RELATES TO FORM S-4 REGISTRATION NOS. 333-74285 AND
333-74285-01
FILED UNDER RULE 424(b)(3)

[LOGO] [LOGO]

SUPPLEMENT NO. 1
TO
JOINT PROXY STATEMENT/PROSPECTUS DATED APRIL 14, 1999

The information contained in this Supplement No. 1 supplements the Joint Proxy Statement/Prospectus dated April 14, 1999 of Tower Realty Trust, Inc., Reckson Associates Realty Corp. and Reckson Operating Partnership, L.P., relating to the merger of Tower with and into a subsidiary of Reckson Operating Partnership. This Supplement No. 1 is being delivered to all Tower stockholders and holders of limited partnership units of Tower Realty Operating Partnership, L.P. as of March 12, 1999, the record date for the Tower special meeting referred to in the Joint Proxy Statement/Prospectus, and all common stockholders of Reckson as of March 15, 1999, the record date for the Reckson special meeting referred to in the Joint Proxy Statement/Prospectus.

This Supplement No. 1, together with the Annex attached to this Supplement No. 1, should be read in conjunction with the Joint Proxy Statement/Prospectus, a copy of which was previously mailed to you. A copy of the Joint Proxy Statement/Prospectus is available, without charge, upon the request of any person to whom this Supplement No. 1 has been delivered. Stockholders and unitholders who wish to receive another copy of the Joint Proxy Statement/Prospectus should contact, as appropriate, either Reckson's information agent, D.F. King & Co., Inc., toll free at (800) 769-6414, or Tower's information agent, Innisfree M&A Incorporated, toll free at (888) 750-5834.

Each of the Reckson special meeting and the Tower special meeting has been postponed until May 24, 1999, at 10:00 a.m. (Eastern time). Each special meeting will be held at the same location as set forth in the Joint Proxy Statement/Prospectus. If you are a Tower stockholder or unitholder, enclosed you will find a new proxy card for the postponed Tower special meeting and a new form of election to make a cash election with respect to the consideration to be received in the merger. If you are a Reckson stockholder, enclosed you will find a new proxy card for the postponed Reckson special meeting. New proxy cards should be completed and returned in the enclosed postage paid envelope ONLY if (1) you have not previously mailed a proxy card for your shares or (2) you have previously mailed a proxy card and wish to change your vote. IF YOU HAVE ALREADY MAILED IN A PROXY CARD AND YOU DO NOT WISH TO CHANGE YOUR VOTE, YOU DO NOT HAVE TO SUBMIT A NEW PROXY CARD. See "The Special Meetings--Voting of Proxies" and "The Special Meetings--Revocability of Proxies" in the Joint Proxy Statement/Prospectus. If you are a Tower stockholder or unitholder, you need to return a new form of election to the exchange agent only if you wish to receive cash in the merger, subject to proration, AND you have not previously returned a form of election for your shares. IF YOU HAVE ALREADY MAILED IN YOUR FORM OF ELECTION AND DO NOT WISH TO CHANGE YOUR ELECTION, YOU DO NOT HAVE TO SUBMIT A NEW FORM OF ELECTION.

The special meetings have been postponed and this Supplement No. 1 has been mailed to you because Reckson has entered into a transaction to acquire a significant real estate asset. The transaction is described in detail in the attached Annex, which is a Current Report on Form 8-K that Reckson has filed with the Securities and Exchange Commission and which is incorporated by reference herein. The Annex also contains restated pro forma financial information that takes the acquisition into account.

The terms and conditions of the merger have not been altered, except that the date on which either party may terminate the merger agreement, if the merger agreement has not previously been completed, has been extended from May 31, 1999 to June 15, 1999. THE TOWER BOARD OF DIRECTORS CONTINUES TO RECOMMEND THAT TOWER STOCKHOLDERS VOTE TO APPROVE AND ADOPT THE MERGER AND THE MERGER AGREEMENT AND THAT TOWER STOCKHOLDERS AND UNITHOLDERS ELECT TO RECEIVE CASH IN EXCHANGE FOR THEIR SECURITIES IN THE MERGER. THE RECKSON BOARD OF DIRECTORS CONTINUES TO RECOMMEND THAT RECKSON STOCKHOLDERS VOTE TO APPROVE THE SHARE ISSUANCE PROPOSAL.

THIS SUPPLEMENT NO. 1 IS DATED MAY 10, 1999.

[TOWER LOGO]

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 21, 1999

To the Stockholders of Tower Realty Trust, Inc.:

The special meeting of Tower Realty Trust, Inc., a Maryland corporation ("Tower"), originally scheduled for May 14, 1999, has been postponed. Notice is hereby given that a special meeting of stockholders (together with any further postponement or any adjournment thereof, the "Special Meeting") of Tower will be held on Friday, May 24, 1999, at 10:00 a.m. (Eastern time) at the Hotel Inter-Continental New York, 111 East 48th Street, New York, New York, for the following purposes:

1. To approve the merger of Tower with and into Metropolitan Partners LLC, a Delaware limited liability company ("Metropolitan Partners") (the "Merger") pursuant to the Agreement and Plan of Merger and the transactions contemplated thereby, dated as of December 8, 1998 (the "Merger Agreement"), by and among Tower, Reckson Associates Realty Corp., a Maryland corporation ("Reckson"), Reckson Operating Partnership, L.P., a Delaware limited partnership ("Reckson OP"), and Metropolitan Partners, in which each share of common stock, par value $.01 per share, of Tower ("Tower Common Stock") will, at the election of holders thereof and subject to proration, either (x) be converted into the right to receive $23.00 in cash payable to the holder thereof, without interest, or (y) be converted into either (1) .5725 of a share of class B exchangeable common stock, par value $.01 per share, of Reckson (the "Reckson Class B Common Stock") and $7.2565 principal amount of 7% senior unsecured notes due 2009 of Reckson OP (the "Reckson OP 7% Notes"), guaranteed by Reckson, if the Share Issuance Approval (as defined below) is not obtained, or (2) .8364 of a share of Reckson Class B Common Stock if the Share Issuance Approval is obtained. If the Reckson board of directors withdraws or amends or materially modifies or withdraws its approval or recommendation of the Share Issuance (as defined below) and if the Share Issuance Approval has not been obtained, in addition to the consideration set forth in clauses (x) or (y)(1) above, each share of Tower Common Stock will be converted into an additional $.8046 principal amount of Reckson OP 7% Notes. As used herein, the "Share Issuance Approval" is defined as the approval, by a majority of votes cast at the special meeting of the common stockholders of Reckson, of the issuance of only Reckson Class B Common Stock as the non-cash portion of the merger consideration (the "Share Issuance"); PROVIDED THAT the total votes cast on the Share Issuance represent over 50% in interest of all shares of common stock of Reckson entitled to vote on the Share Issuance; and

2. To transact such other business as may properly come before the Special Meeting.

The board of directors has set the close of business (5:00 p.m., Eastern time) on March 12, 1999 as the record date (the "Record Date") for determining stockholders entitled to notice of, and to vote at, the Special Meeting. Holders of Tower Common Stock as of the Record Date will be entitled to vote on Item 1 and any matters under Item 2 at the Special Meeting. A list of stockholders entitled to vote at the Special Meeting will be maintained at Tower's headquarters, 292 Madison Avenue, New York, New York 10017, prior to the Special Meeting and will also be available for inspection at the Special Meeting.

Approval of the Merger (Item 1) requires the affirmative vote of the holders of record of a majority of the shares of Tower Common Stock outstanding on the Record Date. As of the Record Date, there were 16,958,355 shares of Tower Common Stock outstanding, each of which is entitled to one vote in person or by proxy with respect to each matter to be voted on by holders of Tower Common Stock at the Special Meeting.

For approval of the Merger, the presence in person or by proxy of at least a majority of the outstanding shares of Tower Common Stock entitled to vote on the approval of the Merger is necessary to constitute a quorum at the Special Meeting.

THE BOARD OF DIRECTORS OF TOWER HAS DETERMINED THAT THE MERGER, THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY ARE ADVISABLE, FAIR TO AND IN THE BEST INTERESTS OF, TOWER AND ITS STOCKHOLDERS, HAS APPROVED THE MERGER, THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, AND RECOMMENDS THAT HOLDERS OF TOWER COMMON STOCK VOTE FOR THE APPROVAL OF THE MERGER AT THE SPECIAL MEETING.

BY ORDER OF THE BOARD OF DIRECTORS OF TOWER,

/s/ Peggy D. Rawitt
PEGGY D. RAWITT, SECRETARY

May 10, 1999

IF NO INSTRUCTIONS ARE INDICATED ON YOUR PROXY, YOUR SHARES OF TOWER COMMON STOCK WILL BE VOTED "FOR" APPROVAL OF THE MERGER. EXECUTION OF A PROXY WILL NOT IN ANY WAY AFFECT A STOCKHOLDER'S RIGHT TO ATTEND THE SPECIAL MEETING AND VOTE IN PERSON. ANY STOCKHOLDER GIVING A PROXY HAS THE RIGHT TO REVOKE IT AT ANY TIME, BEFORE IT IS EXERCISED, BY WRITTEN NOTICE TO THE SECRETARY OF TOWER. IN ADDITION, STOCKHOLDERS ATTENDING THE SPECIAL MEETING MAY REVOKE THEIR PROXIES AT ANY TIME BEFORE THEY ARE EXERCISED.

YOU SHOULD NOT SEND STOCK CERTIFICATES WITH YOUR PROXY CARD.

[RECKSON LOGO]

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 21, 1999

To the Common Stockholders of Reckson Associates Realty Corp.:

The special meeting of common stockholders of Reckson Associates Realty Corp., a Maryland corporation, has been postponed. We are writing to you to notify you that the special meeting will be held on Friday, May 24, 1999, at 10:00 a.m. (Eastern time) at The Omni, 333 Earle Ovington Boulevard, Mitchel Field, New York, for the following purposes:

1. To consider and vote upon the proposed issuance by Reckson of only shares of Reckson class B exchangeable common stock as the non-cash portion of the merger consideration in the merger of Tower Realty Trust, Inc. with and into Metropolitan Partners LLC, a subsidiary of Reckson, in accordance with the Agreement and Plan of Merger, dated as of December 8, 1998, by and among Reckson, Reckson Operating Partnership, L.P., Tower and Metropolitan Partners; and

2. To transact such other business, including the adjournment of the special meeting, as may properly come before the special meeting or any adjournments or postponements of the special meeting.

The board of directors has fixed the close of business on March 15, 1999 as the record date for determining the Reckson common stockholders entitled to notice of and to vote at the special meeting and at any adjournments or postponements of the special meeting. Only stockholders of record of Reckson common stock at the close of business on that date will be entitled to notice of, and to vote at, the special meeting and at any adjournments or postponements of the special meeting.

The rules of the New York Stock Exchange require that the share issuance proposal be approved by the affirmative vote of a majority of the shares of Reckson common stock cast at the special meeting and entitled to vote on the share issuance proposal, as long as the total votes cast on the share issuance proposal represent a majority of all shares entitled to vote on the share issuance proposal.

BY ORDER OF THE BOARD OF DIRECTORS OF
RECKSON ASSOCIATES REALTY CORP.,
/s/ Gregg M. Rechler
GREGG M. RECHLER
SECRETARY

Melville, New York

May 10, 1999

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE IN FAVOR OF THE SHARE ISSUANCE PROPOSAL, WHICH IS DESCRIBED IN DETAIL IN THE JOINT PROXY STATEMENT/PROSPECTUS. YOUR VOTE IS IMPORTANT.

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): May 10, 1999

Reckson Associates Realty Corp.
and
Reckson Operating Partnership, L.P.
(Exact name of each registrant as specified in its charter)

Reckson Associates Realty Corp.--Maryland Reckson Operating Partnership, L.P.--Delaware (State or other jurisdiction of incorporation or organization)	1-13762 (Commission File No.)	Reckson Associates Realty Corp.--11-3233650 Reckson Operating Partnership, L.P.--11-3233647 (IRS Employer Identification No.)

225 Broadhollow Road, Melville, New York (Address of principal executive offices)	11747 (Zip Code)

Registrants' telephone number, including area code: (516) 694-6900

ITEM 5. OTHER EVENTS

ACQUISITION OF FIRST MORTGAGE NOTE SECURED BY 919 THIRD AVENUE, NYC

On May 10, 1999, Reckson Operating Partnership, L.P. ("Reckson OP"), a subsidiary of Reckson Associates Realty Corp. ("Reckson"), entered into an agreement with NBBRE-919 Third Avenue Associates, L.P. ("NBBRE") to acquire the first mortgage note secured by 919 Third Avenue in New York City for a purchase price of approximately $277.5 million. The mortgage note matured in 1997 and is in default; however, a foreclosure of the mortgage note may not be completed until September 30, 2000. Reckson plans to close the acquisition of the mortgage note through its subsidiary, Metropolitan Operating Partnership, L.P. ("Metropolitan Partners"). Metropolitan Partners expects to obtain ownership of 919 Third Avenue by negotiating an agreement with the owner of the property or, in the absence of an agreement, through enforcement of its rights under the mortgage. However, Metropolitan Partners has no agreement with the owner of 919 Third Avenue and there can be no assurance as to when or whether any such agreement can be reached.

The building at 919 Third Avenue is a 42-story, 1.4 million square foot, class A office building. Currently, the building is approximately 98% leased. The law firm of Skadden, Arps, Slate, Meagher & Flom occupies approximately 705,000 square feet of the building and is vacating its space in April 2000. New leases have been signed with Debevoise & Plimpton, a law firm (approximately 417,000 square feet), Schulte Roth & Zabel, a law firm (approximately 212,000 square feet), and Banque Nationale de Paris, a bank (approximately 188,000 square feet), effectively eliminating the vacancy created by Skadden, Arps' departure.

The building at 919 Third Avenue is currently undergoing a $28.5 million capital improvement and modernization program, which is being funded by NBBRE. Approximately $12 million for this program will be provided by Metropolitan Partners after it acquires the mortgage note. In addition, Metropolitan Partners will have to provide approximately $88 million for tenant improvements, leasing commissions, transaction costs and carrying costs to be incurred from closing through the first quarter of 2001, the anticipated completion of the capital improvement plan.

Reckson and Metropolitan Partners contemplate financing the transaction through a combination of borrowings under their credit facilities and proceeds from a $150 million private placement of equity securities expected to be in the form of perpetual convertible preferred stock paying cumulative dividends at a rate of 7.85% for one year, 8.35% for the subsequent year and 8.85% thereafter, be convertible into Reckson common stock at a conversion price of approximately $26 per share, and be redeemable, at the Company's option, at specified prices beginning approximately three years after issuance. Reckson and two institutional investors have an agreement in principle on the material terms for the equity securities; however, these agreements are non-binding and are subject to the execution of definitive documents. Because definitive documents have not been executed for the proposed private placement of equity securities, the pro forma financial information described below has been prepared assuming that the entire purchase price of the mortgage note is funded with borrowings under Reckson's existing credit facilities. For an analysis showing the effect on net income and earnings per share or earnings per unit of substituting the expected equity proceeds for a portion of the debt proceeds for each of the three pro forma presentations included in Item 7, see note B to the condensed combining balance sheets in those pro forma presentations. The convertible preferred stock will not initially be registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

At the execution of its agreement to buy the mortgage note, Reckson OP paid a $10 million deposit to NBBRE, which is nonrefundable except in the event that Reckson OP discovers material inaccuracies in NBBRE representations during the completion of its due diligence process. The due diligence period will last until May 24, 1999, at which time Reckson OP will pay an additional $5 million deposit to NBBRE and, assuming satisfactory completion of due diligence, closing is expected on or around June 7, 1999.

The mortgage note entitles its holder to all of the cash flow of 919 Third Avenue and to substantial rights over the operation of the property. While Metropolitan Partners will attempt to reach an agreement with the owner of 919 Third Avenue, there can be no assurance when or whether any agreement will be reached. If the owner files a bankruptcy petition, Metropolitan Partners' ability to exercise its rights over operation of the property, or to foreclose under the mortgage note, could be delayed or hindered.

Reckson and Reckson OP have a currently effective registration statement on file with the Securities and Exchange Commission relating to the proposed acquisition of Tower Realty Trust, Inc. That registration statement contains pro forma information giving effect to the proposed acquisition of Tower and related transactions. This report includes a statement of revenues and certain expenses of 919 Third Avenue for the year ended December 31, 1998 (and related auditors' consent) as required by Rule 3-14 of Regulation S-X and pro forma financial information for Reckson and Reckson OP. The pro forma information contained in this report is comprised of the pro forma information from the registration statement and reflects further adjustments to give effect to the proposed acquisition of the mortgage note described above. Rule 3-14 of Regulation S-X specifies the requirements for financial statements when the registrant, since the date of the latest balance sheet required, has acquired or proposes to acquire one or more properties that in the aggregate are significant.

Included in the category of properties acquired or to be acquired under Rule 3-14 are operating properties underlying certain mortgage loans, which in economic substance represent an investment in real estate. Because the mortgage note provides the lender with the same risks and potential rewards as the owner of 919 Third Avenue, a statement of revenues and certain expenses of 919 Third Avenue, as required by Rule 3-14 of Regulation S-X has been included in this report.

SELECTED PRO FORMA COMBINED FINANCIAL DATA OF RECKSON AND RECKSON OP

	SHARE ISSUANCE PROPOSAL IS APPROVED	SHARE ISSUANCE PROPOSAL IS NOT APPROVED	
	RECKSON	RECKSON OP	RECKSON
	AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998	AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998	AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998
	(IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED)		
REVENUES:			
Base rents	$ 367,087	$ 367,087	$ 367,087
Tenant escalations and reimbursements	35,092	35,092	35,092
Equity in earnings of real estate joint ventures	603	603	603
Equity in earnings of service companies	1,530	1,530	1,530
Interest income on mortgage notes and notes receivable	7,739	7,739	7,739
Other	5,026	4,965	5,026
Total revenues	417,077	417,016	417,077
EXPENSES:			
Operating expenses:			
Property operating expenses	81,910	81,910	81,910
Real estate taxes	58,913	58,913	58,913
Ground rents	2,959	2,959	2,959
Marketing, general and administrative	21,697	20,808	21,697
Total operating expenses	165,479	164,590	165,479
Interest	87,243	94,777	94,777
Depreciation and amortization	73,542	73,542	73,542
Total expenses	326,264	332,909	333,798
Income before minority interest and extraordinary items	90,813	84,107	83,279
Minority partners' and preferred interest in consolidated partnership (income)	(9,083)	(9,139)	(9,083)
Distributions to preferred unitholders/shareholders	(14,244)	(14,244)	(14,244)
Income before limited partners' minority interest in operating partnership income and extraordinary items	67,486	$ 60,724	59,952
Limited partners' minority interest in operating partnership income	(7,830)		(7,660)
Income before extraordinary item	$ 59,656		$ 52,292
INCOME PER SHARE:			
Basic income per share of Reckson common stock before extraordinary item	$ 1.01		$ 0.99
Basic weighted average number of shares of Reckson common stock outstanding	39,473		39,473
Diluted income per share of Reckson common stock before extraordinary item	$ 1.00		$ 0.98
Diluted weighted average number of shares of Reckson common stock outstanding	40,010		40,010
Basic income per share of Reckson class B common stock before extraordinary item	$ 1.68		$ 1.64
Basic weighted average number of shares of Reckson class B common stock outstanding	11,695		8,005
Diluted income per share of Reckson class B common stock before extraordinary item	$ 1.14		$ 1.08

Diluted weighted average number of shares of Reckson class B common stock outstanding	11,695		8,005
OTHER FINANCIAL DATA:			
Commercial real estate, after accumulated depreciation	$ 2,032,687	$ 2,032,687	$ 2,032,687
Total assets	2,794,090	2,793,794	2,794,090
Mortgage notes payable	492,243	492,243	492,243
Credit facility	466,988	466,988	466,988
Senior unsecured notes	449,262	544,783	544,783
Minority interests	127,173	127,173	127,173
Shareholders' equity	959,030	1,049,860	867,283

COMPARATIVE PER SHARE DATA

			SHARE ISSUANCE PROPOSAL APPROVED			SHARE ISSUANCE PROPOSAL NOT APPROVED		
	RECKSON (A)	TOWER (B)	PRO FORMA COMBINED(C)		TOWER PRO FORMA EQUIVALENT(D)	PRO FORMA COMBINED(C)		TOWER PRO FORMA EQUIVALENT(D)
			RECKSON COMMON STOCK	RECKSON CLASS B COMMON STOCK	RECKSON CLASS B COMMON STOCK	RECKSON COMMON STOCK	RECKSON CLASS B COMMON STOCK	RECKSON CLASS B COMMON STOCK
Income (loss) per common share from continuing operations:								
Basic:								
Year ended December 31, 1998.......................	$ 0.96	$ 0.69	$ 1.01	$ 1.68	$ 1.05	$ 0.99	$ 1.64	$ 0.70
Diluted:								
Year ended December 31, 1998.......................	$ 0.95	$ 0.69	$ 1.00	$ 1.14	$ 0.72	$ 0.98	$ 1.08	$ 0.46
Distributions per common share:								
Year ended December 31, 1998.......................	$ 1.35	$ 1.69	$ 1.35	$ 2.24	$ 1.41	$ 1.35	$ 2.24	$ 0.96
Book Value per common share:								
Year ended December 31, 1998.......................	$ 17.63	$ 22.76	$ 18.54	$ 18.54	$ 11.63	$ 18.05	$ 18.05	$ 7.75

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(a) The twelve-month information for Reckson represents Reckson's historical information as of and for the year ended December 31, 1998. See "Selected Financial Data--Selected Financial Data of Reckson."

(b) The twelve-month information for Tower represents Tower's historical information as of and for the twelve months ended December 31, 1998. See "Selected Financial Data--Selected Financial Data of Tower" and "Unaudited Pro Forma Financial Statements--Unaudited Pro Forma Condensed Consolidated Financial Statements of Tower."

(c) See "Unaudited Pro Form Financial Statements--Unaudited Pro Forma Combined Financial Statements of Reckson."

(d) Tower's pro forma equivalent per share information represents the pro forma combined per share information for Reckson class B common stock multiplied by an exchange ratio of .6273 if the share issuance proposal is approved and .4294 if the share issuance proposal is not approved.

This report contains forward-looking statements that are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those projected. Among those risks, trends and uncertainties are the general economic climate; the supply of and demand for office and industrial properties in the tri-state area; interest rate levels; the availability of financing; 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. For further information on factors which could impact Reckson and Reckson OP, reference is made to Reckson's and Reckson OP's other filings with the Securities and Exchange Commission.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements of Properties Acquired

AUDITED FINANCIAL STATEMENTS

Combined Statement of Revenues and Certain Expenses of 919 Third Avenue for the Year Ended December 31, 1998

Notes to Combined Statement of Revenues and Certain Expenses of 919 Third Avenue

(b) Pro Forma Financial Information

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS OF RECKSON--ASSUMING RECKSON STOCKHOLDERS APPROVE THE SHARE ISSUANCE PROPOSAL

Unaudited Pro Forma Condensed Combining Balance Sheet as of December 31, 1998

Unaudited Pro Forma Condensed Combining Statement of Operations for the Year Ended December 31, 1998

Notes to Unaudited Pro Forma Combined Financial Statements

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS OF RECKSON--ASSUMING RECKSON STOCKHOLDERS DO NOT APPROVE THE SHARE ISSUANCE PROPOSAL

Unaudited Pro Forma Condensed Combining Balance Sheet as of December 31, 1998

Unaudited Pro Forma Condensed Combining Statement of Operations for the Year Ended December 31, 1998

Notes to Unaudited Pro Forma Combined Financial Statements

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS OF RECKSON OP--ASSUMING RECKSON STOCKHOLDERS DO NOT APPROVE THE SHARE ISSUANCE PROPOSAL

Unaudited Pro Forma Condensed Combining Balance Sheet as of December 31, 1998

Unaudited Pro Forma Condensed Combining Statement of Operations for the Year Ended December 31, 1998

Notes to Unaudited Pro Forma Combined Financial Statements

(c) Exhibits

Exhibit 23.1 Consent of Ernst & Young LLP

Exhibit 23.2 Consent of Ernst & Young LLP

Exhibit 99.1 Press Release, Dated May 10, 1999

SIGNATURES

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

RECKSON ASSOCIATES REALTY CORP.

BY: /S/ J. MICHAEL MATURO

J. Michael Maturo
Executive Vice President and
Chief Financial Officer

RECKSON OPERATING PARTNERSHIP, L.P.

By: Reckson Associates Realty Corp.,
its general partner

By: /s/ J. MICHAEL MATURO

J. Michael Maturo
Executive Vice President and
Chief Financial Officer

Dated: May 10, 1999

REPORT OF INDEPENDENT AUDITORS

Board of Directors and Stockholders
Reckson Associates Realty Corp.

We have audited the combined statement of revenues and certain expenses of the property ("919 Third Avenue") underlying the first mortgage note to be acquired from NBBRE-919 Third Avenue Associates L.P. by Reckson Associates Realty Corp., as described in Note 1, for the year ended December 31, 1998. The financial statement is the responsibility of 919 Third Avenue management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

The accompanying statement of revenues and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in the Form 8-K of Reckson Associates Realty Corp. and is not intended to be a complete presentation of 919 Third Avenue's revenue and expenses.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined revenues and certain expenses of 919 Third Avenue as described in Note 1 for the year ended December 31, 1998, in conformity with generally accepted accounting principles.

ERNST & YOUNG LLP

New York, New York
March 4, 1999

919 THIRD AVENUE

COMBINED STATEMENT OF REVENUES AND CERTAIN EXPENSES

(IN THOUSANDS)

(NOTE 1)

	YEAR ENDED DECEMBER 31, 1998
Revenues (Notes 2 and 5):	
Base rents	$ 44,190
Tenant escalations	7,348
Total revenues	51,538
Certain Expenses:	
Real estate taxes	10,403
Property operating expenses (Note 3)	11,583
Ground rent	515
Property management fees	681
Total certain expenses	23,182
Revenues in excess of certain expenses	$ 28,356

See accompanying notes to financial statement.

919 THIRD AVENUE

NOTES TO COMBINED STATEMENT OF REVENUES AND CERTAIN EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1998

1. BASIS OF PRESENTATION

Presented herein is the combined statement of revenues and certain expenses related to the operation of 919 Third Avenue, which comprises the leasehold interest in 919 Third Avenue and the fee interest in the land underlying 919 Third Avenue and which secures the first mortgage owned by NBBRE-919 Third Avenue Associates, L.P. The property is located in New York, New York.

The accompanying financial statement has been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for the acquisition of real estate property. Included in the category of real estate properties are operating properties underlying certain mortgage loans, which in substance represent an investment in real estate rather than a loan. Since the first mortgage note provides the lender with the same risks and potential rewards as the owner of 919 Third Avenue the first mortgage note is being treated as an investment in real estate for financial reporting purposes. Accordingly, the financial statement excludes certain expenses that may not be comparable to those expected to be incurred by Reckson Associates Realty Corp. in the proposed future operations of the aforementioned 919 Third Avenue. Items excluded consist of interest, depreciation, amortization and general and administrative expenses not directly related to future operations.

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

2. LEASE AND REVENUE RECOGNITION

919 Third Avenue is being leased to tenants under operating leases. Minimum rental income is generally recognized on a straight-line basis over the term of the leases. The amounts so recognized were in excess of the amounts due pursuant to the underlying leases by approximately $2,467,000 for the year ended December 31, 1998.

919 Third Avenue is a multi-tenant office building whose lease expires at various dates over the next twenty-two years.

3. PROPERTY OPERATING EXPENSES

Property operating expenses for the year ended December 31, 1998 include approximately $83,000 for insurance, $4,260,000 for utilities, $1,447,000 for payroll, $5,431,000 for repair and maintenance and $362,000 for security costs.

4. SIGNIFICANT TENANTS

For the year ended December 31, 1998, rent revenue, exclusive of expense escalation charges, from one tenant under leases expiring in 2000, amounted to 63% of total rent revenues. This tenant occupies approximately 53% of the total gross rentable area of the building. In 1998, three new tenants executed leases to occupy 53% of the building with anticipated lease commencement dates ranging from 1999 to 2002, which includes space to be vacated by the tenant that currently occupies 53% of the gross rentable area of the building.

NOTES TO COMBINED STATEMENT OF REVENUES AND CERTAIN EXPENSES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1998

5. GROUND LEASE

The ground lease, which expires on September 30, 2066, provides that the annual rent be adjusted at ten year intervals beginning March 1, 1991 to the greater of (i) $70,000 or (ii) a sum equal to 9% of the fair market value of the land, as defined, multiplied by 6%. The annual rent for the period from March 1, 1991 through February 28, 2001 is $515,000.

6. LEASE AGREEMENTS

Future minimum lease payments to be received by 919 Third Avenue as of December 31, 1998 under non-cancelable operating leases, which expire on various dates through November, 2021, are as follows:

1999	$46,803,000
2000	31,240,000
2001	27,262,000
2002	43,287,000
2003	45,579,000
Thereafter	576,815,000
	$770,986,000

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS OF RECKSON--ASSUMING RECKSON STOCKHOLDERS APPROVE THE SHARE ISSUANCE PROPOSAL

The following unaudited pro forma combined financial statements are presented as if Reckson had acquired the first mortgage note secured by 919 Third Avenue (the "919 Mortgage") on December 31, 1998 with respect to the balance sheet and on January 1, 1998 with respect to the statement of operations.

The following pro forma combined financial statements are presented for illustrative purposes only and are not indicative of the financial position or results of operations of future periods or the results that actually would have been realized had Reckson owned the 919 Mortgage during the specified periods. The pro forma combined financial statements, including the notes thereto, should be read in conjunction with the Pro Forma Combined Financial Statements of Reckson--Assuming Reckson Stockholders Approve the Share Issuance Proposal, as previously reported in Reckson's registration statement on Form S-4, relating to the proposed acquisition of Tower Realty Trust, Inc. and the historical financial statements and notes thereto of Reckson as filed on Form 10-K for the year ended December 31, 1998.

RECKSON ASSOCIATES REALTY CORP.

PRO FORMA CONDENSED COMBINING BALANCE SHEET

ASSUMING RECKSON STOCKHOLDERS APPROVE THE SHARE ISSUANCE PROPOSAL

AS OF DECEMBER 31, 1998

(UNAUDITED)
(DOLLARS IN THOUSANDS)

	PRO FORMA AS PREVIOUSLY REPORTED (A)	919 MORTGAGE (B)	DECEMBER 31, 1998 PRO FORMA
ASSETS:			
Real estate, net	$ 2,032,687	$ --	$ 2,032,687
Real estate held for sale	225,000	--	225,000
Cash and cash equivalents	7,423	--	7,423
Tenant receivables	10,266	--	10,266
Affiliate receivables	53,329	--	53,329
Deferred rent receivable	22,526	--	22,526
Investment in mortgage notes and note receivable	99,268	278,000	377,268
Investment in Metropolitan Partners	--	--	--
Contract and land deposits and other pre-acquisition costs	2,253	--	2,253
Prepaid expenses and other assets	13,735	--	13,735
Investments in real estate joint ventures	18,804	--	18,804
Deferred lease and loan costs, net	30,799	--	30,799
Total Assets	$ 2,516,090	$ 278,000	$ 2,794,090
LIABILITIES AND STOCKHOLDERS' EQUITY:			
Mortgage notes payable	$ 492,243	$ --	$ 492,243
Senior unsecured notes	449,262	--	449,262
Credit facility	188,988	278,000	466,988
Accrued expenses and other liabilities	78,511	--	78,511
Affiliate payables	2,395	--	2,395
Deferred real estate taxes	12,359	--	12,359
Dividends and distributions payable	19,663	--	19,663
Total Liabilities	1,243,421	278,000	1,521,421
Minority partners' interest and preferred interest in consolidated partnerships	127,173	--	127,173
Preferred unit interest in the operating partnership	42,518	--	42,518
Limited partners' minority interest in operating partnership	143,948	--	143,948
	313,639	--	313,639
STOCKHOLDERS' EQUITY:			
Preferred stock	92	--	92
Common stock	400	--	400
Class B common stock	117	--	117
Additional paid-in capital	958,421	--	958,421
Total Stockholders' Equity	959,030	--	959,030
Total Liabilities and Stockholders' Equity	$ 2,516,090	$ 278,000	$ 2,794,090

See accompanying notes to pro forma financial statements.

RECKSON ASSOCIATES REALTY CORP.

PRO FORMA CONDENSED COMBINING STATEMENT OF OPERATIONS

ASSUMING RECKSON STOCKHOLDERS APPROVE THE SHARE ISSUANCE PROPOSAL

FOR THE YEAR ENDED DECEMBER 31, 1998

(UNAUDITED)
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	PRO FORMA AS PREVIOUSLY REPORTED (C)	919 MORTGAGE (D)	PRO FORMA ADJUSTMENTS (E)	DECEMBER 31, 1998 PRO FORMA
REVENUES:				
Base rents	$ 322,897	$ 44,190	$ --	$ 367,087
Tenant escalations and reimbursements	27,744	7,348	--	35,092
Equity in earnings of real estate joint ventures	603	--	--	603
Equity in earnings of service companies	1,530	--	--	1,530
Interest income on mortgage notes and notes receivable	7,739	--	--	7,739
Other	5,026	--	--	5,026
Total Revenues	365,539	51,538	--	417,077
EXPENSES:				
Operating Expenses:				
Property operating expenses	69,646	12,264	--	81,910
Real estate taxes	48,510	10,403	--	58,913
Ground rents	2,444	515	--	2,959
Marketing, general and administrative	21,697	--	--	21,697
Total Operating Expenses	142,297	23,182	--	165,479
Interest	68,284	--	18,959	87,243
Depreciation and amortization	65,665	--	7,877	73,542
Total Expenses	276,246	23,182	26,836	326,264
Income before minority interest and extraordinary items	89,293	28,356	(26,836)	90,813
Minority partners' and preferred interest in consolidated partnerships (income)	(9,083)	--	--	(9,083)
Distributions to preferred unitholders/ shareholders	(14,244)	--	--	(14,244)
Income before limited partners' minority interest in operating partnership income and extraordinary items	$ 65,966	$ 28,356	$ (26,836)	$ 67,486
Limited partners' minority interest in operating partnership income				(7,830)(F)
Net income before extraordinary item				$ 59,656
Basic income per share of common stock before extraordinary item				$ 1.01(G)
Basic weighted average number of shares of common stock outstanding				39,473
Diluted income per share of common stock before extraordinary item				$ 1.00(G)
Diluted weighted average number of shares of common stock outstanding				40,010
Basic income per share of class B common stock before extraordinary item				$ 1.68(G)
Basic weighted average number of shares of class B common stock outstanding				11,695
Diluted income per share of class B common stock before extraordinary item				$ 1.14(G)
Diluted weighted average number of shares of				

class B common stock outstanding..........	11,695

See accompanying notes to pro forma financial statements.

NOTES TO PRO FORMA COMBINED FINANCIAL STATEMENTS OF RECKSON--ASSUMING RECKSON STOCKHOLDERS APPROVE THE SHARE ISSUANCE PROPOSAL

PRO FORMA CONDENSED COMBINING BALANCE SHEET

A. Reflects Reckson's unaudited pro forma balance sheet as of December 31, 1998, as previously reported in Reckson's registration statement on Form S-4 relating to the proposed acquisition of Tower Realty Trust, Inc.

B. Reflects the acquisition by Metropolitan Partners, a consolidated subsidiary of Reckson of the first mortgage note secured by 919 Third Avenue in New York City for a purchase price of approximately $278 million. The mortgage note matured in 1997; however, a foreclosure of the mortgage note may not be completed until September 30, 2000. Reckson and Reckson Operating Partnership have a currently effective registration statement on file with the Securities and Exchange Commission relating to the proposed acquisition of Tower Realty Trust, Inc. Rule 3-14 of Regulation S-X ("Rule 3-14") specifies the requirements for financial statements when the registrant, since the date of the latest balance sheet required, has acquired or proposes to acquire one or more properties which in the aggregate are significant (as defined). Included in the category of properties acquired or to be acquired under Rule 3-14 are operating properties underlying certain mortgage loans, which in economic substance represent an investment in real estate rather than a loan. Since the mortgage note to be acquired by Reckson provides it with the same risks and potential rewards as the owner of 919 Third Avenue the first mortgage note is being treated as an investment in real estate for financial reporting purposes.

Reckson and Metropolitan Partners contemplate financing the transaction through a combination of borrowings under their credit facilities and proceeds from a private placement of equity securities of Reckson. The equity securities are expected to be in the form of convertible preferred stock. Reckson and two institutional investors have an agreement in principle on the material terms for the equity securities; however, these agreements are non-binding and are subject to the execution of definitive documents. Because definitive documents have not been executed for the proposed private placement of equity securities, the pro forma adjustment assumes that the entire purchase price of the mortgage note is funded with borrowings under Reckson's credit facility. If the purchase price of the mortgage note had been funded with a combination of borrowings under Reckson's credit facility and the proceeds from the private placement based on the agreement in principle the effect would be to decrease net income available to common shareholders by approximately $914 and decrease basic and diluted earnings per share of Reckson common stock by $0.02 and $0.02, respectively and basic and diluted earnings per share of Reckson class B common stock by $0.03 and $0.03, respectively.

PRO FORMA CONDENSED COMBINING STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1998

C. Reflects the unaudited pro forma operations of Reckson for the year ended December 31, 1998, as previously reported in Reckson's registration statement on Form S-4 relating to the proposed acquisition of Tower Realty Trust, Inc.

D. Reflects the combined revenues and certain expenses of 919 Third Avenue for the year ended December 31, 1998.

E. Reflects the increase in interest cost associated with additional borrowings under the credit facility ($18,959) based upon the pro forma weighted average rate of approximately 6.8% for the year ended December 31, 1998. The pro forma adjustment also reflects the increase in depreciation expense associated with the acquisition of 919 Third Avenue.

The following table summarizes the calculation of the pro forma depreciation expense adjustment:

(DOLLARS IN THOUSANDS)

Pro forma real estate addition	$ 278,000
Allocation to building	85%
Total allocation to building	236,300
Depreciable life	30
Pro forma depreciation expense adjustment	$ 7,877

F. Represents the minority interest of the limited partners in Reckson OP based upon the pro forma rate of approximately 13.05% as of December 31, 1998.

G. Basic pro forma income per share of Reckson common stock and Reckson class B common stock before extraordinary items is based upon the proration of income based on the relative amounts distributable to each class of shareholders and the average number of shares of Reckson common stock outstanding during the year ended December 31, 1998 of 39,473,000 and the 11,695,000 Class B shares issued,

Diluted pro forma income per share of Reckson common stock before extraordinary items is based upon the diluted weighted average number of shares of Reckson common stock outstanding during the year ended December 31, 1998 of 40,010,000.

Diluted pro forma net income per share of Reckson class B common stock is based upon the impact of the conversion of all outstanding Reckson class B shares to Reckson common stock, on a one-for-one basis, resulting in a weighted average number of shares outstanding during the year ended December 31, 1998 of 59,433,000, net of the add-back of the income allocated to the holders the Reckson class B common stock of approximately $19,661 for the year ended December 31, 1998.

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS OF RECKSON--ASSUMING RECKSON STOCKHOLDERS DO NOT APPROVE THE SHARE ISSUANCE PROPOSAL

The following unaudited pro forma combined financial statements are presented as if Reckson had acquired the first mortgage note secured by 919 Third Avenue (the "919 Mortgage") on December 31, 1998 with respect to the balance sheet and on January 1, 1998 with respect to the statement of operations.

The following unaudited pro forma combined financial statements are presented for illustrative purposes only and are not indicative of the financial position or results of operations of future periods or the results that actually would have been realized had Reckson owned the 919 Mortgage during the specified periods. The pro forma combined financial statements, including the notes thereto, should be read in conjunction with the Pro Forma Combined Financial Statements of Reckson--Assuming Reckson Stockholders Do Not Approve the Share Issuance Proposal, as previously reported in Reckson's registration statement on Form S-4, relating to the proposed acquisition of Tower Realty Trust, Inc. and the historical financial statements and notes thereto of Reckson as filed on Form 10-K for the year ended December 31, 1998.

RECKSON ASSOCIATES REALTY CORP.

PRO FORMA CONDENSED COMBINING BALANCE SHEET

ASSUMING RECKSON STOCKHOLDERS DO NOT APPROVE THE SHARE ISSUANCE PROPOSAL

AS OF DECEMBER 31, 1998
(UNAUDITED)
(DOLLARS IN THOUSANDS)

	PRO FORMA AS PREVIOUSLY REPORTED (A)	919 MORTGAGE (B)	DECEMBER 31, 1998 PRO FORMA
ASSETS:			
Real estate, net	$ 2,032,687	--	$ 2,032,687
Real estate held for sale	225,000	--	225,000
Cash and cash equivalents	7,423	--	7,423
Tenant receivables	10,266	--	10,266
Affiliate receivables	53,329	--	53,329
Deferred rent receivable	22,526	--	22,526
Investment in mortgage notes and note receivable	99,268	278,000	377,268
Investment in Metropolitan Partners	--	--	--
Contract and land deposits and other pre-acquisition costs	2,253	--	2,253
Prepaid expenses and other assets	13,735	--	13,735
Investments in real estate joint ventures	18,804	--	18,804
Deferred lease and loan costs, net	30,799	--	30,799
Total Assets	$ 2,516,090	$ 278,000	$ 2,794,090
LIABILITIES AND STOCKHOLDERS' EQUITY:			
Mortgage notes payable	492,243	--	$ 492,243
Senior unsecured notes	544,783	--	544,783
Credit facility	188,988	278,000	466,988
Accrued expenses and other liabilities	78,511	--	78,511
Affiliate payables	2,395	--	2,395
Deferred real estate taxes	12,359	--	12,359
Dividend and distributions payable	19,663	--	19,663
Total Liabilities	1,338,942	278,000	1,616,942
Minority partners' interest and preferred interest in consolidated partnerships	127,173	--	127,173
Preferred unit interest in the operating partnership	42,518	--	42,518
Limited partners' minority interest in operating partnership	140,174	--	140,174
	309,865	--	309,865
STOCKHOLDERS' EQUITY:			
Preferred Stock	92	--	92
Common Stock	400	--	400
Class B common stock	80	--	80
Additional paid-in capital	866,711	--	866,711
Total Stockholders' Equity	867,283	--	867,283
Total Liabilities and Stockholders' Equity	$ 2,516,090	$ 278,000	$ 2,794,090

See accompanying notes to pro forma financial statements.

RECKSON ASSOCIATES REALTY CORP.

PRO FORMA CONDENSED COMBINING STATEMENT OF OPERATIONS

ASSUMING RECKSON STOCKHOLDERS DO NOT APPROVE THE SHARE ISSUANCE PROPOSAL
FOR THE YEAR ENDED DECEMBER 31, 1998

(UNAUDITED)
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	PRO FORMA AS PREVIOUSLY REPORTED (C)	919 MORTGAGE (D)	PRO FORMA ADJUSTMENT (E)	DECEMBER 31, 1998 PRO FORMA
Revenues:				
Base rents	$322,897	$44,190	$ --	$ 367,087
Tenant escalations and reimbursements	27,744	7,348	--	35,092
Equity in earnings of real estate joint ventures	603	--	--	603
Equity in earnings of service companies	1,530	--	--	1,530
Interest income on mortgage notes and notes receivable	7,739	--	--	7,739
Other	5,026	--	--	5,026
Total Revenues	365,539	51,538	--	417,077
Expenses:				
Operating Expenses:				
Property operating expenses	69,646	12,264	--	81,910
Real estate taxes	48,510	10,403	--	58,913
Ground rents	2,444	515	--	2,959
Marketing, general and administrative	21,697	--	--	21,697
Total Operating Expenses	142,297	23,182	--	165,479
Interest	75,818	--	18,959	94,777
Depreciation and amortization	65,665	--	7,877	73,542
Total Expenses	283,780	23,182	26,836	333,798
Income before minority interest and extraordinary items	81,759	28,356	(26,836)	83,279
Minority partners' and preferred interest in consolidated partnerships (income)	(9,083)	--	--	(9,083)
Distributions to preferred unitholders/shareholders	(14,244)	--	--	(14,244)
Income before limited partners' minority interest in operating partnership income and extraordinary items	$ 58,432	$28,356	$(26,836)	$ 59,952
Limited Partners' minority interest in operating partnership income				(7,660)(F)
Net income before extraordinary item				$ 52,292
Basic income per share of common stock before extraordinary item				$ 0.99(G)
Basic weighted average number of shares of common stock outstanding				39,473
Diluted income per share of common stock before extraordinary item				$ 0.98(G)
Diluted weighted average number of shares of common stock outstanding				40,010
Basic income per share of class B common stock before extraordinary item				$ 1.64(G)
Basic weighted average number of class B shares of common stock outstanding				8,005
Diluted income per share of class B common stock before extraordinary item				$ 1.08(G)
Diluted weighted average number of shares of class B common stock outstanding				8,005

See accompanying notes to pro forma financial statements.

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS OF RECKSON -- ASSUMING RECKSON STOCKHOLDERS DO NOT APPROVE THE SHARE ISSUANCE PROPOSAL

PRO FORMA CONDENSED COMBINING BALANCE SHEET

A. Reflects Reckson's unaudited pro forma balance sheets as of December 31, 1998, as previously reported in Reckson's registration statement on Form S-4 relating to the proposed acquisition of Tower Realty Trust, Inc.

B. Reflects the acquisition by Metropolitian Partners, a consolidated subsidiary of Reckson, of the first mortgage note secured by 919 Third Avenue in New York City for a purchase price of approximately $278 million. The mortgage note matured in 1997; however, a foreclosure of the mortgage note may not be completed until September 30, 2000. Reckson and Reckson Operating Partnership have a currently effective registration statement on file with the Securities and Exchange Commission relating to the proposed acquisition of Tower Realty Trust, Inc. Rule 3-14 of Regulation S-X ("Rule 3-14") specifies the requirements for financial statements when the registrant, since the date of the latest balance sheet required, has acquired or proposes to acquire one or more properties which in the aggregate are significant (as defined). Included in the category of properties acquired or to be acquired under Rule 3-14 are operating properties underlying certain mortgage loans, which in economic substance represent an investment in real estate rather than a loan. Since the mortgage note to be acquired by Reckson provides it with the same risks and potential rewards as the owner of 919 Third Avenue the first mortgage note is being treated as an investment in real estate for financial reporting purposes.

Reckson and Metropolitan Partners contemplate financing the transaction through a combination of borrowings under their credit facilities and proceeds from a private placement of equity securities of Reckson. The equity securities are expected to be in the form of convertible preferred stock. Reckson and two institutional investors have an agreement in principle on the material terms for the equity securities; however, these agreements are non-binding and are subject to the execution of definitive documents. Because definitive documents have not been executed for the proposed private placement of equity securities, the pro forma adjustment assumes that the entire purchase price of the mortgage note is funded with borrowings under Reckson's credit facility. If the purchase price of the mortgage note had been funded with a combination of borrowings under Reckson's credit facility and the proceeds from the private placement based on the agreement in principle the effect would be to decrease net income available to common shareholders by approximately $1,168 and decrease basic and diluted earnings per share of Reckson common strock by $0.02 and $0.02, respectively and basic and diluted earnings per share of Reckson class B common stock by $0.03 and $0.03, respectively.

PRO FORMA CONDENSED COMBINING STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1998.

C. Reflects the unaudited pro forma operations of Reckson for the year ended December 31, 1998, as previously reported in Reckson's registration statement on Form S-4 relating to the proposed acquisition of Tower Realty Trust, Inc.

D. Reflects the combined revenues and certain expenses of 919 Third Avenue for the year ended December 31, 1998.

E. Reflects the increase in interest cost associated with additional borrowings under the credit facility ($18,959) based upon the pro forma weighted average rate of approximately 6.8% for the year ended December 31, 1998. The pro forma adjustment also reflects the increase in depreciation expense associated with the acquisition of 919 Third Avenue.

The following table summarizes the calculation of the pro forma depreciation expense adjustment:

(DOLLARS IN THOUSANDS)

Pro forma real estate addition	$ 278,000
Allocation to building	85%
Total allocation to building	236,300
Depreciable life	30
Pro forma depreciation expense adjustment	$ 7,877

F. Represents the minority interest of the limited partners in Reckson OP based upon the pro forma rate of approximately 13.05% as of December 31, 1998.

G. Basic pro forma income per share of Reckson common stock and Reckson class B common stock before extraordinary items is based upon the proration of income based on the relative amounts distributable to each class of shareholders and the average number of shares of Reckson common stock outstanding during the year ended December 31, 1998 of 39,473,000 and the 8,005,000 Class B shares issued.

Diluted pro forma income per share of Reckson common stock before extraordinary items is based upon the diluted weighted average number of shares of Reckson common stock outstanding during the year ended December 31, 1998 of 40,010,000.

Diluted pro forma net income per share of Reckson class B common stock is based upon the impact of the conversion of all outstanding Reckson class B shares to Reckson common stock, on a one-for-one basis, resulting in a weighted average number of shares oustanding during the year ended December 31, 1998 of 55,743,000, net of the add-back of the income allocated to the holders of the Reckson class B common stock of approximately $13,166 for the year ended December 31, 1998.

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS OF RECKSON OP--ASSUMING RECKSON STOCKHOLDERS DO NOT APPROVE THE SHARE ISSUANCE PROPOSAL

The following unaudited pro forma combined financial statements are presented as if Reckson OP had acquired the first mortgage note secured by 919 Third Avenue (the "919 Mortgage") on December 31, 1998 with respect to the balance sheet and on January 1, 1998 with respect to the statement of operations.

The following pro forma combined financial statements are presented for illustrative purposes only and are not indicative of the financial position or results of operations of future periods or the results that actually would have been realized had Reckson OP owned the 919 Mortgage during the specified periods. The pro forma combined financial statements, including the notes thereto, should be read in conjunction with the Pro Forma Combined Financial Statements of Reckson OP--Assuming Reckson Stockholders Do Not Approve the Share Issuance Proposal, as previously reported in Reckson OP's registration statement on Form S-4, relating to the proposed acquisition of Tower Realty Trust, Inc. and the historical financial statements and notes thereto of Reckson OP included in its registration statement on Form S-4, relating to the proposed acquisition of Tower Realty Trust, Inc.

RECKSON OPERATING PARTNERSHIP, L.P.

PRO FORMA CONDENSED COMBINING BALANCE SHEET

ASSUMING RECKSON STOCKHOLDERS DO NOT APPROVE THE SHARE ISSUANCE PROPOSAL

AS OF DECEMBER 31, 1998

(UNAUDITED)
(DOLLARS IN THOUSANDS)

	PRO FORMA AS PREVIOUSLY REPORTED(A)	919 MORTGAGE(B)	DECEMBER 31, 1998 PRO FORMA
ASSETS:			
Real estate, net	$ 2,032,687	$ --	$ 2,032,687
Real estate held for sale	225,000	--	225,000
Cash and cash equivalents	7,302	--	7,302
Tenant receivables	10,266	--	10,266
Affiliate receivables	53,154	--	53,154
Deferred rent receivables	22,526	--	22,526
Investment in mortgage notes and notes receivable	99,268	278,000	377,268
Investment in Metropolitan Partners	--	--	--
Contract and land deposits and other pre-acquisition costs	2,253	--	2,253
Prepaid expenses and other assets	13,735	--	13,735
Investments in real estate joint ventures	18,804	--	18,804
Deferred lease and loan costs, net	30,799	--	30,799
Total Assets	$ 2,515,794	$ 278,000	$ 2,793,794
LIABILITIES AND STOCKHOLDERS' EQUITY:			
Mortgage notes payable	$ 492,243	$ --	$ 492,243
Senior unsecured notes	544,783	--	544,783
Credit facility	188,988	278,000	466,988
Accrued expenses and other liabilities	78,330	--	78,330
Affiliate payables	2,395	--	2,395
Deferred real estate taxes	12,359	--	12,359
Dividends and distributions payable	19,663	--	19,663
Total Liabilities	1,338,761	278,000	1,616,761
Minority partners' and preferred interest in consolidated partnership	127,173	--	127,173
Partners' capital:			
Preferred capital	263,126	--	263,126
General partner's capital	646,560	--	646,560
Limited partners' capital	140,174	--	140,174
Total Partners' Capital	1,049,860	--	1,049,860
Total Liabilities and Partners' Capital	$ 2,515,794	$ 278,000	$ 2,793,794

See accompanying notes to pro forma financial statements.

RECKSON OPERATING PARTNERSHIP, L.P.
PRO FORMA CONDENSED COMBINING STATEMENT OF OPERATIONS
ASSUMING RECKSON STOCKHOLDERS DO NOT APPROVE THE SHARE ISSUANCE PROPOSAL
FOR THE YEAR ENDED DECEMBER 31, 1998
(UNAUDITED)
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	PRO FORMA AS PREVIOUSLY REPORTED(C)	919 MORTGAGE(D)	PRO FORMA ADJUSTMENTS(E)	DECEMBER 31, 1998 PRO FORMA
REVENUES:				
Base rents	$ 322,897	$ 44,190	$ --	$ 367,087
Tenant esacalations and reimbursements	27,744	7,348	--	35,092
Equity in earnings of real estate joint ventures	603	--	--	603
Equity in earnings of service companies	1,530	--	--	1,530
Interest income on mortgage notes and notes receivable	7,739	--	--	7,739
Other	4,965	--	--	4,965
Total Revenues	365,478	51,538	--	417,016
EXPENSES:				
Operating Expenses:				
Property operating expenses	69,646	12,264	--	81,910
Real estate taxes	48,510	10,403	--	58,913
Ground rents	2,444	515	--	2,959
Marketing, general and administrative	20,808	--	--	20,808
Total Operating Expenses	141,408	23,182	--	164,590
Interest	75,818	--	18,959	94,777
Depreciation and amortization	65,665	--	7,877	73,542
Total Expenses	282,891	23,182	26,836	332,909
Income before minority interest and extraordinary items	82,587	28,356	(26,836)	84,107
Minority partners' and preferred interest in consolidated partnerships (income)	(9,139)	--	--	(9,139)
Distributions to preferred unitholders/ shareholders	(14,244)	--	--	(14,244)
Income before limited partners' minority interest in Operating Partnership income and extraordinary items	$ 59,204	$ 28,356	$ (26,836)	$ 60,724
Limited Partner				$ 7,759(G)
General Partner-Class A				$ 39,630(F)
General Partner-Class B				$ 13,336(F)
Net Income per Unit:				
Limited Partner				$ 1.00
General Partner-Class A				$ 1.00
General Partner-Class B				$ 1.67

See accompanying notes to pro forma financial statements.

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS OF RECKSON OP--ASSUMING RECKSON STOCKHOLDERS DO NOT APPROVE THE SHARE ISSUANCE PROPOSAL

PRO FORMA CONDENSED COMBINING BALANCE SHEET

A. Reflects Reckson OP's unaudited pro forma balance sheet as of December 31, 1998, as previously reported Reckson in OP's registration statement on Form S-4 relating to the proposed acquisition of Tower Realty Trust, Inc.

B. Reflects the acquisition by Metropolitan Partners, a consolidated subsidiary of Reckson OP of the first mortgage note secured by 919 Third Avenue in New York City for a purchase price of approximately $278 million. The mortgage note matured in 1997; however, a foreclosure of the mortgage note may not be completed until September 30, 2000. Reckson and Reckson OP have a currently effective registration statement on file with the Securities and Exchange Commission relating to the proposed acquisition of Tower Realty Trust, Inc. Rule 3-14 of Regulation S-X ("Rule 3-14") specifies the requirements for financial statements when the registrant, since the date of the latest balance sheet required, has acquired or proposes to acquire one or more properties which in the aggregate are significant (as defined). Included in the category of properties acquired or to be acquired under Rule 3-14 are operating properties underlying certain mortgage loans, which in economic substance represent an investment in real estate rather than a loan. Since the mortgage note to be acquired by Reckson OP provides it with the same risks and potential rewards as the owner of 919 Third Avenue the first mortgage note is being treated as an investment in real estate for financial reporting purposes.

Reckson OP and Metropolitan Partners contemplate financing the transaction through a combination of borrowings under their credit facilities and proceeds from a private placement of equity securities of Reckson OP. The equity securities are expected to be in the form of convertible preferred units. Reckson OP and two institutional investors have an agreement in principle on the material terms for the equity securities; however, these agreements are non-binding and are subject to the execution of definitive documents. Because definitive documents have not been executed for the proposed private placement of equity securities, the pro forma adjustment assumes that the entire purchase price of the mortgage note is funded with borrowings under Reckson OP's credit facility. If the purchase price of the mortgage note had been funded with a combination of borrowings under Reckson OP's credit facility and the proceeds from the private placement based on the agreement in principle the effect would be to decrease net income available to common unitholders by approximately $1,339 and decrease basic earnings per class A and class B unit by $0.02 and $0.04, respectively.

PRO FORMA CONDENSED COMBINING STATEMENTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1998

C. Reflects Reckson Operating Partnership's unaudited pro forma operations for the year ended December 31, 1998, as previously reported in Reckson OP's registration statement on Form S-4 relating to the proposed acquisition of Tower Realty Trust, Inc.

D. Reflects the combined revenues and certain expenses of 919 Third Avenue for the year ended December 31, 1998.

E. Reflects the increase in interest cost associated with additional borrowings under the credit facility ($18,959) based upon the pro forma weighted average interest rate of approximately 6.8% for the year ended December 31, 1998. The pro forma adjustment also reflects the increase in depreciation expense associated with the acquisition of 919 Third Avenue.

The following table summarizes the calculation of the pro forma depreciation expense adjustment:

(DOLLARS IN THOUSANDS)

Pro forma real estate addition	$ 278,000
Allocation to building	85%
Total allocation to building	236,300
Depreciable life	30
Pro forma depreciation expense adjustment	$ 7,877

F. General Partner Class A and B basic pro forma income per share before extraordinary items is based upon the proration of income based on the relative amounts distributable to each class of unitholders and the average number of Class A units outstanding during the year ended December 31, 1998 of 39,473,000 and 8,005,000 Class B units issued.

G. Limited Partner pro forma income before extraordinary items is based upon the proration of income based on the relative amounts distributable to each class of unitholders and the average number of limited partnership units outstanding during the year ended December 31, 1998 of 7,728,000.