to be NQSOs, unless the applicable Plan Agreement explicitly states that the option is intended to be an ISO. If an option is intended to be an ISO, and if for any reason such option (or any portion thereof) shall not qualify as an ISO, then, to the extent of such nonqualification, such option (or portion) shall be regarded as a NQSO appropriately granted under the Plan provided that such option (or portion) otherwise meets the Plan's requirements relating to NQSOs.

1.5. Shares Available for Awards.

(a) Subject to Section 4.5 (relating to adjustments upon changes in capitalization), as of any date the total number of shares of Common Stock with respect to which awards may be granted under the Plan, shall equal the excess (if any) of 1,500,000 shares of Common Stock, over (i) the number of shares of Common Stock subject to outstanding awards, (ii) the number of shares in respect of which options have been exercised, or grants of restricted or unrestricted Common Stock have been made pursuant to the Plan, and (iii) the number of shares issued subject to forfeiture restrictions which have lapsed. In any calendar year, a person eligible for awards under the Plan may not be granted options under the Plan covering a total of more than 150,000 shares of Common Stock.

In accordance with (and without limitation upon) the preceding sentence, awards may be granted in respect of the following shares of Common Stock: shares covered by previously-granted awards that have expired, terminated or been cancelled for any reason whatsoever (other than by reason of exercise or vesting).

(b) Shares of Common Stock that shall be subject to issuance pursuant to the Plan shall be authorized and unissued or treasury shares of Common Stock, or shares of Common Stock purchased on the open market or from shareholders of the Company for such purpose.

1.6. Definitions of Certain Terms.

(a) The term "Affiliate" as used herein means Reckson Operating Partnership, L.P., Reckson FS Limited Partnership, RANY Management Group, Inc., Reckson Finance, Inc., Reckson Management Group, Inc., Reckson Construction Group, Inc., Metropolitan Partners LLC, any person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Company, or any other person or entity as subsequently approved by the Board.

(b) The term "Cause" shall mean a finding by the Committee that the recipient of an award under the Plan has (i) acted with gross negligence or willful misconduct in connection with the performance of his material duties to the Company or its Affiliates; (ii) defaulted in the performance of his material duties to the Company or its Affiliates 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 its Affiliates, which act has had a material and adverse impact on the financial affairs of the Company or its Affiliates; or (iv) been convicted of a felony or committed a material act of common law fraud against the Company, its Affiliates or their employees and such act or conviction has, or the Committee reasonably determines will have, a material adverse effect on the interests of the Company or its Affiliates.

(c) The term "Common Stock" as used herein means the shares of Class A common stock of the Company as constituted on the effective date of the Plan, and any other shares into which such common stock shall thereafter be changed by reason of a recapitalization, merger, consolidation, split-up, combination, exchange of shares or the like.

(d) The "fair market value" (or "FMV") as of any date and in respect of any share of Common Stock shall be:

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

(ii) the Common Stock is not so listed but is 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 Stock on such exchange or NASDAQ/NMS, as the case may be, on which the largest number of shares of Common Stock have been traded in the aggregate on the preceding twenty trading days, or if no such reported sale of the Stock 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 Stock is 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.

1.7. Agreements Evidencing Awards.

(a) Options and restricted stock awards granted under the Plan shall be evidenced by written agreements. Any such written agreements shall (i) contain such provisions not inconsistent with the terms of the Plan as the Committee may in its sole discretion deem necessary or desirable and (ii) be referred to herein as "Plan Agreements."

(b) Each Plan Agreement shall set forth the number of shares of Common Stock subject to the award granted thereby.

(c) Each Plan Agreement with respect to the granting of an option shall set forth the amount (the "option exercise price") payable by the grantee to the Company in connection with the exercise of the option evidenced thereby. The option exercise price per share shall not be less than 100% of the fair market value of a share of Common Stock on the date the option is granted.

ARTICLE 2. STOCK OPTIONS

2.1. Option Awards.

(a) Grant of Stock Options. The Committee may grant options to purchase shares of Common Stock in such amounts and subject to such terms and conditions as the Committee shall from time to time in its sole discretion determine, subject to the terms of the Plan.

(b) Dividend Equivalent Rights. To the extent expressly provided by the Committee at the time of the grant, each NQSO granted under this Section 2.1 shall also generate Dividend Equivalent Rights ("DERs"), which shall entitle the grantee to receive an additional share of Common Stock for each DER received upon the exercise of the NQSO, at no additional cost, based on the formula set forth herein. As of the last business day of each calendar quarter, the amount of dividends paid by the Company on each share of Common Stock with respect to that quarter shall be divided by the FMV per share to determine the actual number of DERs accruing on each share subject to the NQSO. Such amount of DERs shall be multiplied by the number of shares covered by the NQSO to determine the number of DERs which accrued during such quarter. The provisions of this Section 2.1(b) shall not be amended more than once every six months other than to comport with changes in applicable law.

For example. Assume that a grantee holds a NQSO to purchase 600 shares of Common Stock. Further assume that the dividend per share for the first quarter was $0.10, and that the FMV per share on the last business day of the quarter was $20. Therefore, .005 DER would accrue per share for that quarter and such grantee would receive three DERs for that quarter (600 X .005). For purposes of determining how many DERs would accrue during the second quarter, the NQSO would be considered to be for 603 shares of Common Stock.

2.2. Exercisability of Options. Subject to the other provisions of the Plan:

(a) Exercisability Determined by Plan Agreement. Each Plan Agreement shall set forth the period during which and the conditions subject to which the option shall be exercisable (including, but not limited to vesting of such options), as determined by the Committee in its discretion.

(b) Partial Exercise Permitted. Unless the applicable Plan Agreement otherwise provides, an option granted under the Plan may be exercised from time to time as to all or part of the full number of shares for which such option is then exercisable, in which event the DERs relating to the portion of the option being exercised shall also be exercised.

(c) Notice of Exercise; Exercise Date.

(i) An option shall be exercisable by the filing of a written notice of exercise with the Company, on such form and in such manner as the Committee shall in its sole discretion prescribe, and by payment in accordance with Section 2.4.

(ii) Unless the applicable Plan Agreement otherwise provides, or the Committee in its sole discretion otherwise determines, the date of exercise of an option shall be the date the Company receives such written notice of exercise and payment.

2.3. Limitation on Exercise. Notwithstanding any other provision of the Plan, no Plan Agreement shall permit an ISO to be exercisable more than 10 years after the date of grant.

2.4. Payment of Option Price.

(a) Tender Due Upon Notice of Exercise. Unless the applicable Plan Agreement otherwise provides or the Committee in its sole discretion otherwise determines, any written notice of exercise of an option shall be accompanied by payment of the full purchase price for the shares being purchased.

(b) Manner of Payment. Payment of the option exercise price shall be made in any combination of the following:

(i) by certified or official bank check payable to the Company (or the equivalent thereof acceptable to the Committee);

(ii) by personal check (subject to collection), which may in the Committee's discretion be deemed conditional;

(iii) with the consent of the Committee in its sole discretion, by delivery of previously acquired shares of Common Stock owned by the grantee for at least six months having a fair market value (determined as of the option exercise date) equal to the portion of the option exercise price being paid thereby, provided that the Committee may require the grantee to furnish an opinion of counsel acceptable to the Committee to the effect that such delivery would not result in the grantee incurring any liability under Section 16(b) of the Act and does not require any Consent (as defined in Section 4.2); and

(iv) with the consent of the Committee in its sole discretion, by the full recourse promissory note and agreement of the grantee providing for payment with interest on the unpaid balance accruing at a rate not less than that needed to avoid the imputation of income under Code Section 7872 and upon such terms and conditions (including the security, if any, therefor) as the Committee may determine; and

(v) by withholding shares of Common Stock from the shares otherwise issuable pursuant to the exercise.

(c) Cashless Exercise. Payment in accordance with Section 2.4(b) may be deemed to be satisfied, if and to the extent provided in the applicable Plan Agreement, by delivery to the Company of an assignment of a sufficient amount of the proceeds from the sale of Common Stock acquired upon exercise to pay for all of the Common Stock acquired upon exercise and an authorization to the broker or selling agent to pay that amount to the Company, which sale shall be made at the grantee's direction at the time of exercise, provided that the Committee may require the grantee to furnish an opinion of counsel acceptable to the Committee to the effect that such delivery would not result in the grantee incurring any liability under Section 16 of the Act and does not require any Consent (as defined in Section 4.2).

(d) Issuance of Shares. As soon as practicable after receipt of full payment, the Company shall, subject to the provisions of Section 4.2, deliver to the grantee one or more certificates for the shares of Common Stock so purchased, which certificates may bear such legends as the Company may deem appropriate concerning restrictions on the disposition of the shares in accordance with applicable securities laws, rules and regulations or otherwise.

2.5. Default Rules Concerning Termination of Employment.

Subject to the other provisions of the Plan and unless the applicable Plan Agreement otherwise provides:

(a) General Rule. All options granted to a grantee shall terminate upon the grantee's termination of employment for any reason except to the extent post-employment exercise of the option is permitted in accordance with this Section 2.5.

(b) Termination for Cause. All unexercised or unvested options granted to a grantee shall terminate and expire on the day a grantee's employment is terminated for Cause.

(c) Regular Termination; Leave of Absence. If the grantee's employment terminates for any reason other than as provided in subsection (b), (d) or (f) of this Section 2.5, any awards granted to such grantee which were exercisable immediately prior to such termination of employment may be exercised, and any awards subject to vesting may continue to vest, until the earlier of either: (i) 90 days after the grantee's termination of employment and (ii) the date on which such options terminate or expire in accordance with the provisions of the Plan (other than this Section 2.5) and the Plan Agreement; provided that the Committee may, in its sole discretion, determine such other period for exercise in the case of a grantee whose employment terminates solely because the grantee's employer ceases to be an Affiliate or the grantee transfers employment with the Company's consent to a purchaser of a business disposed of by the Company. The Committee may, in its sole discretion, determine (i) whether any leave of absence (including short-term or long-term disability or medical leave) shall constitute a termination of employment for purposes of the Plan and (ii) the effect, if any, of any such leave on outstanding awards under the Plan.

(d) Retirement. If a grantee's employment terminates by reason of retirement (i.e., the voluntary termination of employee by a grantee after attaining the age of 55), the options exercisable by the grantee immediately prior to the grantee's retirement shall be exercisable by the grantee until the earlier of (i) 36 months after the grantee's retirement and (ii) the date on which such options terminate or expire in accordance with the provisions of the Plan (other than this Section 2.5) and the Plan Agreement.

(e) Death After Termination. If a grantee's employment terminates in the manner described in subsections (c) or (d) of this Section 2.5 and the grantee dies within the period for exercise provided for therein, the options exercisable by the grantee immediately prior to the grantee's death shall be exercisable by the personal representative of the grantee's estate or by the person to whom such options pass under the grantee's will (or, if applicable, pursuant to the laws of descent and distribution) until the earlier of (i) 12 months after the grantee's death and (ii) the date on which such options terminate or expire in accordance with the provisions of subsections (c) or (d) of this Section 2.5.

(f) Death Before Termination. If a grantee dies while employed by the Company or any Affiliate, all options granted to the grantee but not exercised before the death of the grantee, whether or not exercisable by the grantee before the grantee's death, shall immediately become and be exercisable by the personal representative of the grantee's estate or by the person to whom such options pass under the grantee's will (or, if applicable, pursuant to the laws of descent and distribution) until the earlier of (i) 12 months after the grantee's death and (ii) the date on which such options terminate or expire in accordance with the provisions of the Plan (other than this Section 2.5) and the Plan Agreement.

2.6. Special ISO Requirements. In order for a grantee to receive special tax treatment with respect to stock acquired under an option intended to be an ISO, (i) the Plan must be approved by the Company's shareholders in accordance with the requirements of Code Section 422(b) and (ii) the grantee of such option must be, at all times during the period beginning on the date of grant and ending on the day three months before the date of exercise of such option, an employee of the Company or any of the Company's parent or subsidiary corporations (within the meaning of Code Section 424), or of a corporation or a parent or subsidiary corporation of such corporation issuing or assuming a stock option in a transaction to which Code Section 424(a) applies. If an option granted under the Plan is intended to be an ISO, and if the grantee, at the time of grant, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the grantee's employer corporation or of its parent or subsidiary corporation, then (i) the option exercise price per share shall in no event be less than 110% of the fair market value of the Common Stock on the date of such grant and (ii) such option shall not be exercisable after the expiration of five years after the date such option is granted.

ARTICLE 3. RESTRICTED STOCK AND UNRESTRICTED STOCK AWARDS

3.1. Restricted Stock Awards.

(a) Grant of Awards. The Committee may grant restricted stock awards, alone or in tandem with other awards, under the Plan in such amounts and subject to such terms and conditions as the Committee shall from time to time in its sole discretion determine; provided, however, that the grant of any such restricted stock awards may be made in lieu of, or in tandem with other, cash compensation and bonuses. The vesting of a restricted stock award granted under the Plan may be conditioned upon the completion of a specified period of employment with the Company or any Affiliate, upon the attainment of specified performance goals, and/or upon such other criteria as the Committee may determine in its sole discretion.

(b) Payment. Each Plan Agreement with respect to a restricted stock award shall set forth the amount (if any) to be paid by the grantee with respect to such award. If a grantee makes any payment for a restricted stock award which does not vest, appropriate payment may be made to the grantee following the forfeiture of such award on such terms and conditions as the Committee may determine. The Committee shall have the authority to make or authorize loans to finance, or to otherwise accommodate the financing of, the acquisition or exercise of a restricted stock award.

(c) Forfeiture upon Termination of Employment. Unless the applicable Plan Agreement otherwise provides or the Committee otherwise determines, (i) if a grantee's employment terminates for any reason (including death) before all of his restricted stock awards have vested, such awards shall terminate and expire upon such termination of employment, and (ii) in the event any condition to the vesting of restricted stock awards is not satisfied within the period of time permitted therefor, such unvested shares shall be returned to the Company.

(d) Issuance of Shares. The Committee may provide that one or more certificates representing restricted stock awards shall be registered in the grantee's name and bear an appropriate legend specifying that such shares are not transferable and are subject to the terms and conditions of the Plan and the applicable Plan Agreement, or that such certificate or certificates shall be held in escrow by the Company on behalf of the grantee until such shares vest or are forfeited, all on such terms and conditions as the Committee may determine. Unless the applicable Plan Agreement otherwise provides, no share of restricted stock may be assigned, transferred, otherwise encumbered or disposed of by the grantee until such share has vested in accordance with the terms of such award. Subject to the provisions of Section 4.2, as soon as practicable after any restricted stock award shall vest, the Company shall issue or reissue to the grantee (or to the grantee's designated beneficiary in the event of the grantee's death) one or more certificates for the Common Stock represented by such restricted stock award.

(e) Grantees' Rights Regarding Restricted Stock. Unless the applicable Plan Agreement otherwise provides: (i) a grantee may vote and receive dividends on restricted stock awarded under the Plan; and (ii) any stock received as a distribution with respect to a restricted stock award shall be subject to the same restrictions as such restricted stock.

3.2. Unrestricted Stock. The Committee may issue unrestricted stock under the Plan, alone or in tandem with other awards, in such amounts and subject to such terms and conditions as the Committee shall from time to time in its sole discretion determine; provided, however, that the grant of any such unrestricted stock awards may be made in lieu of, or in tandem with other, cash compensation and bonuses. The Committee shall have the authority to make or authorize loans to finance, or to otherwise accommodate the financing of, the acquisition or exercise of an unrestricted stock award.

ARTICLE 4. MISCELLANEOUS

4.1. Amendment of the Plan; Modification of Awards.

(a) Plan Amendments. The Board may, without stockholder approval, at any time and from time to time suspend, discontinue or amend the Plan in any respect whatsoever, except that (i) no such amendment shall impair any rights under any award theretofore made under the Plan without the consent of the grantee of such award and (ii) except as and to the extent otherwise permitted by Section 4.5 or 4.11, no such amendment shall cause the Plan to fail to satisfy any applicable requirement under Rule 16b-3 without stockholder approval.

(b) Award Modifications. Subject to the terms and conditions of the Plan (including Section 4.1(a)), the Committee may amend outstanding Plan Agreements with such grantee, including, without limitation, any amendment which would (i) accelerate the time or times at which an award may vest or become exercisable and/or (ii) extend the scheduled termination or expiration date of the award, provided, however, that no modification having a material adverse effect upon the interest of a grantee in an award shall be made without the consent of such grantee; and no amendment may be made to adjust the option exercise price per share specified in a Plan Agreement evidencing a stock option award, unless such adjustment occurs pursuant to Section 4.5, and no award may be cancelled and re-granted to effect a re-pricing.

4.2. Restrictions.

(a) Consent Requirements. If the Committee shall at any time determine that any Consent (as hereinafter defined) is necessary or desirable as a condition of, or in connection with, the granting of any award under the Plan, the acquisition, issuance or purchase of shares or other rights hereunder or the taking of any other action hereunder (each such action being hereinafter referred to as a "Plan Action"), then such Plan Action shall not be taken, in whole or in part, unless and until such Consent shall have been effected or obtained to the full satisfaction of the Committee. Without limiting the generality of the foregoing, the Committee shall be entitled to determine not to make any payment whatsoever until Consent has been given if (i) the Committee may make any payment under the Plan in cash, Common Stock or both, and (ii) the

Committee determines that Consent is necessary or desirable as a condition of, or in connection with, payment in any one or more of such forms.

(b) Consent Defined. The term "Consent" as used herein with respect to any Plan Action means (i) any and all listings, registrations or qualifications in respect thereof upon any securities exchange or other self-regulatory organization or under any federal, state or local law, rule or regulation, (ii) the expiration, elimination or satisfaction of any prohibitions, restrictions or limitations under any federal, state or local law, rule or regulation or the rules of any securities exchange or other self-regulatory organization, (iii) any and all written agreements and representations by the grantee with respect to the disposition of shares, or with respect to any other matter, which the Committee shall deem necessary or desirable to comply with the terms of any such listing, registration or qualification or to obtain an exemption from the requirement that any such listing, qualification or registration be made, and (iv) any and all consents, clearances and approvals in respect of a Plan Action by any governmental or other regulatory bodies or any parties to any loan agreements or other contractual obligations of the Company or any Affiliate.

4.3. Nontransferability. No award granted to any grantee under the Plan or under any Plan Agreement shall be assignable or transferable by the grantee other than by will or by the laws of descent and distribution. During the lifetime of the grantee, all rights with respect to any award granted to the grantee under the Plan or under any Plan Agreement shall be exercisable only by the grantee.

4.4. Withholding Taxes.

(a) Whenever under the Plan shares of Common Stock are to be delivered pursuant to an award, the Committee may require as a condition of delivery that the grantee remit an amount sufficient to satisfy all federal, state and other governmental withholding tax requirements related thereto. Whenever cash is to be paid under the Plan, the Company may, as a condition of its payment, deduct therefrom, or from any salary or other payments due to the grantee, an amount sufficient to satisfy all federal, state and other governmental withholding tax requirements related thereto or to the delivery of any shares of Common Stock under the Plan.

(b) Without limiting the generality of the foregoing, (i) a grantee may elect to satisfy all or part of the foregoing withholding requirements by delivery of unrestricted shares of Common Stock owned by the grantee for at least six months (or such other period as the Committee may determine) having a fair market value (determined as of the date of such delivery by the grantee) equal to all or part of the amount to be so withheld, provided that the Committee may require, as a condition of accepting any such delivery, the grantee to furnish an opinion of counsel acceptable to the Committee to the effect that such delivery would not result in the grantee incurring any liability under Section 16(b) of the Act and (ii) the Committee may permit any such delivery to be made by withholding shares of Common Stock from the shares otherwise issuable pursuant to the award giving rise to the tax withholding obligation (in which event the date of delivery shall be deemed the date such award was exercised).

4.5. Adjustments Upon Changes in Capitalization. If and to the extent specified by the Committee, the number of shares of Common Stock which may be issued pursuant to awards under the Plan, the maximum number of options which may be granted to any one person in any year, the number of shares of Common Stock subject to awards, the option exercise price of options theretofore granted under the Plan, and the amount payable by a grantee in respect of an award, shall be appropriately adjusted (as the Committee may determine) for any change in the number of issued shares of Common Stock resulting from the subdivision or combination of shares of Common Stock or other capital adjustments, or the payment of a stock dividend after the effective date of the Plan, or other change in such shares of Common Stock effected without receipt of consideration by the Company; provided that any awards covering fractional shares of Common Stock resulting from any such adjustment shall be eliminated and provided further, that each ISO granted under the Plan shall not be adjusted in a manner that causes such option to fail to continue to qualify as an ISO within the meaning of Code Section 422. Adjustments under this Section shall be made by the Committee, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive.

4.6. Right of Discharge Reserved. Nothing in the Plan or in any Plan Agreement shall confer upon any person the right to continue in the employment of the Company or an Affiliate or affect any right which the Company or an Affiliate may have to terminate the employment of such person.

4.7. No Rights as a Stockholder. No grantee or other person shall have any of the rights of a stockholder of the Company with respect to shares subject to an award until the issuance of a stock certificate to him for such shares. Except as otherwise provided in Section 4.5, no adjustment shall be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such stock certificate is issued. In the case of a grantee of an award which has not yet vested, the grantee shall have the rights of a stockholder of the Company if and only to the extent provided in the applicable Plan Agreement.

4.8. Nature of Payments.

(a) Any and all awards or payments hereunder shall be granted, issued, delivered or paid, as the case may be, in consideration of services performed for the Company or for its Affiliates by the grantee.

(b) No such awards and payments shall be considered special incentive payments to the grantee or, unless otherwise determined by the Committee, be taken into account in computing the grantee's salary or compensation for the purposes of determining any benefits under (i) any pension, retirement, life insurance or other benefit plan of the Company or any Affiliate or (ii) any agreement between the Company or any Affiliate and the grantee.

(c) By accepting an award under the Plan, the grantee shall thereby waive any claim to continued exercisability or vesting of an award or to damages or severance entitlement related to non-continuation of the award beyond the period provided herein or in the applicable Plan Agreement, notwithstanding any contrary provision in any written employment contract with the grantee, whether any such contract is executed before or after the grant date of the award.

4.9. Non-Uniform Determinations. The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who receive, or are eligible to receive, awards under the Plan (whether or not such persons are similarly situated). Without limiting the generality of the foregoing, the Committee shall be entitled, among other things, to make non-uniform and selective determinations, and to enter into non-uniform and selective Plan Agreements, as to (a) the persons to receive awards under the Plan, (b) the terms and provisions of awards under the Plan, and (c) the treatment of leaves of absence pursuant to Section 2.7(c).

4.10. Other Payments or Awards. Nothing contained in the Plan shall be deemed in any way to limit or restrict the Company, any Affiliate or the Committee from making any award or payment to any person under any other plan, arrangement or understanding, whether now existing or hereafter in effect.

4.11. Reorganization.

(a) In the event that the Company is merged or consolidated with another corporation and, whether or not the Company shall be the surviving corporation, there shall be any change in the shares of Common Stock by reason of such merger or consolidation, or in the event that all or substantially all of the assets of the Company are acquired by another person, or in the event of a reorganization or liquidation of the Company (each such event being hereinafter referred to as a "Reorganization Event") or in the event that the Board shall propose that the Company enter into a Reorganization Event, then the Committee may in its discretion, by written notice to a grantee, provide that his options will be terminated unless exercised within 30 days (or such longer period as the Committee shall determine in its sole discretion) after the date of such notice; provided that if, and to the extent that, the Committee takes such action with respect to the grantee's options not yet exercisable, the Committee shall also accelerate the dates upon which such options shall be exercisable. The Committee also may in its discretion by written notice to a grantee provide that all or some of the restrictions on any of the grantee's awards may lapse in the event of a Reorganization Event upon such terms and conditions as the Committee may determine.

(b) Whenever deemed appropriate by the Committee, the actions referred to in Section 4.11(a) may be made conditional upon the consummation of the applicable Reorganization Event.

4.12. Section Headings. The section headings contained herein are for the purposes of convenience only and are not intended to define or limit the contents of said sections.

4.13. Effective Date and Term of Plan.

(a) The Plan shall be deemed adopted and become effective upon the approval thereof by the shareholders of the Company.

(b) The Plan shall terminate 10 years after the date on which it is approved by shareholders, and no awards shall thereafter be made under the Plan. Notwithstanding the foregoing, all awards made under the Plan prior to such termination date shall remain in effect until such awards have been satisfied or terminated in accordance with the terms and provisions of the Plan and the applicable Plan Agreement.

4.14. Governing Law. The Plan shall be governed by the laws of the State of New York applicable to agreements made and to be performed entirely within such state.

ARTICLE 5. STOCK OPTIONS GRANTED TO INDEPENDENT DIRECTORS

5.1. Automatic Grant of Options. Each Independent Director appointed or elected for the first time shall automatically be granted (under this Plan or another Company stock option plan) a NQSO to purchase 7,500 shares of Common Stock on his date of appointment or election. Each Independent Director who is serving as Director of the Company on the fifth business day after each annual meeting of shareholders shall, on such day, automatically be granted (under this Plan or another Company stock option plan) NQSOs to acquire 6,250 shares of Common Stock; provided, however, that an Independent Director who is appointed or elected for the first time shall not be eligible to receive NQSOs pursuant to this sentence for the year of his initial appointment or election. The exercise price per share for the Common Stock covered by a NQSO granted pursuant to this Section 5.1 shall be equal to the FMV of the Common Stock on the date the NQSO is granted.

5.2. Exercise; Termination; Non-Transferability

(a) All NQSOs granted under this Article 5 shall be immediately exercisable. No NQSO issued under this Article 5 shall be exercisable after the expiration of ten years from the date upon which such NQSO is granted.

(b) The rights of an Independent Director in a NQSO granted under this Article 5 shall terminate twelve months after such Director ceases to be a Director of the Company or the specified expiration date, if earlier; provided, however, that such rights shall terminate immediately on the date on which an Independent Director ceases to be a Director by reason of termination of his directorship on account of any act of (i) fraud or intentional misrepresentation or (ii) embezzlement, misappropriation or conversion of assets or opportunities of the Company or any Affiliate.

(c) No NQSO granted under this Article 5 shall be transferable by the grantee otherwise than by will or by the laws of descent and distribution, and such grantee shall be exercisable during the grantee's lifetime only by the grantee. Any NQSO granted to an Independent Director and outstanding on the date of his death may be exercised by the legal representative or legatee of the grantee for the period of twelve months from the date of death or until the expiration of the stated term of the option, if earlier.

(d) NQSOs granted under this Article 5 may be exercised only by written notice to the Company specifying the number of shares to be purchased. Payment of the full purchase price of the shares to be purchased may be made by certified or official bank check payable to the Company. A grantee shall have the rights of a stockholder only as to shares acquired upon the exercise of a NQSO and not as to unexercised NQSOs.

5.3. Adjustments Upon Changes in Capitalization. The number of shares of Common Stock subject to awards and the option exercise price of NQSOs theretofore granted under this Article 5, and the amount payable by a grantee in respect of an award, shall be appropriately adjusted for any change in the number of issued shares of Common Stock resulting from the subdivision or combination of shares of Common Stock or other capital adjustments, or the payment of a stock dividend after the effective date of the Plan, or other change in such shares of Common Stock effected without receipt of consideration by the Company; provided that any awards covering fractional shares of Common Stock resulting from any such adjustment shall be eliminated.

5.4 Limited to Independent Directors. The provisions of this Article 5 shall apply only to NQSOs granted or to be granted to Independent Directors, shall be interpreted as if this Article 5 constituted a separate plan of the Company and shall not be deemed to modify, limit or otherwise apply to any other provision of this Plan or to any NQSO issued under this Plan to a participant who is not an Independent Director of the Company. To the extent inconsistent with the provisions of any other Section of this Plan, the provisions of this Article 5 shall govern the rights and obligations of the Company and Independent Directors respecting NQSOs granted or to be granted to Independent Directors. The provisions of this Article 5 shall not be amended more than once every six months other than to comport with changes in applicable law.

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-CEO 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 Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 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: August 12, 2002

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-CEO 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 Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 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: August 12, 2002

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

EXHIBIT 99.3

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, CFO 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 Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 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: August 12, 2002

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

By /s/ Michael Maturo

Michael Maturo, Chief Financial Officer