

FORM 8-K

CURRENT REPORT

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

Date of Report: August 8, 2002

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)

Reckson Associates Realty Corp. -  
11-3233650  
Reckson Operating Partnership, L.P. -  
11-3233647  
(IRS Employer ID Number)

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

11747  
(Zip Code)

1-13762  
(Commission File Number)

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

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

99.1 Supplemental Operating and Financial Data for the Quarter  
Ended June 30, 2002

ITEM 9. REGULATION FD DISCLOSURE

For the quarter ended June 30, 2002, Registrants intend to make available supplemental data regarding their operations that is too voluminous for a press release. Registrants are attaching the supplemental data as Exhibit 99.1 to this Current Report on Form 8-K.

Note: the information in this report (including the exhibit) is furnished pursuant to Item 9 and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section. This report will not be deemed an admission as to the materiality of any information in the report that is required to be disclosed solely by Regulation FD.

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/ Michael Maturo

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Michael Maturo  
Executive Vice President  
and Chief Financial Officer

RECKSON OPERATING PARTNERSHIP, L.P.

By: Reckson Associates Realty Corp.,  
its General Partner

By: /s/ Michael Maturo

-----  
Michael Maturo  
Executive Vice President  
and Chief Financial Officer

Date: August 7, 2002

## RECKSON ASSOCIATES REALTY CORP.

SECOND QUARTER 2002  
SUPPLEMENTAL OPERATING AND FINANCIAL DATA

AUGUST 7, 2002

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PHONE: 631.694.6900 1.888.RECKSON FAX: 631.622.6790  
WWW.RECKSON.COM

[RECKSON GRAPHIC OMITTED]

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TABLE OF CONTENTS

|  | Page(s) |
|--|---------|
|  | -----   |
| Company Information  |         |
| o Corporate Information.....                                     | 2-3     |
| o Reporting Period Highlights.....                               | 4-5     |
| o Stock Performance.....   | 6       |
| Financial Highlights   |         |
| o Key Financial Data.....  | 7       |
| o Statements of Operations.....                                  | 8       |
| o Funds from Operations and Cash Available for Distribution..... | 9-11    |
| o Consolidated Balance Sheets.....                               | 12      |
| o Debt Summary.....  | 13      |
| o Preferred Securities.....                                      | 14      |
| Portfolio Performance  |         |
| o Same Property Performance.....                                 | 15-16   |
| o Portfolio Snapshot.....  | 17      |
| o Occupancy Analysis.....  | 18-19   |
| o Leasing Statistics.....  | 20-21   |
| o Lease Expirations.....   | 22-25   |
| o Top 25 Tenants.....  | 26      |
| o Capital Expenditures Analysis.....                             | 27-29   |
| Market Statistics  |         |
| o Suburban Market Overviews.....                                 | 30-31   |
| o New York City Sub-Markets.....                                 | 32-33   |
| o Long Island Sub-Markets.....                                   | 34      |
| o Westchester Sub-Markets.....                                   | 35      |
| o New Jersey Sub-Markets.....                                    | 36      |
| Value Creation Pipeline Schedule.....                            | 37      |
| Unconsolidated Real Estate Joint Ventures.....                   | 38      |
| Reckson Strategic Venture Partners (RSVP)                        |         |
| o Combined Balance Sheets.....                                   | 39      |
| o Summary of Invested Capital.....                               | 40      |
| o Summarized Platform Balance Sheets.....                        | 41      |

Certain matters discussed herein are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although the Company believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, forward-looking statements are not guarantees of results and no assurance can be given that the expected results will be delivered. Such forward-looking statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those expected. Among those risks, trends and uncertainties are the general economic climate, including the conditions affecting industries in which our principal tenants compete; credit of our tenants; 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 re-lease space in a timely manner at current or anticipated rental rate levels; the availability of financing to us or our tenants; changes in operating costs, including utility and insurance costs; repayment of debt owed to the Company 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. For further information on factors that could impact Reckson, reference is made to Reckson's filings with the Securities and Exchange

Commission. Reckson undertakes no responsibility to update or supplement information contained in this presentation.

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CORPORATE INFORMATION

CORPORATE PROFILE

Reckson Associates Realty Corp. is a self-administered and self-managed real estate investment trust (REIT) that is one of the largest publicly traded owners, developers and managers of Class A office and industrial properties in the New York Tri-State area.

Through a predecessor entity, Reckson commenced operations in 1958 and grew steadily by acquiring, developing and redeveloping Class A office and industrial properties throughout Long Island. In June 1995, Reckson successfully completed its initial public offering. Subsequently, the Company expanded from its Long Island base and established operating divisions in Westchester, Connecticut, New Jersey and New York City. By transporting the formula that built its success on Long Island to the other Tri-State area markets, Reckson is now positioned as the premier real estate franchise in the New York Tri-State area.

Today, Reckson owns 181 properties comprised of approximately 20.5 million square feet located throughout the New York Tri-State area markets. These properties are comprised of 13.8 million square feet of Class A office space and 6.7 million square feet of industrial space. The Company has a total market capitalization of approximately \$3.3 billion and has generated a total return to its initial Class A common shareholders of approximately 212% for the period June 2, 1995 through June 30, 2002.

Reckson is a fully integrated real estate operating company specializing in the acquisition, leasing, financing, property and asset management, design and development and construction of Class A office and industrial properties in the New York Tri-State area.

CORPORATE HEADQUARTERS

225 Broadhollow Road  
Melville, New York 11747-4883  
Telephone: (631) 694-6900  
(888) RECKSON  
Facsimile: (631) 622-6790  
Web site: www.reckson.com

EXECUTIVE OFFICER CONTACTS

Donald Rechler Co-Chief Executive Officer  
Chairman of the Board  
Scott Rechler Co-Chief Executive Officer  
Chairman of the Executive Committee  
Michael Maturo Chief Financial Officer  
Executive Vice President

INVESTOR RELATIONS

Susan McGuire Vice President Investor Relations  
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To request an Investor Relations package or be added to our distribution list, please contact us at:

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Web site: www.reckson.com (Go to Information Request in the Investor Relations section)

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CORPORATE INFORMATION

RESEARCH COVERAGE

CIBC World Markets  
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David Shulman/Stuart Axelrod  
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Louis Taylor  
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Steve Sakwa/Rahul Bhattacharjee  
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Greenstreet Advisors  
John Lutzius  
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Salomon Smith Barney  
Jonathan Litt/Gary Boston  
(212) 816-0231/(212) 816-1383

QUARTERLY REPORTING SCHEDULE

Quarterly results will be announced according to the following anticipated schedule:

|                             |                |
|-----------------------------|----------------|
| First Quarter               | Early May      |
| Second Quarter              | Early August   |
| Third Quarter               | Early November |
| Fourth Quarter and Year End | Late February  |

SENIOR UNSECURED DEBT RATINGS

|                   |      |
|-------------------|------|
| Moody's           | Baa3 |
| Standard & Poor's | BBB- |

STOCK LISTING

The stock of Reckson Associates Realty Corp. is traded primarily on the New York Stock Exchange under the following symbols:

Class A Common Stock: RA  
Class B Common Stock: RA.B  
Series A Preferred Stock: RA.A

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REPORTING PERIOD HIGHLIGHTS

SUMMARY SECOND QUARTER 2002 RESULTS

Reported second quarter diluted funds from operations ("FFO") of \$.59 per share, inclusive of \$.02 per share of reserves against GAAP deferred rents receivable, as compared to FFO of \$.70 per share for the second quarter of 2001, representing a per share decrease of 15.7%.

Reported diluted cash available for distribution ("CAD") of \$.45 per share for the second quarter of 2002, inclusive of \$.02 per share of reserves against GAAP deferred rents receivable, as compared to \$.48 per share for the comparable 2001 period, representing a per share decrease of 6.3%.

SUMMARY PORTFOLIO PERFORMANCE

Portfolio performance remained stable during the second quarter of 2002 with occupancies at June 30, 2002 of 95.2% for the office portfolio and 92.0% for the industrial portfolio. This compares to 96.2% and 92.9%, respectively, at March 31, 2002 and 97.0% and 97.9%, respectively, at June 30, 2001. Reported overall portfolio occupancy of 94.2% at June 30, 2002, as compared to 95.1% at March 31, 2002 and 97.2% at June 30, 2001.

The Company also reported same property office portfolio occupancy of 95.9% at June 30, 2002, as compared to 96.2% at March 31, 2002 and 97.0%, at June 30, 2001. Reported same property occupancy of 94.9% for the overall portfolio at June 30, 2002, as compared to 95.1% at March 31, 2002 and 97.5% at June 30 2001.

During the quarter, the Company executed 64 leases, encompassing 478,000 square feet, representing 2.3% of the total portfolio and renewed 57% of expiring square feet. The Company reduced total portfolio exposure to expiring leases to 3.1% in 2002 and 9.2% in 2003.

Same property net operating income ("NOI"), before termination fees and reserves against GAAP deferred rents receivable, for the second quarter of 2002 increased 12.0% (cash) and 2.1% (GAAP) for the total portfolio, compared to the second quarter of 2001.

During the second quarter of 2002, the Company reported bad debt reserves mainly attributable to GAAP deferred rents receivable in the amount of approximately \$2.5 million, as compared to approximately \$0.1 million for the second quarter of 2001.

Rents on same space leases executed during the second quarter of 2002 increased 19.3% (GAAP) and 14.1% (cash) in the office properties and 12.4% (GAAP) and 9.0% (cash) in the industrial/R&D properties.

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REPORTING PERIOD HIGHLIGHTS (CONTINUED)

OTHER HIGHLIGHTS

Completed an offering of \$50 million of 6.00% (6.13% effective rate) five-year senior unsecured notes due June 15, 2007. Proceeds were used to repay outstanding borrowings under the Company's Corporate Credit Facility.

Subsequent to June 30, 2002, repurchased 1,856,200 Class A common shares at a weighted average stock price of \$21.98 per share and 368,200 Class B common shares at a weighted average stock price of \$22.90 per share. Aggregate purchase of 2,224,400 shares of Class A and Class B common stock amounted to approximately \$49.2 million.

Announce that the Company will begin expensing the cost of stock options effective January 1, 2002.

Standard & Poor's reaffirmed its BBB- investment grade rating and maintained a stable outlook opinion.

CONSOLIDATED FINANCIAL RESULTS

The Company reported diluted operating earnings per share ("OpEPS") of \$.23 for the second quarter of 2002, as compared to \$.34 per share for the comparable 2001 period.

The Company reported diluted earnings per Class A common share ("EPS") of \$.21 for the second quarter of 2002, as compared to \$.32 per Class A common share for the comparable 2001 period.



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 STOCK PERFORMANCE

The following summarizes recent activity of Reckson's Class A common stock (RA):

|  | 1st<br>Quarter<br>2002 | 2nd<br>Quarter<br>2002 | 7/1/02<br>to<br>8/1/02 |
|--|------------------------|------------------------|------------------------|
| High Price*  | \$ 24.68               | \$ 26.00               | \$ 24.92               |
| Low Price*   | \$ 22.54               | \$ 24.18               | \$ 21.08               |
| Closing Price*   | \$ 24.66               | \$ 24.90               | \$ 22.68               |
| Average daily trading volume*                                    | 354,233                | 351,706                | 622,957                |
| Indicated dividend per share**                                   | \$ 1.6984              | \$ 1.6984              | \$ 1.6984              |
| Closing dividend yield   | 6.89%                  | 6.82%                  | 7.49%                  |
| Closing shares and units outstanding (thousands)                 | 58,248                 | 58,264                 | 56,347                 |
| Closing market value of shares and units outstanding (thousands) | \$1,436,396            | \$1,450,774            | \$1,277,950            |

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 The following summarizes recent activity of Reckson's Class B common stock (RA.B):

|  | 1st<br>Quarter<br>2002 | 2nd<br>Quarter<br>2002 | 7/1/02<br>to<br>8/1/02 |
|--|------------------------|------------------------|------------------------|
| High Price*  | \$ 25.76               | \$ 27.07               | \$ 25.95               |
| Low Price*   | \$ 23.86               | \$ 25.30               | \$ 22.30               |
| Closing Price*   | \$ 25.76               | \$ 25.50               | \$ 24.22               |
| Average daily trading volume*                          | 87,175                 | 72,400                 | 196,139                |
| Indicated dividend per share**                         | \$ 2.5968              | \$ 2.5884              | \$ 2.5884              |
| Closing dividend yield                                 | 10.08%                 | 10.15%                 | 10.69%                 |
| Closing shares outstanding (thousands)                 | 10,284                 | 10,284                 | 9,915                  |
| Closing market value of shares outstanding (thousands) | \$264,916              | \$262,242              | \$240,141              |

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 The following summarizes recent activity of Reckson's Series A preferred stock (RA.A):

|  | 1st<br>Quarter<br>2002 | 2nd<br>Quarter<br>2002 | 7/1/02<br>to<br>8/1/02 |
|--|------------------------|------------------------|------------------------|
| High Price*  | \$ 24.35               | \$ 24.85               | \$ 24.10               |
| Low Price*   | \$ 22.65               | \$ 23.75               | \$ 20.30               |
| Closing Price*   | \$ 24.30               | \$ 23.95               | \$ 22.25               |
| Average daily trading volume*                          | 22,630                 | 42,320                 | 56,413                 |
| Indicated dividend per share**                         | \$ 1.9064              | \$ 1.9064              | \$ 1.9064              |
| Closing dividend yield                                 | 7.85%                  | 7.96%                  | 8.57%                  |
| Closing shares outstanding (thousands)                 | 9,192                  | 9,192                  | 9,192                  |
| Closing market value of shares outstanding (thousands) | \$223,366              | \$220,148              | \$204,522              |

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 \* New York Stock Exchange trades only

\*\* On an annual basis

KEY FINANCIAL DATA

(Dollars in thousands, except per share data)

|  | For the three months ended or as of |                     |                     |                     |                     |
|--|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
|  | 6/30/02                             | 3/31/02             | 12/31/01            | 9/30/01             | 6/30/01             |
| <b>Shares and Units</b>  |                                     |                     |                     |                     |                     |
| Common Shares Outstanding - Class A  | 50,988,233                          | 50,305,143          | 49,982,377          | 49,806,885          | 49,619,419          |
| Common Shares Outstanding - Class B  | 10,283,513                          | 10,283,513          | 10,283,513          | 10,283,513          | 10,283,513          |
| Operating Partnership Units Outstanding  | 7,276,224                           | 7,942,692           | 7,487,218           | 7,638,043           | 7,644,135           |
| <b>Total Shares and Operating Partnership Units</b>  | <b>68,547,970</b>                   | <b>68,531,348</b>   | <b>67,753,108</b>   | <b>67,728,441</b>   | <b>67,547,067</b>   |
| <b>Share Price &amp; Dividends - Class A</b>   |                                     |                     |                     |                     |                     |
| End of period  | \$ 24.90                            | \$ 24.66            | \$ 23.36            | \$ 24.15            | \$ 23.00            |
| High during period   | \$ 26.00                            | \$ 24.68            | \$ 24.46            | \$ 24.15            | \$ 23.90            |
| Low during period  | \$ 24.18                            | \$ 22.54            | \$ 22.15            | \$ 21.90            | \$ 21.14            |
| Dividend declared  | \$ 0.42                             | \$ 0.42             | \$ 0.42             | \$ 0.42             | \$ 0.42             |
| Closing dividend yield   | 6.8%                                | 6.9%                | 7.3%                | 7.0%                | 7.4%                |
| <b>Share Price &amp; Dividends - Class B</b>   |                                     |                     |                     |                     |                     |
| End of period  | \$ 25.50                            | \$ 25.76            | \$ 25.51            | \$ 25.51            | \$ 24.61            |
| High during period   | \$ 27.07                            | \$ 25.76            | \$ 25.76            | \$ 25.60            | \$ 25.00            |
| Low during period  | \$ 25.30                            | \$ 23.86            | \$ 23.55            | \$ 23.29            | \$ 22.40            |
| Dividend declared  | \$ 0.65                             | \$ 0.65             | \$ 0.65             | \$ 0.65             | \$ 0.65             |
| Closing dividend yield   | 10.2%                               | 10.1%               | 10.2%               | 10.2%               | 10.6%               |
| <b>Market Capitalization</b>   |                                     |                     |                     |                     |                     |
| Market Value of Common Equity (a)  | \$ 1,713,015                        | \$ 1,701,295        | \$ 1,604,822        | \$ 1,649,627        | \$ 1,570,139        |
| Stated Value of Preferred Equity   | 299,462                             | 299,462             | 310,765             | 310,765             | 314,533             |
| Total Debt (b)   | 1,285,636                           | 1,279,195           | 1,336,011           | 1,444,473           | 1,500,081           |
| <b>Total Market Capitalization</b>   | <b>\$ 3,298,113</b>                 | <b>\$ 3,279,952</b> | <b>\$ 3,251,598</b> | <b>\$ 3,404,865</b> | <b>\$ 3,384,753</b> |
| <b>Total Debt / Total Market Capitalization</b>  | <b>39.0%</b>                        | <b>39.0%</b>        | <b>41.1%</b>        | <b>42.4%</b>        | <b>44.3%</b>        |
| <b>Selected Balance Sheet Data</b>   |                                     |                     |                     |                     |                     |
| Book Value of Real Estate Assets before Depreciation   | \$ 2,938,968                        | \$ 2,894,481        | \$ 2,880,879        | \$ 2,814,024        | \$ 2,860,491        |
| Total Assets   | \$ 2,914,000                        | \$ 2,914,546        | \$ 2,994,218        | \$ 2,861,651        | \$ 3,112,242        |
| Total Liabilities  | \$ 1,532,340                        | \$ 1,518,623        | \$ 1,592,811        | \$ 1,566,012        | \$ 1,639,095        |
| <b>Selected Operating Data</b>   |                                     |                     |                     |                     |                     |
| Property Operating Revenues  | \$ 123,627                          | \$ 122,505          | \$ 122,261          | \$ 126,722          | \$ 125,349          |
| Property Operating Expenses  | \$ 41,739                           | \$ 42,212           | \$ 42,565           | \$ 44,231           | \$ 40,874           |
| Property Operating NOI   | \$ 81,888                           | \$ 80,293           | \$ 79,696           | \$ 82,491           | \$ 84,475           |
| Property Gross Operating Margin  | 66.2%                               | 65.5%               | 65.2%               | 65.1%               | 67.4%               |
| Other Revenues (excluding gain on sales of real estate)  | \$ 2,008                            | \$ 2,425            | \$ 2,706            | \$ 5,333            | \$ 7,038            |
| Marketing, General & Administrative Expenses as a percent of Total Revenues (excluding gain on sales of real estate) | \$ 7,693                            | \$ 7,139            | \$ 7,160            | \$ 7,679            | \$ 8,411            |
| Interest Expense   | \$ 22,124                           | \$ 20,996           | \$ 22,369           | \$ 23,510           | \$ 23,562           |
| Capitalized Interest   | \$ 1,799                            | \$ 2,607            | \$ 2,442            | \$ 2,627            | \$ 2,434            |
| Non-Incremental Capital Expenditures to NOI as a percent (e)   | 6.61%                               | 7.39%               | 8.62%               | 6.18%               | 6.78%               |
| <b>Financial Ratios</b>  |                                     |                     |                     |                     |                     |
| Debt Service Coverage Ratio  | 3.44                                | 3.60                | 3.11                | 3.27                | 3.35                |
| Fixed Charge Coverage Ratio  | 2.66                                | 2.72                | 2.44                | 2.60                | 2.67                |
| <b>EPS, FFO and CAD</b>  |                                     |                     |                     |                     |                     |
| <b>Class A Common stock:</b>   |                                     |                     |                     |                     |                     |
| Basic Net Income (loss) per share  | \$ 0.21                             | \$ 0.24             | \$ 0.47             | \$ (1.97)           | \$ 0.32             |
| Diluted Net Income (loss) per share  | \$ 0.21                             | \$ 0.24             | \$ 0.46             | \$ (1.97)           | \$ 0.32             |
| <b>Class B Common stock:</b>   |                                     |                     |                     |                     |                     |
| Basic Net Income (loss) per share  | \$ 0.32                             | \$ 0.37             | \$ 0.71             | \$ (3.01)           | \$ 0.45             |
| Diluted Net Income (loss) per share  | \$ 0.22                             | \$ 0.26             | \$ 0.50             | \$ (3.01)           | \$ 0.34             |
| Basic operating earnings per share (d)   | \$ 0.22                             | \$ 0.26             | \$ 0.27             | \$ 0.31             | \$ 0.34             |

|  |    |        |    |        |    |        |    |        |    |        |
|--|----|--------|----|--------|----|--------|----|--------|----|--------|
| Diluted operating earnings per share (d)                             | \$ | 0.22   | \$ | 0.26   | \$ | 0.27   | \$ | 0.31   | \$ | 0.34   |
| Diluted FFO per share  | \$ | 0.59   | \$ | 0.60   | \$ | 0.57   | \$ | 0.66   | \$ | 0.70   |
| Diluted weighted average Class A & B dividends per share or unit     | \$ | 0.45   | \$ | 0.45   | \$ | 0.46   | \$ | 0.45   | \$ | 0.45   |
| Diluted FFO payout ratio (Class A & B combined)                      |    | 77.2%  |    | 76.1%  |    | 80.2%  |    | 68.7%  |    | 64.9%  |
| Diluted weighted average Class A dividends per share                 | \$ | 0.42   | \$ | 0.42   | \$ | 0.42   | \$ | 0.42   | \$ | 0.42   |
| Diluted FFO payout ratio - Class A                                   |    | 72.3%  |    | 71.2%  |    | 74.9%  |    | 64.3%  |    | 61.0%  |
| Diluted weighted average Class B dividends per share                 | \$ | 0.65   | \$ | 0.65   | \$ | 0.65   | \$ | 0.65   | \$ | 0.63   |
| Diluted FFO payout ratio - Class B                                   |    | 110.3% |    | 108.8% |    | 114.6% |    | 98.3%  |    | 90.9%  |
| Diluted CAD per share (e)  | \$ | 0.45   | \$ | 0.39   | \$ | 0.33   | \$ | 0.46   | \$ | 0.48   |
| Diluted weighted average Class A & B dividends per share or unit (e) | \$ | 0.46   | \$ | 0.46   | \$ | 0.46   | \$ | 0.46   | \$ | 0.46   |
| Diluted CAD payout ratio (Class A & B combined) (e)                  |    | 101.2% |    | 117.2% |    | 138.9% |    | 99.3%  |    | 95.4%  |
| Diluted weighted average Class A dividends per share (e)             | \$ | 0.42   | \$ | 0.42   | \$ | 0.42   | \$ | 0.42   | \$ | 0.42   |
| Diluted CAD payout ratio - Class A (e)                               |    | 93.9%  |    | 108.5% |    | 128.7% |    | 92.1%  |    | 88.9%  |
| Diluted weighted average Class B dividends per share (e)             | \$ | 0.65   | \$ | 0.65   | \$ | 0.65   | \$ | 0.65   | \$ | 0.63   |
| Diluted CAD payout ratio - Class B (e)                               |    | 143.2% |    | 166.0% |    | 196.7% |    | 140.7% |    | 132.5% |

Tri-State Portfolio Statistics

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|   |  |            |  |            |  |            |  |            |  |            |
|---|--|------------|--|------------|--|------------|--|------------|--|------------|
| Office properties                               |  | 77         |  | 77         |  | 77         |  | 78         |  | 82         |
| Office square footage                           |  | 13,770,743 |  | 13,771,319 |  | 13,777,009 |  | 13,863,565 |  | 14,438,850 |
| Office occupancy at end of quarter (c)          |  | 95.2%      |  | 96.2%      |  | 96.1%      |  | 96.7%      |  | 97.0%      |
| Industrial properties                           |  | 102        |  | 102        |  | 103        |  | 103        |  | 104        |
| Industrial square footage                       |  | 6,755,843  |  | 6,755,949  |  | 6,813,536  |  | 6,812,158  |  | 6,836,803  |
| Industrial occupancy at end of quarter (c)      |  | 92.0%      |  | 92.9%      |  | 91.7%      |  | 96.2%      |  | 97.9%      |
| Total portfolio occupancy at end of quarter (c) |  | 94.2%      |  | 95.1%      |  | 94.6%      |  | 96.0%      |  | 97.2%      |

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- (a) Includes Operating Partnership Units valued at the closing price of the Class A common stock
- (b) Includes pro rata share of consolidated and unconsolidated joint venture debt
- (c) Excludes properties under development
- (d) Before, when applicable, gain on sales of real estate, extraordinary loss and valuation reserves on investment in affiliate loans and joint ventures and other investments.
- (e) Calculated based on committed non incremental tenant improvements and leasing costs and actual non incremental capitalized improvements

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STATEMENTS OF OPERATIONS  
(In thousands, except per share data)

|   | Three Months Ended<br>June 30, |                  | Six Months Ended<br>June 30, |                  |
|---|--------------------------------|------------------|------------------------------|------------------|
|   | 2002                           | 2001             | 2002                         | 2001             |
| <b>REVENUES</b>   |                                |                  |                              |                  |
| 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 service companies and real estate joint ventures      | 159                            | 801              | 494                          | 1,199            |
| Interest income on mortgage notes and notes receivable                      | 1,565                          | 1,559            | 3,121                        | 3,067            |
| Investment and other income   | 284                            | 4,678            | 818                          | 10,219           |
| <b>Total Operating Revenues</b>   | <b>125,635</b>                 | <b>132,387</b>   | <b>250,565</b>               | <b>263,273</b>   |
| <b>EXPENSES</b>   |                                |                  |                              |                  |
| Property operating expenses   | 23,760                         | 23,453           | 48,151                       | 47,223           |
| Real estate taxes   | 17,979                         | 17,421           | 35,800                       | 34,645           |
| Marketing, general and administrative                                       | 7,693                          | 8,411            | 14,832                       | 15,908           |
| <b>EBITDA</b>   | <b>76,203</b>                  | <b>83,102</b>    | <b>151,782</b>               | <b>165,497</b>   |
| Depreciation and amortization   | 28,031                         | 27,172           | 54,167                       | 50,693           |
| Interest expense  | 22,124                         | 23,562           | 43,120                       | 47,193           |
| Income from operations before minority interests                            | 26,048                         | 32,368           | 54,495                       | 67,611           |
| Minority partners' interests in consolidated partnerships                   | (4,813)                        | (4,065)          | (9,933)                      | (9,820)          |
| Limited partners' minority interest in the operating partnership            | (1,663)                        | (2,616)          | (3,542)                      | (5,331)          |
| Distributions to preferred unitholders                                      | (280)                          | (461)            | (741)                        | (1,121)          |
| Income from operations  | 19,292                         | 25,226           | 40,279                       | 51,339           |
| Adjust for non operating items, net of limited partners' minority interest: |                                |                  |                              |                  |
| Gain on sales of real estate  | --                             | --               | 482                          | --               |
| Income before dividends to preferred shareholders                           | 19,292                         | 25,226           | 40,761                       | 51,339           |
| Dividends to preferred shareholders   | (5,487)                        | (5,467)          | (10,974)                     | (10,892)         |
| <b>Net income allocable to common shareholders</b>                          | <b>\$ 13,805</b>               | <b>\$ 19,759</b> | <b>\$ 29,787</b>             | <b>\$ 40,447</b> |
| Net income allocable to:  |                                |                  |                              |                  |
| Class A Shareholders  | \$ 10,548                      | \$ 15,109        | \$ 22,707                    | \$ 30,417        |
| Class B Shareholders  | \$ 3,257                       | \$ 4,650         | \$ 7,080                     | \$ 10,030        |
| <b>PER SHARE DATA</b>   |                                |                  |                              |                  |
| Basic operating earnings  | \$ 0.22                        | \$ 0.34          | \$ 0.49                      | \$ 0.71          |
| Diluted operating earnings  | \$ 0.22                        | \$ 0.34          | \$ 0.49                      | \$ 0.71          |
| Basic net income:   |                                |                  |                              |                  |
| Basic net income per Class A common share                                   | \$ 0.21                        | \$ 0.32          | \$ 0.45                      | \$ 0.66          |
| Basic net income per Class B common share                                   | \$ 0.32                        | \$ 0.45          | \$ 0.69                      | \$ 0.98          |
| Diluted net income:   |                                |                  |                              |                  |
| Diluted net income per Class A common share                                 | \$ 0.21                        | \$ 0.32          | \$ 0.45                      | \$ 0.65          |
| Diluted net income per Class B common share                                 | \$ 0.22                        | \$ 0.34          | \$ 0.49                      | \$ 0.71          |
| Basic weighted average common shares outstanding:                           |                                |                  |                              |                  |
| Class A common stock  | 50,775                         | 47,222           | 50,396                       | 46,358           |
| Class B common stock  | 10,284                         | 10,284           | 10,284                       | 10,284           |
| Diluted weighted average common shares outstanding:                         |                                |                  |                              |                  |
| Class A common stock  | 51,165                         | 47,600           | 50,760                       | 46,780           |
| Class B common stock  | 10,284                         | 10,284           | 10,284                       | 10,284           |

SUMMARY DATA  
 FUNDS FROM OPERATIONS ("FFO") AND FFO PAYOUT RATIOS  
 CASH AVAILABLE FOR DISTRIBUTION ("CAD") AND CAD PAYOUT RATIOS

|  | Three Months Ended<br>June 30, |         | Six Months Ended<br>June 30, |         |
|--|--------------------------------|---------|------------------------------|---------|
|  | 2002                           | 2001    | 2002                         | 2001    |
| Funds From Operations:   |                                |         |                              |         |
| Diluted FFO per weighted average share or unit                   | \$ 0.59                        | \$ 0.70 | \$ 1.18                      | \$ 1.38 |
| Diluted weighted average Class A & B dividends per share or unit | \$ 0.45                        | \$ 0.45 | \$ 0.91                      | \$ 0.87 |
| Diluted FFO payout ratio (Class A & B combined)                  | 77.2%                          | 64.9%   | 76.6%                        | 62.6%   |
| Diluted weighted average Class A dividends per share             | \$ 0.42                        | \$ 0.42 | \$ 0.85                      | \$ 0.81 |
| Diluted FFO payout ratio - Class A                               | 72.3%                          | 61.0%   | 71.7%                        | 58.6%   |
| Diluted weighted average Class B dividends per share             | \$ 0.65                        | \$ 0.63 | \$ 1.30                      | \$ 1.23 |
| Diluted FFO payout ratio - Class B                               | 110.3%                         | 90.9%   | 109.5%                       | 89.1%   |

Cash Available for Distribution:

(Total committed TI & leasing costs incurred during period)

|  |         |         |         |         |
|--|---------|---------|---------|---------|
| Diluted CAD per weighted average share or unit                   | \$ 0.45 | \$ 0.48 | \$ 0.84 | \$ 0.98 |
| Diluted weighted average Class A & B dividends per share or unit | \$ 0.46 | \$ 0.46 | \$ 0.92 | \$ 0.87 |
| Diluted CAD payout ratio (Class A & B combined)                  | 101.2%  | 95.4%   | 108.5%  | 89.5%   |
| Diluted weighted average Class A dividends per share             | \$ 0.42 | \$ 0.42 | \$ 0.85 | \$ 0.81 |
| Diluted CAD payout ratio - Class A                               | 93.9%   | 88.9%   | 100.6%  | 83.1%   |
| Diluted weighted average Class B dividends per share             | \$ 0.65 | \$ 0.63 | \$ 1.30 | \$ 1.23 |
| Diluted CAD payout ratio - Class B                               | 143.2%  | 132.5%  | 153.6%  | 126.3%  |

Cash Available for Distribution:

(Actual paid or accrued TI & leasing costs during period)

|  |         |         |         |         |
|--|---------|---------|---------|---------|
| Diluted CAD per weighted average share or unit                   | \$ 0.43 | \$ 0.44 | \$ 0.80 | \$ 0.88 |
| Diluted weighted average Class A & B dividends per share or unit | \$ 0.46 | \$ 0.46 | \$ 0.92 | \$ 0.88 |
| Diluted CAD payout ratio (Class A & B combined)                  | 106.9%  | 104.1%  | 114.7%  | 99.8%   |
| Diluted weighted average Class A dividends per share             | \$ 0.42 | \$ 0.42 | \$ 0.85 | \$ 0.81 |
| Diluted CAD payout ratio - Class A                               | 99.2%   | 96.8%   | 106.3%  | 92.2%   |
| Diluted weighted average Class B dividends per share             | \$ 0.65 | \$ 0.63 | \$ 1.30 | \$ 1.23 |
| Diluted CAD payout ratio - Class B                               | 151.3%  | 144.3%  | 162.3%  | 140.2%  |

Cash Available for Distribution:

(Committed TI & leasing costs excluding leases scheduled to expire in future periods)

|  |         |  |         |  |
|--|---------|--|---------|--|
| Diluted CAD per weighted average share or unit                   | \$ 0.47 |  | \$ 0.88 |  |
| Diluted weighted average Class A & B dividends per share or unit | \$ 0.46 |  | \$ 0.92 |  |
| Diluted CAD payout ratio (Class A & B combined)                  | 97.7%   |  | 87.8%   |  |
| Diluted weighted average Class A dividends per share             | \$ 0.42 |  | \$ 0.85 |  |
| Diluted CAD payout ratio - Class A                               | 90.7%   |  | 96.7%   |  |
| Diluted weighted average Class B dividends per share             | \$ 0.65 |  | \$ 1.30 |  |
| Diluted CAD payout ratio - Class B                               | 138.3%  |  | 147.7%  |  |

FUNDS FROM OPERATIONS AND FFO PAYOUT RATIO DATA  
 (In thousands, except per share / unit data)

FUNDS FROM OPERATIONS

|   |           |           |           |           |
|---|-----------|-----------|-----------|-----------|
| Net income allocable to common shareholders                             | \$ 13,805 | \$ 19,759 | \$ 29,787 | \$ 40,447 |
| Add back: 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     |
| Limited partners' minority interest in the operating partnership        | 1,663     | 2,616     | 3,597     | 5,331     |
| Less: Gain on sales of real estate                                      | --        | --        | 537       | --        |
| Amounts distributable to minority partners in consolidated partnerships | 6,329     | 5,104     | 12,893    | 10,805    |
| Basic Funds From Operations   | 40,993    | 48,063    | 82,249    | 94,508    |

Add dividends and distributions on dilutive shares and units:

|                                       |       |       |       |       |
|---------------------------------------|-------|-------|-------|-------|
| Series A preferred stock              | 4,381 | 4,381 | 8,762 | 8,762 |
| Series B preferred stock              | 1,086 | 1,086 | 2,112 | 2,130 |
| Minority partners' preferred interest | --    | 1,030 | --    | 2,624 |
| Limited partners' preferred interest  | 300   | 461   | 741   | 1,121 |

|             |           |           |           |            |
|-------------|-----------|-----------|-----------|------------|
| Diluted FFO | \$ 46,760 | \$ 55,021 | \$ 93,964 | \$ 109,145 |
|-------------|-----------|-----------|-----------|------------|

Diluted weighted average shares and units outstanding:

|                                     |        |        |        |        |
|-------------------------------------|--------|--------|--------|--------|
| Common shares                       | 61,059 | 57,505 | 60,680 | 56,641 |
| Limited operating partnership units | 7,500  | 7,763  | 7,504  | 7,728  |
| Common stock equivalents            | 390    | 378    | 363    | 422    |

|  |         |         |         |         |
|--|---------|---------|---------|---------|
| Series A preferred stock   | 8,060   | 8,060   | 8,060   | 8,060   |
| Series B preferred stock   | 1,919   | 1,919   | 1,919   | 1,919   |
| Minority partners' preferred interest                            | --      | 2,277   | --      | 2,862   |
| Limited partners' preferred interest                             | 661     | 1,127   | 834     | 1,246   |
| -----  |         |         |         |         |
| Total diluted weighted average shares and units outstanding      | 79,589  | 79,029  | 79,360  | 78,878  |
| -----  |         |         |         |         |
| Diluted FFO per weighted average share or unit                   | \$ 0.59 | \$ 0.70 | \$ 1.18 | \$ 1.38 |
| Diluted weighted average Class A & B dividends per share or unit | \$ 0.45 | \$ 0.45 | \$ 0.91 | \$ 0.87 |
| Diluted FFO payout ratio (Class A & B combined)                  | 77.2%   | 64.9%   | 76.6%   | 62.6%   |
| Diluted weighted average Class A dividends per share             | \$ 0.42 | \$ 0.42 | \$ 0.85 | \$ 0.81 |
| Diluted FFO payout ratio - Class A                               | 72.3%   | 61.0%   | 71.7%   | 58.6%   |
| Diluted weighted average Class B dividends per share             | \$ 0.65 | \$ 0.63 | \$ 1.30 | \$ 1.23 |
| Diluted FFO payout ratio - Class B                               | 110.3%  | 90.9%   | 109.5%  | 89.1%   |
| -----  |         |         |         |         |

CASH AVAILABLE FOR DISTRIBUTION AND CAD PAYOUT RATIO DATA  
(In thousands, except per share / unit data)

|   | Three Months Ended<br>June 30, |          | Six Months Ended<br>June 30, |          |
|---|--------------------------------|----------|------------------------------|----------|
|   | 2002                           | 2001     | 2002                         | 2001     |
| <b>CASH AVAILABLE FOR DISTRIBUTION</b>                                      |                                |          |                              |          |
| (TOTAL COMMITTED TI & LEASING COSTS INCURRED DURING PERIOD)                 |                                |          |                              |          |
| Basic FFO   | \$40,993                       | \$48,063 | \$82,249                     | \$94,508 |
| Less: Straight line rents   | 4,368                          | 10,854   | 13,035                       | 22,013   |
| Committed non-incremental capitalized tenant improvements and leasing costs | 3,406                          | 4,098    | 7,903                        | 6,744    |
| Actual non-incremental capitalized improvements                             | 2,007                          | 1,629    | 3,441                        | 2,264    |
| Basic Cash Available for Distribution                                       | 31,212                         | 31,482   | 57,870                       | 57,870   |
| Add dividends and distributions on dilutive shares and units:               |                                |          |                              |          |
| Series A preferred stock  | --                             | --       | --                           | --       |
| Series B preferred stock  | --                             | --       | --                           | --       |
| Minority partners' preferred interest                                       | --                             | 1,030    | --                           | 2,624    |
| Limited partners' preferred interest  | 236                            | 461      | 310                          | 1,121    |
| Diluted CAD   | \$31,448                       | \$32,973 | \$58,180                     | \$67,232 |
| <b>Diluted weighted average shares and units outstanding:</b>               |                                |          |                              |          |
| Common shares   | 61,059                         | 57,505   | 60,680                       | 60,680   |
| Limited operating partnership units   | 7,500                          | 7,763    | 7,504                        | 7,728    |
| Common stock equivalents  | 390                            | 378      | 363                          | 422      |
| Series A preferred stock  | --                             | --       | --                           | --       |
| Series B preferred stock  | --                             | --       | --                           | --       |
| Minority partners' preferred interest                                       | --                             | 2,277    | --                           | 2,862    |
| Limited partners' preferred interest  | 566                            | 1,127    | 368                          | 1,246    |
| Diluted weighted average shares and units outstanding                       | 69,515                         | 69,050   | 68,915                       | 68,547   |
| Diluted CAD per weighted average share or unit                              | \$ 0.45                        | \$ 0.48  | \$ 0.84                      | \$ 0.98  |
| Diluted weighted average Class A & B dividends per share or unit            | \$ 0.46                        | \$ 0.46  | \$ 0.92                      | \$ 0.87  |
| Diluted CAD payout ratio (Class A & B combined)                             | 101.2%                         | 95.4%    | 108.5%                       | 89.5%    |
| Diluted weighted average Class A dividends per share                        | \$ 0.42                        | \$ 0.42  | \$ 0.85                      | \$ 0.81  |
| Diluted CAD payout ratio - Class A  | 93.9%                          | 88.9%    | 100.6%                       | 83.1%    |
| Diluted weighted average Class B dividends per share                        | \$ 0.65                        | \$ 0.63  | \$ 1.30                      | \$ 1.23  |
| Diluted CAD payout ratio - Class B  | 143.2%                         | 132.5%   | 153.6%                       | 126.3%   |

**CASH AVAILABLE FOR DISTRIBUTION**

|  |          |          |          |          |
|--|----------|----------|----------|----------|
| (ACTUAL PAID OR ACCRUED TI & LEASING COSTS DURING PERIOD)                |          |          |          |          |
| Basic FFO  | \$40,993 | \$48,063 | \$82,249 | \$94,508 |
| Less: Straight line rents  | 4,368    | 10,854   | 22,013   | 13,035   |
| Actual non-incremental capitalized tenant improvements and leasing costs | 5,087    | 6,750    | 11,008   | 13,261   |
| Actual non-incremental capitalized improvements                          | 2,007    | 1,629    | 3,441    | 2,264    |
| Basic Cash Available for Distribution                                    | 29,531   | 28,830   | 56,970   | 54,765   |
| Add dividends and distributions on dilutive shares and units:            |          |          |          |          |
| Series A preferred stock   | --       | --       | --       | --       |
| Series B preferred stock   | --       | --       | --       | --       |
| Minority partners' preferred interest                                    | --       | --       | --       | --       |
| Limited partners' preferred interest                                     | 236      | 366      | --       | --       |
| Diluted CAD  | \$29,767 | \$29,196 | \$54,765 | \$56,970 |
| <b>Diluted weighted average shares and units outstanding:</b>            |          |          |          |          |
| Common shares  | 61,059   | 57,505   | 60,680   | 56,641   |
| Limited operating partnership units                                      | 7,500    | 7,763    | 7,504    | 7,728    |
| Common stock equivalents   | 390      | 378      | 363      | 422      |
| Series A preferred stock   | --       | --       | --       | --       |
| Series B preferred stock   | --       | --       | --       | --       |
| Minority partners' preferred interest                                    | --       | --       | --       | --       |
| Limited partners' preferred interest                                     | 566      | 921      | --       | --       |
| Diluted weighted average shares and units outstanding                    | 69,515   | 66,567   | 68,547   | 64,791   |
| Diluted CAD per weighted average share or unit                           | \$ 0.43  | \$ 0.44  | \$ 0.80  | \$ 0.88  |
| Diluted weighted average Class A & B dividends per share or unit         | \$ 0.46  | \$ 0.46  | \$ 0.92  | \$ 0.88  |
| Diluted CAD payout ratio (Class A & B combined)                          | 106.9%   | 104.1%   | 114.7%   | 99.8%    |
| Diluted weighted average Class A dividends per share                     | \$ 0.42  | \$ 0.42  | \$ 0.85  | \$ 0.81  |
| Diluted CAD payout ratio - Class A                                       | 99.2%    | 96.8%    | 106.3%   | 92.2%    |
| Diluted weighted average Class B dividends per share                     | \$ 0.65  | \$ 0.63  | \$ 1.30  | \$ 1.23  |





CASH AVAILABLE FOR DISTRIBUTION AND CAD PAYOUT RATIO DATA - CONTINUED  
(In thousands, except per share / unit data)

|   | Three Months Ended<br>June 30, |      | Six Months Ended<br>June 30, |      |
|---|--------------------------------|------|------------------------------|------|
|   | 2002                           | 2001 | 2002                         | 2001 |
| CASH AVAILABLE FOR DISTRIBUTION   |                                |      |                              |      |
| (COMMITTED TI & LEASING COSTS EXCLUDING LEASES SCHEDULED TO EXPIRE IN FUTURE PERIODS)                             |                                |      |                              |      |
| Basic FFO   | \$40,993                       |      | \$82,249                     |      |
| Less: Straight line rents   | 4,368                          |      | 13,035                       |      |
| Committed non-incremental capitalized tenant improvements and leasing costs scheduled to expire in future periods | 2,300                          |      | 5,578                        |      |
| Actual non-incremental capitalized improvements   | 2,007                          |      | 3,441                        |      |
| Basic Cash Available for Distribution   | 32,318                         |      | 60,195                       |      |
| Add dividends and distributions on dilutive shares and units:   |                                |      |                              |      |
| Series A preferred stock  | --                             |      | --                           |      |
| Series B preferred stock  | --                             |      | --                           |      |
| Limited partners' preferred interest  | 280                            |      | 486                          |      |
| Diluted CAD   | \$32,598                       |      | \$60,681                     |      |
| Diluted weighted average shares and units outstanding:  |                                |      |                              |      |
| Common shares   | 61,059                         |      | 60,680                       |      |
| Limited operating partnership units   | 7,500                          |      | 7,504                        |      |
| Common stock equivalents  | 390                            |      | 363                          |      |
| Series A preferred stock  |                                |      |                              |      |
| Series B preferred stock  |                                |      |                              |      |
| Limited partners' preferred interest  | 661                            |      | 574                          |      |
| Diluted weighted average shares and units outstanding   | 69,610                         |      | 69,121                       |      |
| Diluted CAD per weighted average share or unit  | \$ 0.47                        |      | \$ 0.88                      |      |
| Diluted weighted average Class A & B dividends per share or unit  | \$ 0.46                        |      | \$ 0.92                      |      |
| Diluted CAD payout ratio (Class A & B combined)   | 97.7%                          |      | 87.8%                        |      |
| Diluted weighted average Class A dividends per share  | \$ 0.42                        |      | \$ 0.85                      |      |
| Diluted CAD payout ratio - Class A  | 90.7%                          |      | 96.7%                        |      |
| Diluted weighted average Class B dividends per share  | \$ 0.65                        |      | \$ 1.30                      |      |
| Diluted CAD payout ratio - Class B  | 138.3%                         |      | 147.7%                       |      |

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CONSOLIDATED BALANCE SHEETS  
(In thousands)

|   | June 30,<br>2002 | December 31,<br>2001 |
|---|------------------|----------------------|
| -----   |                  |                      |
| ASSETS  |                  |                      |
| -----   |                  |                      |
| Commercial real estate properties, at cost:                                     |                  |                      |
| Land  | \$ 418,748       | \$ 408,837           |
| Building 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            |
| Investment in real estate, net of accumulated depreciation                      | 2,538,410        | 2,526,644            |
| Investments in real estate joint ventures                                       | 5,697            | 5,744                |
| Investments in mortgage notes and notes receivable                              | 55,368           | 56,234               |
| Investments in service companies and affiliate loans and joint ventures         | 79,178           | 79,184               |
| Cash and cash equivalents   | 39,389           | 121,975              |
| Tenant receivables  | 11,511           | 9,633                |
| Deferred rents receivable   | 94,264           | 81,089               |
| Prepaid expenses and other assets   | 25,271           | 45,495               |
| Contract and land deposits and pre-acquisition costs                            | 101              | 3,782                |
| Deferred leasing and loan costs   | 64,811           | 64,438               |
|   | 2,914,000        | 2,994,218            |
| TOTAL ASSETS  | \$ 2,914,000     | \$ 2,994,218         |
| -----   |                  |                      |
| LIABILITIES AND STOCKHOLDER'S EQUITY  |                  |                      |
| -----   |                  |                      |
| 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  | 77,919           | 87,683               |
| Dividends and distributions payable   | 33,199           | 32,988               |
|   | 1,532,340        | 1,592,811            |
| TOTAL LIABILITIES   | 1,532,340        | 1,592,811            |
| -----   |                  |                      |
| MINORITY INTERESTS:   |                  |                      |
| Minority partners' interests in consolidated partnerships                       | 243,286          | 242,698              |
| Preferred unit interest in the operating partnership                            | 19,662           | 30,965               |
| Limited partners' minority interest in the operating partnership                | 78,173           | 81,887               |
|   | 341,121          | 355,550              |
| TOTAL MINORITY INTERESTS  | 341,121          | 355,550              |
| -----   |                  |                      |
| STOCKHOLDERS' EQUITY:   |                  |                      |
| Preferred Stock, \$.01 par value, 25,000,000 shares authorized                  |                  |                      |
| Series A - 9,192,000 shares issued and outstanding                              | 92               | 92                   |
| Series B - 2,000,000 shares issued and outstanding                              | 20               | 20                   |
| Common Stock, \$.01 par value, 100,000,000 shares authorized                    |                  |                      |
| Class A - 50,988,233 and 49,982,377 shares issued and outstanding, respectively | 510              | 500                  |
| Class B - 10,283,513 shares issued and outstanding                              | 103              | 103                  |
| Treasury stock, Class A - 61,668 shares held                                    | (1,388)          | --                   |
| Additional paid in capital  | 1,039,814        | 1,045,142            |
|   | 1,040,539        | 1,045,857            |
| TOTAL STOCKHOLDERS' EQUITY  | 1,040,539        | 1,045,857            |
| -----   |                  |                      |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY                                      | \$ 2,914,000     | \$ 2,994,218         |
| -----   |                  |                      |

DEBT SUMMARY AT JUNE 30, 2002  
(Dollars in thousands)

DEBT BREAKDOWN

|   | Balance            | % of Total    | Weighted Average Interest Rate | Weighted Average Maturity (Years) |
|---|--------------------|---------------|--------------------------------|-----------------------------------|
| Fixed Rate Secured Debt                 | \$ 745,983         | 52.5%         | 7.3%                           | 9.5                               |
| Fixed Rate Senior Unsecured Notes (a)   | 499,239            | 35.1%         | 7.4%                           | 5.1                               |
| Variable Rate Unsecured Credit Facility | 176,000            | 12.4%         | 3.0%                           | 1.2                               |
| <b>Total/Weighted Average</b>           | <b>\$1,421,222</b> | <b>100.0%</b> | <b>6.8%</b>                    | <b>6.9</b>                        |

DEBT AMORTIZATION AND MATURITY

| Year              | Secured Debt     |                  | Senior Unsecured Notes | Unsecured Credit Facility | Total              |
|-------------------|------------------|------------------|------------------------|---------------------------|--------------------|
|                   | Amortization     | Due at Maturity  |                        |                           |                    |
| 2002              | \$ 5,965         | \$ 0             |                        |                           | \$ 5,965           |
| 2003              | 12,300           | 0                |                        | 176,000                   | 188,300            |
| 2004              | 13,169           | 2,616            | 100,000                |                           | 115,785            |
| 2005              | 14,167           | 18,553           |                        |                           | 32,720             |
| 2006              | 13,785           | 129,920          |                        |                           | 143,705            |
| 2007              | 11,305           | 60,539           | 200,000                |                           | 271,844            |
| 2008              | 10,357           | 0                |                        |                           | 10,357             |
| 2009              | 9,991            | 100,254          | 200,000                |                           | 310,245            |
| 2010              | 7,818            | 28,423           |                        |                           | 36,241             |
| 2011              | 5,571            | 217,592          |                        |                           | 223,163            |
| Thereafter        | 83,658           | 0                |                        |                           | 83,658             |
| <b>Total Debt</b> | <b>\$188,086</b> | <b>\$557,897</b> | <b>\$500,000 (a)</b>   | <b>\$176,000</b>          | <b>\$1,421,983</b> |

PROPERTY MORTGAGE DETAIL

| Property                                       | \$ Outstanding   | Interest Rate | Maturity Date | Amortization Term (Years) |
|--|------------------|---------------|---------------|---------------------------|
| 80 Orville Dr, Islip, NY                       | 2,616            | 10.10%        | February-04   | Interest only             |
| 395 North Service Road, Melville, NY           | 19,913           | 6.45%         | October-05    | \$34k per month           |
| 200 Summit Lake Drive, Valhalla, NY            | 19,576           | 9.25%         | January-06    | 25                        |
| 1350 Avenue of the Americas, NY, NY            | 75,000           | 6.52%         | June-06       | (b)                       |
| Landmark Square, Stamford, CT                  | 45,589           | 8.02%         | October-06    | 25                        |
| 100 Summit Lake Drive, Valhalla, NY            | 19,750           | 8.50%         | April-07      | 15                        |
| 333 Earle Ovington Blvd, Mitchel Field, NY (c) | 54,337           | 7.72%         | August-07     | 25                        |
| 810 Seventh Avenue, NY, NY                     | 83,583           | 7.73%         | August-09     | 25                        |
| 100 Wall Street, NY, NY                        | 36,219           | 7.73%         | August-09     | 25                        |
| 6900 Jericho Turnpike, Syosset, NY             | 7,404            | 8.07%         | July-10       | 25                        |
| 6800 Jericho Turnpike, Syosset, NY             | 14,029           | 8.07%         | July-10       | 25                        |
| 580 White Plains Road, Tarrytown, NY           | 12,784           | 7.86%         | September-10  | 25                        |
| 919 Third Ave, NY, NY (d)                      | 248,037          | 6.867%        | August-11     | 30                        |
| 110 Bi-County Blvd., Farmingdale, NY           | 3,744            | 9.125%        | November-12   | 20                        |
| One Orlando Center, Orlando, FL (e)            | 38,655           | 6.82%         | November-27   | 28                        |
| 120 West 45th Street, NY, NY (e)               | 64,747           | 6.82%         | November-27   | 28                        |
| <b>Total/Weighted Average</b>                  | <b>\$745,983</b> | <b>7.27%</b>  |               |                           |

(a) These notes were issued at an aggregate discount of \$1,005,500, which is being amortized over the term of the Senior Unsecured Notes to which they relate. Current unamortized discount is approximately \$760,911.

(b) Interest only for the 1st year; 30 years thereafter

(c) The Company has a 60% general partnership interest in this property and its proportionate share of the aggregate principal amount is approximately \$32.6 million

(d) The Company has a 51% membership interest in this property and its proportionate share of the aggregate principal amount is approximately \$126.5 million

(e) Subject to interest rate adjustment on November 1, 2004

In addition, the Company has a 60% interest in an unconsolidated joint venture property. The pro rata share of this debt is approximately \$7.7 million.

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PREFERRED SECURITIES AT JUNE 30, 2002  
(in thousands)

The following table sets forth certain information regarding the Company's preferred securities as of June 30, 2002.

| Security   | Liquidation<br>Preference Value | Current<br>Yield | Conversion price<br>Per Share | Issuance date |
|--|---------------------------------|------------------|-------------------------------|---------------|
| 7 5/8 % Series A Convertible Cumulative Preferred Stock  | \$229,800                       | 7.625%           | \$28.51                       | April 1998    |
| Series B Convertible Cumulative Preferred Stock          | 50,000                          | 8.850%           | \$26.05                       | June 1999     |
| Series B Preferred Units of Limited Partnership Interest | 3,081                           | 5.560%           | \$32.51                       | April 1998    |
| Series C Preferred Units of Limited Partnership Interest | 10,581                          | 5.560%           | \$29.39                       | April 1998    |
| Series D Preferred Units of Limited Partnership Interest | 6,000                           | 5.560%           | \$29.12                       | July 1998     |
| -----  |                                 |                  |                               |               |
| Total  | \$299,462                       |                  |                               |               |

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SAME PROPERTY PERFORMANCE

For the 3 month period June 30, 2002 vs. June 30, 2001  
(In thousands)

REGIONAL BREAKDOWN

|               | CASH REVENUE (A)  |                   |                  |              |
|---------------|-------------------|-------------------|------------------|--------------|
|               | 2Q02              | 2Q01              | \$ Change        | % Change     |
| Long Island   | \$ 34,635         | \$ 33,292         | \$ 1,343         | 4.0%         |
| Westchester   | 19,451            | 19,531            | (80)             | -0.4%        |
| Connecticut   | 8,241             | 8,429             | (188)            | -2.2%        |
| New Jersey    | 13,073            | 11,868            | 1,205            | 10.2%        |
| New York City | 38,586            | 30,054            | 8,532            | 28.4%        |
| Florida       | 2,190             | 2,302             | (112)            | -4.9%        |
| <b>Total</b>  | <b>\$ 116,176</b> | <b>\$ 105,476</b> | <b>\$ 10,700</b> | <b>10.1%</b> |

|               | GAAP REVENUE (A)  |                   |                 |             |
|---------------|-------------------|-------------------|-----------------|-------------|
|               | 2Q02              | 2Q01              | \$ Change       | % Change    |
| Long Island   | \$ 35,870         | \$ 35,115         | \$ 755          | 2.2%        |
| Westchester   | 19,960            | 20,297            | (337)           | -1.7%       |
| Connecticut   | 8,404             | 8,442             | (38)            | -0.5%       |
| New Jersey    | 13,221            | 12,086            | 1,135           | 9.4%        |
| New York City | 40,948            | 38,030            | 2,918           | 7.7%        |
| Florida       | 2,206             | 2,334             | (128)           | -5.5%       |
| <b>Total</b>  | <b>\$ 120,609</b> | <b>\$ 116,304</b> | <b>\$ 4,305</b> | <b>3.7%</b> |

|               | OPERATING EXPENSES |                  |                 |             |
|---------------|--------------------|------------------|-----------------|-------------|
|               | 2Q02               | 2Q01             | \$ Change       | % Change    |
| Long Island   | \$ 5,699           | \$ 5,733         | \$ (34)         | -0.6%       |
| Westchester   | 4,445              | 4,540            | (95)            | -2.1%       |
| Connecticut   | 2,083              | 1,946            | 137             | 7.0%        |
| New Jersey    | 1,996              | 1,778            | 218             | 12.3%       |
| New York City | 8,491              | 7,304            | 1,187           | 16.3%       |
| Florida       | 524                | 393              | 131             | 33.3%       |
| <b>Total</b>  | <b>\$ 23,238</b>   | <b>\$ 21,694</b> | <b>\$ 1,544</b> | <b>7.1%</b> |

|               | REAL ESTATE TAXES |                  |                 |             |
|---------------|-------------------|------------------|-----------------|-------------|
|               | 2Q02              | 2Q01             | \$ Change       | % Change    |
| Long Island   | \$ 6,376          | \$ 6,029         | \$ 347          | 5.8%        |
| Westchester   | 2,556             | 2,307            | 249             | 10.8%       |
| Connecticut   | 741               | 717              | 24              | 3.3%        |
| New Jersey    | 1,651             | 1,445            | 206             | 14.3%       |
| New York City | 6,105             | 5,828            | 277             | 4.8%        |
| Florida       | 240               | 246              | (6)             | -2.4%       |
| <b>Total</b>  | <b>\$ 17,669</b>  | <b>\$ 16,572</b> | <b>\$ 1,097</b> | <b>6.6%</b> |

|               | CASH NOI         |                  |                 |              |
|---------------|------------------|------------------|-----------------|--------------|
|               | 2Q02             | 2Q01             | \$ Change       | % Change     |
| Long Island   | \$ 22,560        | \$ 21,530        | \$ 1,030        | 4.8%         |
| Westchester   | 12,450           | 12,684           | (234)           | -1.8%        |
| Connecticut   | 5,417            | 5,766            | (349)           | -6.1%        |
| New Jersey    | 9,426            | 8,645            | 781             | 9.0%         |
| New York City | 23,990           | 16,922           | 7,068           | 41.8%        |
| Florida       | 1,426            | 1,663            | (237)           | -14.3%       |
| <b>Total</b>  | <b>\$ 75,269</b> | <b>\$ 67,210</b> | <b>\$ 8,059</b> | <b>12.0%</b> |

|               | GAAP NOI         |                  |                 |             |
|---------------|------------------|------------------|-----------------|-------------|
|               | 2Q02             | 2Q01             | \$ Change       | % Change    |
| Long Island   | \$ 23,795        | \$ 23,353        | \$ 442          | 1.9%        |
| Westchester   | 12,959           | 13,450           | (491)           | -3.7%       |
| Connecticut   | 5,580            | 5,779            | (199)           | -3.4%       |
| New Jersey    | 9,574            | 8,863            | 711             | 8.0%        |
| New York City | 26,352           | 24,898           | 1,454           | 5.8%        |
| Florida       | 1,442            | 1,695            | (253)           | -14.9%      |
| <b>Total</b>  | <b>\$ 79,702</b> | <b>\$ 78,038</b> | <b>\$ 1,664</b> | <b>2.1%</b> |

PROPERTY TYPE BREAKDOWN

|                | CASH REVENUE (A)  |                   |                  |              |
|----------------|-------------------|-------------------|------------------|--------------|
|                | 2Q02              | 2Q01              | \$ Change        | % Change     |
| Office         | \$ 103,255        | \$ 93,070         | \$ 10,185        | 10.9%        |
| Industrial (b) | 12,921            | 12,406            | 515              | 4.2%         |
| <b>Total</b>   | <b>\$ 116,176</b> | <b>\$ 105,476</b> | <b>\$ 10,700</b> | <b>10.1%</b> |

|                | GAAP REVENUE (A)  |                   |                 |             |
|----------------|-------------------|-------------------|-----------------|-------------|
|                | 2Q02              | 2Q01              | \$ Change       | % Change    |
| Office         | \$ 106,985        | \$ 103,237        | \$ 3,748        | 3.6%        |
| Industrial (b) | 13,624            | 13,067            | 557             | 4.3%        |
| <b>Total</b>   | <b>\$ 120,609</b> | <b>\$ 116,304</b> | <b>\$ 4,305</b> | <b>3.7%</b> |

|                | OPERATING EXPENSES |                  |                 |             |
|----------------|--------------------|------------------|-----------------|-------------|
|                | 2Q02               | 2Q01             | \$ Change       | % Change    |
| Office         | \$ 22,217          | \$ 20,697        | \$ 1,520        | 7.3%        |
| Industrial (b) | 1,021              | 997              | 24              | 2.4%        |
| <b>Total</b>   | <b>\$ 23,238</b>   | <b>\$ 21,694</b> | <b>\$ 1,544</b> | <b>7.1%</b> |

|                | REAL ESTATE TAXES |                  |                 |             |
|----------------|-------------------|------------------|-----------------|-------------|
|                | 2Q02              | 2Q01             | \$ Change       | % Change    |
| Office         | \$ 15,384         | \$ 14,399        | \$ 985          | 6.8%        |
| Industrial (b) | 2,285             | 2,173            | 112             | 5.2%        |
| <b>Total</b>   | <b>\$ 17,669</b>  | <b>\$ 16,572</b> | <b>\$ 1,097</b> | <b>6.6%</b> |

|                | CASH NOI         |                  |                 |              |
|----------------|------------------|------------------|-----------------|--------------|
|                | 2Q02             | 2Q01             | \$ Change       | % Change     |
| Office         | \$ 65,654        | \$ 57,974        | \$ 7,680        | 13.2%        |
| Industrial (b) | 9,615            | 9,236            | 379             | 4.1%         |
| <b>Total</b>   | <b>\$ 75,269</b> | <b>\$ 67,210</b> | <b>\$ 8,059</b> | <b>12.0%</b> |

|                | GAAP NOI         |                  |                 |             |
|----------------|------------------|------------------|-----------------|-------------|
|                | 2Q02             | 2Q01             | \$ Change       | % Change    |
| Office         | \$ 69,384        | \$ 68,141        | \$ 1,243        | 1.8%        |
| Industrial (b) | 10,318           | 9,897            | 421             | 4.3%        |
| <b>Total</b>   | <b>\$ 79,702</b> | <b>\$ 78,038</b> | <b>\$ 1,664</b> | <b>2.1%</b> |

- 
- (a) Excludes lease termination fees and reserves against deferred rents receivable
  - (b) Includes two retail properties.
-

SAME PROPERTY PERFORMANCE  
For the 6 month period June 30, 2002 vs. June 30, 2001  
(In thousands)

REGIONAL BREAKDOWN

|               | CASH REVENUE (A)  |                   |                  |             |
|---------------|-------------------|-------------------|------------------|-------------|
|               | 2002              | 2001              | \$ Change        | % Change    |
| Long Island   | \$ 68,360         | \$ 66,412         | \$ 1,948         | 2.9%        |
| Westchester   | 38,964            | 38,443            | 521              | 1.4%        |
| Connecticut   | 16,481            | 16,916            | (435)            | -2.6%       |
| New Jersey    | 26,344            | 23,709            | 2,635            | 11.1%       |
| New York City | 72,455            | 59,403            | 13,052           | 22.0%       |
| Florida       | 4,448             | 4,593             | (145)            | -3.2%       |
| <b>Total</b>  | <b>\$ 227,052</b> | <b>\$ 209,476</b> | <b>\$ 17,576</b> | <b>8.4%</b> |

|               | GAAP REVENUE (A)  |                   |                 |             |
|---------------|-------------------|-------------------|-----------------|-------------|
|               | 2002              | 2001              | \$ Chang        | % Change    |
| Long Island   | \$ 70,381         | \$ 69,282         | \$ 1,099        | 1.6%        |
| Westchester   | 40,152            | 40,258            | (106)           | -0.3%       |
| Connecticut   | 16,783            | 17,021            | (238)           | -1.4%       |
| New Jersey    | 26,367            | 24,782            | 1,585           | 6.4%        |
| New York City | 81,117            | 75,474            | 5,643           | 7.5%        |
| Florida       | 4,465             | 4,654             | (189)           | -4.1%       |
| <b>Total</b>  | <b>\$ 239,265</b> | <b>\$ 231,471</b> | <b>\$ 7,794</b> | <b>3.4%</b> |

|               | OPERATING EXPENSES |                  |                 |             |
|---------------|--------------------|------------------|-----------------|-------------|
|               | 2002               | 2001             | \$ Change       | % Change    |
| Long Island   | \$ 11,130          | \$ 10,879        | \$ 251          | 2.3%        |
| Westchester   | 9,282              | 9,688            | (406)           | -4.2%       |
| Connecticut   | 4,107              | 3,893            | 214             | 5.5%        |
| New Jersey    | 3,773              | 3,849            | (76)            | -2.0%       |
| New York City | 16,889             | 14,990           | 1,899           | 12.7%       |
| Florida       | 974                | 775              | 199             | 25.7%       |
| <b>Total</b>  | <b>\$ 46,155</b>   | <b>\$ 44,074</b> | <b>\$ 2,081</b> | <b>4.7%</b> |

|               | REAL ESTATE TAXES |                  |                 |             |
|---------------|-------------------|------------------|-----------------|-------------|
|               | 2002              | 2001             | \$ Change       | % Change    |
| Long Island   | \$ 12,638         | \$ 11,936        | \$ 702          | 5.9%        |
| Westchester   | 5,027             | 4,634            | 393             | 8.5%        |
| Connecticut   | 1,481             | 1,433            | 48              | 3.3%        |
| New Jersey    | 3,313             | 2,728            | 585             | 21.4%       |
| New York City | 12,140            | 11,656           | 484             | 4.2%        |
| Florida       | 480               | 491              | (11)            | -2.2%       |
| <b>Total</b>  | <b>\$ 35,079</b>  | <b>\$ 32,878</b> | <b>\$ 2,201</b> | <b>6.7%</b> |

|               | CASH NOI          |                   |                  |              |
|---------------|-------------------|-------------------|------------------|--------------|
|               | 2002              | 2001              | \$ Change        | % Change     |
| Long Island   | \$ 44,592         | \$ 43,597         | \$ 995           | 2.3%         |
| Westchester   | 24,655            | 24,121            | 534              | 2.2%         |
| Connecticut   | 10,893            | 11,590            | (697)            | -6.0%        |
| New Jersey    | 19,258            | 17,132            | 2,126            | 12.4%        |
| New York City | 43,426            | 32,757            | 10,669           | 32.6%        |
| Florida       | 2,994             | 3,327             | (333)            | -10.0%       |
| <b>Total</b>  | <b>\$ 145,818</b> | <b>\$ 132,524</b> | <b>\$ 13,294</b> | <b>10.0%</b> |

|               | GAAP NOI          |                   |                 |             |
|---------------|-------------------|-------------------|-----------------|-------------|
|               | 2002              | 2001              | \$ Change       | % Change    |
| Long Island   | \$ 46,613         | \$ 46,467         | \$ 146          | 0.3%        |
| Westchester   | 25,843            | 25,936            | (93)            | -0.4%       |
| Connecticut   | 11,195            | 11,695            | (500)           | -4.3%       |
| New Jersey    | 19,281            | 18,205            | 1,076           | 5.9%        |
| New York City | 52,088            | 48,828            | 3,260           | 6.7%        |
| Florida       | 3,011             | 3,388             | (377)           | -11.1%      |
| <b>Total</b>  | <b>\$ 158,031</b> | <b>\$ 154,519</b> | <b>\$ 3,512</b> | <b>2.3%</b> |

PROPERTY TYPE BREAKDOWN

|                | CASH REVENUE (A)  |                   |                  |             |
|----------------|-------------------|-------------------|------------------|-------------|
|                | 2002              | 2001              | \$ Change        | % Change    |
| Office         | \$ 202,417        | \$ 184,772        | \$ 17,645        | 9.5%        |
| Industrial (b) | 24,635            | 24,704            | (69)             | -0.3%       |
| <b>Total</b>   | <b>\$ 227,052</b> | <b>\$ 209,476</b> | <b>\$ 17,576</b> | <b>8.4%</b> |

|                | GAAP REVENUE (A)  |                   |                 |             |
|----------------|-------------------|-------------------|-----------------|-------------|
|                | 2002              | 2001              | \$ Change       | % Change    |
| Office         | \$ 213,784        | \$ 205,801        | \$ 7,983        | 3.9%        |
| Industrial (b) | 25,481            | (189)             | 25,670          | -0.7%       |
| <b>Total</b>   | <b>\$ 239,265</b> | <b>\$ 231,471</b> | <b>\$ 7,794</b> | <b>3.4%</b> |

|                | OPERATING EXPENSES |                  |                 |             |
|----------------|--------------------|------------------|-----------------|-------------|
|                | 2002               | 2001             | \$ Change       | % Change    |
| Office         | \$ 44,098          | \$ 41,839        | \$ 2,259        | 5.4%        |
| Industrial (b) | 2,057              | 2,235            | (178)           | -8.0%       |
| <b>Total</b>   | <b>\$ 46,155</b>   | <b>\$ 44,074</b> | <b>\$ 2,081</b> | <b>4.7%</b> |

|                | REAL ESTATE TAXES |                  |                 |             |
|----------------|-------------------|------------------|-----------------|-------------|
|                | 2002              | 2001             | \$ Change       | % Change    |
| Office         | \$ 30,658         | \$ 28,677        | \$ 1,981        | 6.9%        |
| Industrial (b) | 4,421             | 4,201            | 220             | 5.2%        |
| <b>Total</b>   | <b>\$ 35,079</b>  | <b>\$ 32,878</b> | <b>\$ 2,201</b> | <b>6.7%</b> |

|                | CASH NOI          |                   |                  |              |
|----------------|-------------------|-------------------|------------------|--------------|
|                | 2002              | 2001              | \$ Change        | % Change     |
| Office         | \$ 127,661        | \$ 114,256        | \$ 13,405        | 11.7%        |
| Industrial (b) | 18,157            | 18,268            | (111)            | -0.6%        |
| <b>Total</b>   | <b>\$ 145,818</b> | <b>\$ 132,524</b> | <b>\$ 13,294</b> | <b>10.0%</b> |

|                | GAAP NOI          |                   |                 |             |
|----------------|-------------------|-------------------|-----------------|-------------|
|                | 2002              | 2001              | \$ Change       | % Change    |
| Office         | \$ 139,028        | \$ 135,285        | \$ 3,743        | 2.8%        |
| Industrial (b) | 19,003            | 19,234            | (231)           | -1.2%       |
| <b>Total</b>   | <b>\$ 158,031</b> | <b>\$ 154,519</b> | <b>\$ 3,512</b> | <b>2.3%</b> |

(a) Excludes lease termination fees and reserves against deferred rents receivable  
(b) Includes two retail properties





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 PORTFOLIO SNAPSHOT  
 Based on 2nd quarter 2002

GAAP CONSOLIDATED AMOUNTS (A)

PRO FORMA AMOUNTS (B)

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 GEOGRAPHIC DISTRIBUTION  
 -----

|                          | Square Feet | Cash Revenue | Cash NOI | GAAP NOI | Square Feet | Cash Revenue | Cash NOI | GAAP NOI |
|--------------------------|-------------|--------------|----------|----------|-------------|--------------|----------|----------|
| Long Island              |             |              |          |          |             |              |          |          |
| Office                   | 19%         | 21%          | 20%      | 21%      | 18%         | 20%          | 19%      | 20%      |
| Industrial (c)           | 29%         | 9%           | 11%      | 11%      | 31%         | 11%          | 12%      | 12%      |
| Subtotal - Long Island   | 48%         | 31%          | 31%      | 32%      | 49%         | 31%          | 31%      | 32%      |
| Westchester              |             |              |          |          |             |              |          |          |
| Office                   | 16%         | 19%          | 19%      | 17%      | 17%         | 21%          | 20%      | 19%      |
| Industrial               | 1%          | 0%           | 0%       | 0%       | 1%          | 0%           | 1%       | 0%       |
| Subtotal - Westchester   | 17%         | 19%          | 19%      | 17%      | 18%         | 21%          | 21%      | 19%      |
| Connecticut              |             |              |          |          |             |              |          |          |
| Office                   | 5%          | 6%           | 7%       | 6%       | 5%          | 6%           | 7%       | 6%       |
| Industrial               | 2%          | 1%           | 1%       | 1%       | 2%          | 1%           | 1%       | 1%       |
| Subtotal - Connecticut   | 7%          | 7%           | 8%       | 7%       | 7%          | 7%           | 8%       | 7%       |
| New Jersey               |             |              |          |          |             |              |          |          |
| Office                   | 9%          | 10%          | 11%      | 12%      | 10%         | 11%          | 12%      | 12%      |
| Industrial               | 2%          | 1%           | 1%       | 1%       | 2%          | 1%           | 1%       | 1%       |
| Subtotal - New Jersey    | 11%         | 11%          | 12%      | 13%      | 12%         | 12%          | 13%      | 13%      |
| New York City            |             |              |          |          |             |              |          |          |
| Office                   | 17%         | 32%          | 31%      | 31%      | 15%         | 29%          | 28%      | 28%      |
| Subtotal - New York City | 17%         | 32%          | 31%      | 31%      | 15%         | 29%          | 28%      | 28%      |

-----  
 PROPERTY TYPE  
 -----

|                |     |     |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|-----|-----|
| Office         | 66% | 89% | 88% | 87% | 65% | 87% | 85% | 86% |
| Industrial (c) | 34% | 11% | 13% | 13% | 35% | 13% | 14% | 14% |

-----  
 SUBURBAN VS CBD (OFFICE SPACE ONLY)  
 -----

|          |     |     |     |     |     |     |     |     |
|----------|-----|-----|-----|-----|-----|-----|-----|-----|
| Suburban | 62% | 50% | 50% | 51% | 60% | 44% | 46% | 54% |
| CBD      | 38% | 50% | 50% | 49% | 40% | 56% | 54% | 46% |

-----  
 (a) Information in accordance with GAAP accounting

(b) Adjusted for pro rata share of consolidated and unconsolidated joint venture properties

(c) Includes 2 retail properties

Note: The Company also owns a 357,000 square foot office building in Orlando, FL. Percentage calculations exclude this property

OCCUPANCY ANALYSIS  
As of June 30, 2002

| Property   | Number of Buildings | Rentable Square Feet | Occupancy as of |              | Square Feet as a % of |                 | NOI as a % of |                 |  |
|--|---------------------|----------------------|-----------------|--------------|-----------------------|-----------------|---------------|-----------------|--|
|  |                     |                      | Mar-02          | June-02      | Property Type         | Total Portfolio | Property Type | Total Portfolio |  |
| <b>OFFICE PROPERTIES</b>                               |                     |                      |                 |              |                       |                 |               |                 |  |
| <b>SUBURBAN OFFICE</b>                                 |                     |                      |                 |              |                       |                 |               |                 |  |
| <b>LONG ISLAND</b>                                     |                     |                      |                 |              |                       |                 |               |                 |  |
| Nassau West Corporate Center, Mitchel Field, NY        | 6                   | 1,531,021            | 96.8%           | 97.9%        | 11.1%                 | 7.5%            | 9.6%          | 8.4%            |  |
| Huntington Melville Corporate Center, Melville, NY (1) | 7                   | 1,054,569            | 97.9%           | 88.9%        | 7.7%                  | 5.1%            | 6.1%          | 5.4%            |  |
| North Shore Atrium, Syosset, NY                        | 2                   | 304,263              | 96.8%           | 96.8%        | 2.2%                  | 1.5%            | 1.5%          | 1.3%            |  |
| Standalone Office Properties                           | 10                  | 1,064,231            | 93.6%           | 94.2%        | 7.7%                  | 5.2%            | 5.7%          | 4.9%            |  |
| <b>SUBTOTAL - LONG ISLAND (1)</b>                      | <b>25</b>           | <b>3,954,084</b>     | <b>96.1%</b>    | <b>94.4%</b> | <b>28.7%</b>          | <b>19.2%</b>    | <b>22.9%</b>  | <b>20.0%</b>    |  |
| <b>WESTCHESTER</b>                                     |                     |                      |                 |              |                       |                 |               |                 |  |
| Tarrytown Corporate Center, Tarrytown, NY              | 6                   | 875,726              | 92.2%           | 92.3%        | 6.4%                  | 4.3%            | 4.6%          | 4.1%            |  |
| Summit at Vallhalla, Vahalla, NY                       | 3                   | 699,045              | 97.0%           | 97.0%        | 5.1%                  | 3.4%            | 4.3%          | 3.8%            |  |
| Mt. Pleasant Corporate Center, Valhalla, NY            | 2                   | 162,004              | 98.3%           | 96.5%        | 1.2%                  | 0.8%            | 0.8%          | 0.7%            |  |
| Reckson Executive Park, Rye Brook, NY                  | 6                   | 541,903              | 98.8%           | 87.3%        | 3.9%                  | 2.6%            | 2.8%          | 2.4%            |  |
| Standalone Office Properties                           | 6                   | 953,673              | 96.6%           | 96.2%        | 6.9%                  | 4.6%            | 9.0%          | 7.9%            |  |
| <b>SUBTOTAL - WESTCHESTER</b>                          | <b>23</b>           | <b>3,232,351</b>     | <b>96.0%</b>    | <b>93.8%</b> | <b>23.5%</b>          | <b>15.7%</b>    | <b>21.6%</b>  | <b>18.8%</b>    |  |
| <b>NEW JERSEY</b>                                      |                     |                      |                 |              |                       |                 |               |                 |  |
| Short Hills Office Center, Short Hills, NJ             | 3                   | 568,642              | 100.0%          | 100.0%       | 4.1%                  | 2.8%            | 4.4%          | 3.9%            |  |
| Executive Hill Office Park, West Orange, NJ            | 4                   | 391,382              | 87.1%           | 84.2%        | 2.8%                  | 1.9%            | 1.9%          | 1.7%            |  |
| University Square, Princeton, NJ                       | 3                   | 131,727              | 100.0%          | 100.0%       | 1.0%                  | 0.6%            | 0.9%          | 0.8%            |  |
| Standalone Office Properties                           | 6                   | 872,003              | 96.7%           | 95.4%        | 6.3%                  | 4.2%            | 5.9%          | 5.1%            |  |
| <b>SUBTOTAL - NEW JERSEY</b>                           | <b>16</b>           | <b>1,963,754</b>     | <b>96.0%</b>    | <b>94.8%</b> | <b>14.3%</b>          | <b>9.6%</b>     | <b>13.1%</b>  | <b>11.4%</b>    |  |
| <b>SUBTOTAL - SUBURBAN OFFICE</b>                      | <b>64</b>           | <b>9,150,189</b>     | <b>96.0%</b>    | <b>94.2%</b> | <b>66.4%</b>          | <b>44.5%</b>    | <b>57.5%</b>  | <b>50.3%</b>    |  |
| <b>CBD Office</b>                                      |                     |                      |                 |              |                       |                 |               |                 |  |
| <b>CONNECTICUT</b>                                     |                     |                      |                 |              |                       |                 |               |                 |  |
| Landmark Square, Stamford, CT                          | 6                   | 799,048              | 91.7%           | 92.8%        | 5.8%                  | 3.9%            | 4.8%          | 4.2%            |  |
| Stamford Towers, Stamford, CT                          | 2                   | 323,315              | 100.0%          | 100.0%       | 2.3%                  | 1.6%            | 2.5%          | 2.2%            |  |
| <b>SUBTOTAL - CONNECTICUT</b>                          | <b>8</b>            | <b>1,122,363</b>     | <b>93.9%</b>    | <b>94.9%</b> | <b>8.2%</b>           | <b>5.5%</b>     | <b>7.3%</b>   | <b>6.4%</b>     |  |
| <b>NEW YORK CITY</b>                                   |                     |                      |                 |              |                       |                 |               |                 |  |
| 919 Third Avenue                                       | 1                   | 1,356,796            | 100.0%          | 100.0%       | 9.9%                  | 6.6%            | 15.4%         | 13.5%           |  |
| 810 Seventh Avenue                                     | 1                   | 692,060              | 97.6%           | 97.6%        | 5.0%                  | 3.4%            | 6.3%          | 5.6%            |  |
| 100 Wall Street  | 1                   | 466,226              | 96.2%           | 96.8%        | 3.4%                  | 2.3%            | 3.7%          | 3.2%            |  |
| 120 W. 45th Street                                     | 1                   | 443,109              | 91.6%           | 93.6%        | 3.2%                  | 2.2%            | 5.0%          | 4.4%            |  |
| 1350 Ave. of the Americas                              | 1                   | 540,000              | 97.4%           | 96.5%        | 3.9%                  | 2.6%            | 4.7%          | 4.1%            |  |
| <b>SUBTOTAL - NEW YORK CITY</b>                        | <b>5</b>            | <b>3,498,191</b>     | <b>97.5%</b>    | <b>97.8%</b> | <b>25.4%</b>          | <b>17.0%</b>    | <b>35.2%</b>  | <b>30.8%</b>    |  |
| <b>SUBTOTAL - CBD OFFICE</b>                           | <b>13</b>           | <b>4,620,554</b>     | <b>96.6%</b>    | <b>96.8%</b> | <b>33.6%</b>          | <b>22.5%</b>    | <b>42.5%</b>  | <b>37.1%</b>    |  |

|                   |    |            |       |       |        |       |        |       |  |
|-------------------|----|------------|-------|-------|--------|-------|--------|-------|--|
| SUBTOTAL -        |    |            |       |       |        |       |        |       |  |
| OFFICE PROPERTIES | 77 | 13,770,743 | 96.2% | 95.2% | 100.0% | 67.0% | 100.0% | 87.4% |  |

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 (1) Rentable square feet at March 31, 2002 included a recently completed 277,500 sf Class A office building which was currently 61% leased; percent leased excludes this property at March 31, 2002. Property is still 61% occupied and is included in the percent leased calculation.  
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OCCUPANCY ANALYSIS  
As of June 30, 2002

| Property                                      | Number of Buildings | Rentable Square Feet | Occupancy Mar-02 | as of Jun-02 | Square Feet as a % of Property Type | as a % of Total Portfolio | NOI as a % of Property Type | as a % of Total Portfolio |
|---|---------------------|----------------------|------------------|--------------|-------------------------------------|---------------------------|-----------------------------|---------------------------|
| <b>INDUSTRIAL PROPERTIES</b>                  |                     |                      |                  |              |                                     |                           |                             |                           |
| <b>LONG ISLAND INDUSTRIAL PROPERTIES</b>      |                     |                      |                  |              |                                     |                           |                             |                           |
| Vanderbilt Industrial Park, Hauppauge, NY     | 47                  | 2,331,996            | 92.4%            | 91.4%        | 34.5%                               | 11.4%                     | 28.9%                       | 3.6%                      |
| Airport International Plaza, Bohemia, NY      | 21                  | 1,290,401            | 99.0%            | 98.4%        | 19.1%                               | 6.3%                      | 21.1%                       | 2.6%                      |
| County Line Industrial Center, Melville, NY   | 4                   | 342,354              | 100.0%           | 100.0%       | 5.1%                                | 1.7%                      | 5.2%                        | 0.7%                      |
| Other Submarkets                              |                     |                      |                  |              |                                     |                           |                             |                           |
| Farmingdale                                   | 3                   | 520,008              | 100.0%           | 100.0%       | 7.7%                                | 2.5%                      | 8.1%                        | 1.0%                      |
| Melville                                      | 4                   | 246,769              | 100.0%           | 100.0%       | 3.7%                                | 1.2%                      | 6.0%                        | 0.8%                      |
| Islip/Islandia                                | 6                   | 212,524              | 100.0%           | 85.7%        | 3.1%                                | 1.0%                      | 1.6%                        | 0.2%                      |
| Hauppauge                                     | 2                   | 195,942              | 99.1%            | 99.1%        | 2.9%                                | 1.0%                      | 4.4%                        | 0.6%                      |
| Other   | 7                   | 699,277              | 96.6%            | 96.6%        | 10.4%                               | 3.4%                      | 10.1%                       | 1.3%                      |
| <b>SUBTOTAL - LONG ISLAND INDUSTRIAL</b>      |                     |                      |                  |              |                                     |                           |                             |                           |
|   | 94                  | 5,839,271            | 96.3%            | 95.3%        | 86.4%                               | 28.4%                     | 85.3%                       | 10.7%                     |
| Stand-alone Westchester Industrial Properties | 2                   | 139,690              | 100.0%           | 100.0%       | 2.1%                                | 0.7%                      | 3.8%                        | 0.5%                      |
| Stand-alone Connecticut Industrial Properties | 1                   | 452,414              | 54.3%            | 54.3%        | 6.7%                                | 2.2%                      | 4.2%                        | 0.5%                      |
| Stand-alone New Jersey Industrial Properties  | 5                   | 324,468              | 82.6%            | 82.6%        | 4.8%                                | 1.6%                      | 6.7%                        | 0.8%                      |
| <b>SUBTOTAL - INDUSTRIAL PROPERTIES</b>       |                     |                      |                  |              |                                     |                           |                             |                           |
|   | 102                 | 6,755,843            | 92.9%            | 92.0%        | 100.0%                              | 32.9%                     | 100.0%                      | 12.6%                     |
| <b>RETAIL PROPERTIES</b>                      |                     |                      |                  |              |                                     |                           |                             |                           |
|   | 2                   | 19,200               | 81.8%            | 81.8%        | 0.1%                                | 0.1%                      | 0.1%                        | 0.0%                      |
| <b>TOTAL - ALL PROPERTIES (1)</b>             |                     |                      |                  |              |                                     |                           |                             |                           |
|   | 181                 | 20,545,786           | 95.1%            | 94.2%        | 100.0%                              | 100.0%                    | 100.0%                      | 100.0%                    |

(1) Percent leased excludes properties under development.

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**LEASING STATISTICS**  
 For the 3 months ended June 30, 2002

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**EXECUTED LEASES (A)**  
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|                         | # of Transactions | Total Sq. Ft. | Average Base Rent | Average Effective Rent | Average Term (Years) |
|-------------------------|-------------------|---------------|-------------------|------------------------|----------------------|
| <b>OFFICE PORTFOLIO</b> |                   |               |                   |                        |                      |
| Long Island             | 17                | 90,752        | \$28.63           | \$26.79                | 5.6                  |
| Westchester             | 15                | 60,854        | \$24.38           | \$22.83                | 5.4                  |
| Connecticut             | 7                 | 38,635        | \$29.75           | \$27.56                | 4.9                  |
| New Jersey              | 6                 | 42,220        | \$23.89           | \$21.15                | 7.0                  |
| New York City           | 9                 | 54,973        | \$50.91           | \$46.42                | 8.1                  |

Totals/Weighted Average      54              287,434              \$31.45              \$28.98              6.1

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**INDUSTRIAL PORTFOLIO**

Long Island              8              123,689              \$ 6.75              \$6.41              5.3

Totals/Weighted Average      8              123,689              \$ 6.75              \$6.41              5.3

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**RESEARCH & DEVELOPMENT PORTFOLIO**

Long Island  
 Operational              1              10,030              \$ 9.25              \$9.25              3.0  
 Development              1              57,050              \$19.31              \$16.32              12.0

Totals/Weighted Average      2              67,080              \$17.81              \$15.26              10.7

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**PORTFOLIO TOTALS**              64              478,203

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**SAME SPACE STATISTICS**  
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| Property Type                     | Total Sq. Ft.  | Expiration     | Base Rent Current (b) | % Change     | Expiration     | GAAP Rent Current (b) | % Change     |
|-----------------------------------|----------------|----------------|-----------------------|--------------|----------------|-----------------------|--------------|
| <b>Office</b>                     |                |                |                       |              |                |                       |              |
| New                               | 111,490        | \$27.51        | \$31.34               | 13.9%        | \$27.41        | \$32.45               | 18.4%        |
| Renewal                           | 115,673        | \$24.57        | \$28.06               | 14.2%        | \$23.57        | \$28.34               | 20.2%        |
| <b>Total</b>                      | <b>227,163</b> | <b>\$26.01</b> | <b>\$29.67</b>        | <b>14.1%</b> | <b>\$25.45</b> | <b>\$30.36</b>        | <b>19.3%</b> |
| <b>Industrial</b>                 |                |                |                       |              |                |                       |              |
| New                               | 42,700         | \$6.66         | \$ 6.79               | 2.0%         | \$ 6.38        | \$ 7.13               | 11.8%        |
| Renewal                           | 80,989         | \$6.01         | \$ 6.87               | 14.3%        | \$ 5.70        | \$ 6.46               | 13.3%        |
| <b>Total</b>                      | <b>123,689</b> | <b>\$6.23</b>  | <b>\$ 6.84</b>        | <b>9.8%</b>  | <b>\$ 5.93</b> | <b>\$ 6.69</b>        | <b>12.7%</b> |
| <b>Research &amp; Development</b> |                |                |                       |              |                |                       |              |
| New                               | 0              | \$0.00         | \$ 0.00               | 0.0%         | \$ 0.00        | \$ 0.00               | 0.0%         |
| Renewal                           | 10,300         | \$8.75         | \$ 9.00               | 2.9%         | \$ 8.50        | \$ 9.25               | 8.8%         |
| <b>Total</b>                      | <b>10,300</b>  | <b>\$8.75</b>  | <b>\$ 9.00</b>        | <b>2.9%</b>  | <b>\$ 8.50</b> | <b>\$ 9.25</b>        | <b>8.8%</b>  |
| <b>Totals/Weighted Average</b>    | <b>361,152</b> | <b>\$18.77</b> | <b>\$21.26</b>        | <b>13.3%</b> | <b>\$19.51</b> | <b>\$22.97</b>        | <b>17.7%</b> |

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**TENANT RETENTION**  
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| Property Type          | Leases Expiring (c) | Sq. Ft Expiring (c) | Sq. Ft Renewing | Renewal Percentage |
|------------------------|---------------------|---------------------|-----------------|--------------------|
| Office                 | 45                  | 234,834             | 118,547         | 50.5%              |
| Industrial             | 8                   | 233,086             | 145,989         | 62.6%              |
| Research & Development | 1                   | 10,030              | 10,030          | 100.0%             |

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|        |    |         |         |       |
|--------|----|---------|---------|-------|
| Totals | 54 | 477,950 | 274,566 | 57.4% |
|--------|----|---------|---------|-------|

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- 
- (a) Includes new and renewed leases during the period
  - (b) Represents either renewed or released space
  - (c) Includes early renewals
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LEASING STATISTICS

For the 12 months ended June 30, 2002

EXECUTED LEASES (A)

|   | # of Transactions | Total Sq. Ft. | Average Base Rent | Average Effective Rent | Average Term (Years) |
|---|-------------------|---------------|-------------------|------------------------|----------------------|
| <b>OFFICE PORTFOLIO</b>                     |                   |               |                   |                        |                      |
| Long Island                                 |                   |               |                   |                        |                      |
| Operating                                   | 71                | 439,385       | \$26.92           | \$24.85                | 5.8                  |
| Development                                 | 2                 | 83,504        | \$34.57           | \$25.50                | 7.9                  |
| Westchester                                 | 64                | 407,982       | \$25.15           | \$23.24                | 5.0                  |
| Connecticut                                 | 21                | 111,244       | \$31.24           | \$30.15                | 4.5                  |
| New Jersey                                  |                   |               |                   |                        |                      |
| Operational                                 | 16                | 317,867       | \$28.31           | \$26.38                | 2.9                  |
| Development                                 | 1                 | 123,000       | \$36.13           | \$28.67                | 10.0                 |
| New York City                               | 25                | 184,765       | \$54.40           | \$49.43                | 9.6                  |
| Totals/Weighted Average                     | 200               | 1,667,747     | \$31.15           | \$28.14                | 5.8                  |
| <b>INDUSTRIAL PORTFOLIO</b>                 |                   |               |                   |                        |                      |
| Long Island                                 | 52                | 886,851       | \$ 6.68           | \$ 6.33                | 6.2                  |
| New Jersey                                  | 1                 | 36,059        | \$ 9.85           | \$ 7.81                | 5.0                  |
| Totals/Weighted Average                     | 53                | 922,910       | \$ 6.80           | \$ 6.39                | 6.2                  |
| <b>RESEARCH &amp; DEVELOPMENT PORTFOLIO</b> |                   |               |                   |                        |                      |
| Long Island                                 |                   |               |                   |                        |                      |
| Operational                                 | 9                 | 220,045       | \$11.04           | \$10.57                | 3.9                  |
| Development                                 | 2                 | 97,930        | \$17.87           | \$14.23                | 9.9                  |
| New Jersey                                  | 1                 | 13,013        | \$17.60           | \$12.02                | 5.0                  |
| Totals/Weighted Average                     | 12                | 330,988       | \$13.32           | \$11.71                | 5.7                  |
| PORTFOLIO TOTALS                            | 265               | 2,921,645     |                   |                        |                      |

SAME SPACE STATISTICS

| Property Type                     | Total Sq. Ft. | Expiration | Base Rent Current (b) | % Change | Expiration | GAAP Rent Current (b) | % Change |
|-----------------------------------|---------------|------------|-----------------------|----------|------------|-----------------------|----------|
| <b>Office</b>                     |               |            |                       |          |            |                       |          |
| New                               | 713,534       | \$24.73    | \$28.68               | 16.0%    | \$24.32    | \$29.49               | 21.3%    |
| Renewal                           | 518,462       | \$24.61    | \$26.54               | 7.8%     | \$23.48    | \$27.60               | 17.5%    |
| Total                             | 1,231,996     | \$24.68    | \$27.77               | 12.5%    | \$23.97    | \$28.69               | 19.7%    |
| <b>Industrial</b>                 |               |            |                       |          |            |                       |          |
| New                               | 460,908       | \$ 5.92    | \$6.37                | 7.6%     | \$ 5.64    | \$7.00                | 24.1%    |
| Renewal                           | 450,902       | \$ 5.89    | \$6.28                | 6.6%     | \$ 5.57    | \$6.38                | 14.5%    |
| Total                             | 911,810       | \$ 5.91    | \$6.32                | 6.9%     | \$ 5.61    | \$6.69                | 19.3%    |
| <b>Research &amp; Development</b> |               |            |                       |          |            |                       |          |
| New                               | 23,215        | \$13.26    | \$13.86               | 4.5%     | \$12.37    | \$15.23               | 23.1%    |
| Renewal                           | 166,830       | \$10.74    | \$10.73               | -0.1%    | \$ 9.69    | \$11.02               | 13.7%    |
| Total                             | 190,045       | \$11.05    | \$11.11               | 0.5%     | \$10.02    | \$11.53               | 15.1%    |
| Totals/Weighted Average           | 2,333,851     | \$16.24    | \$18.03               | 11.1%    | \$15.66    | \$18.70               | 19.4%    |

TENANT RETENTION

| Property Type | Leases Expiring (c) | Sq. Ft Expiring (c) | Sq. Ft Renewing | Renewal Percentage |
|---------------|---------------------|---------------------|-----------------|--------------------|
| Office        | 155                 | 956,028             | 600,228         | 62.8%              |



|                        |    |         |         |       |
|------------------------|----|---------|---------|-------|
| Industrial             | 41 | 793,719 | 661,402 | 83.3% |
| Research & Development | 9  | 406,583 | 170,883 | 42.0% |

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|        |     |           |           |       |
|--------|-----|-----------|-----------|-------|
| Totals | 205 | 2,156,330 | 1,432,513 | 66.4% |
|--------|-----|-----------|-----------|-------|

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- 
- (a) Includes new and renewed leases during the period
  - (b) Represents either renewed or released space
  - (c) Includes early renewals
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 LEASE EXPIRATION SCHEDULE  
 As of June 30, 2002

TOTAL PORTFOLIO

| Year of Expiration     | Number of Leases Expiring | Square Feet Expiring | % of Total Leased Sq Ft | Cumulative % of Total Leased Sq Ft |
|------------------------|---------------------------|----------------------|-------------------------|------------------------------------|
| 2002                   | 83                        | 606,195              | 3.1%                    | 3.1%                               |
| 2003                   | 169                       | 1,781,746            | 9.2%                    | 12.4%                              |
| 2004                   | 212                       | 1,920,852            | 9.9%                    | 22.3%                              |
| 2005                   | 248                       | 2,687,386            | 13.9%                   | 36.2%                              |
| 2006                   | 224                       | 2,657,188            | 13.8%                   | 50.0%                              |
| 2007                   | 124                       | 1,502,131            | 7.8%                    | 57.7%                              |
| 2008 and thereafter    | 310                       | 8,162,156            | 42.3%                   | 100.0%                             |
| Total/Weighted Average | 1,370                     | 19,317,654           | 100.0%                  | --                                 |

OFFICE PORTFOLIO

| Year of Expiration     | Number of Leases Expiring | Square Feet Expiring | % of Total Leased Sq Ft | Cumulative % of Total Leased Sq Ft |
|------------------------|---------------------------|----------------------|-------------------------|------------------------------------|
| 2002                   | 74                        | 509,697              | 3.9%                    | 3.9%                               |
| 2003                   | 146                       | 1,190,535            | 9.1%                    | 13.0%                              |
| 2004                   | 168                       | 1,259,399            | 9.6%                    | 22.6%                              |
| 2005                   | 211                       | 1,753,405            | 13.4%                   | 36.0%                              |
| 2006                   | 178                       | 1,708,307            | 13.0%                   | 49.0%                              |
| 2007                   | 98                        | 1,187,371            | 9.1%                    | 58.1%                              |
| 2008 and thereafter    | 245                       | 5,493,032            | 41.9%                   | 100.0%                             |
| Total/Weighted Average | 1,120                     | 13,101,746           | 100.0%                  | --                                 |

INDUSTRIAL/R&D PORTFOLIO

| Year of Expiration     | Number of Leases Expiring | Square Feet Expiring | % of Total Leased Sq Ft | Cumulative % of Total Leased Sq Ft |
|------------------------|---------------------------|----------------------|-------------------------|------------------------------------|
| 2002                   | 9                         | 96,498               | 1.6%                    | 1.6%                               |
| 2003                   | 23                        | 591,211              | 9.5%                    | 11.1%                              |
| 2004                   | 44                        | 661,453              | 10.6%                   | 21.7%                              |
| 2005                   | 37                        | 933,981              | 15.0%                   | 36.7%                              |
| 2006                   | 46                        | 948,881              | 15.3%                   | 52.0%                              |
| 2007                   | 26                        | 314,760              | 5.1%                    | 57.1%                              |
| 2008 and thereafter    | 65                        | 2,669,124            | 42.9%                   | 100.0%                             |
| Total/Weighted Average | 250                       | 6,215,908            | 100.0%                  | --                                 |

LEASE EXPIRATION SCHEDULE  
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%                    | 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%                  | --                                 | --                     | --                     |

- (1) Represents annualized straightline rent as of the lease expiration date  
(2) Represents annualized base rent as of the lease expiration date plus non-recoverable operating expense pass-throughs

LEASE EXPIRATION SCHEDULE  
As of June 30, 2002

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%                  | --                                 | --                     | --                     |

(1) Represents annualized straightline rent as of the lease expiration date

(2) Represents annualized base rent as of the lease expiration date plus non-recoverable operating expense pass-throughs

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 LEASE EXPIRATION SCHEDULE  
 As of June 30, 2002

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%                  | --                                 | --                     | --                     |

- (1) Represents annualized straightline rent as of the lease expiration date  
 (2) Represents annualized base rent as of the lease expiration date plus non-recoverable operating expense pass-throughs  
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LEASE EXPIRATION COMPARISON  
As of June 30, 2002

Expiring Rents vs. Reckson Forecast Rents (a)

[Graphics omitted]

CBD Portfolio - 400,000 sq. ft. expiring

|                | Cash    | GAAP    |
|----------------|---------|---------|
| Expiring       | \$32.16 | \$33.25 |
| Forecasted (b) | \$40.13 | \$40.14 |
| Increase       | 25%     | 21%     |

Suburban Portfolio - 1.3 million sq. ft. expiring

|                | Cash    | GAAP    |
|----------------|---------|---------|
| Expiring       | \$25.45 | \$24.24 |
| Forecasted (b) | \$25.42 | \$26.22 |
| Increase       | 0%      | 8%      |

- (a) Represents leases expiring during 2002 and 2003  
(b) Company's forecast rent for space to be re-leased. There can be no assurance that the Company's properties can achieve such rents

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TOP 25 TENANTS  
(Based on Base Rental Revenue)  
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| Tenant Name (1)                | Tenant Type       | Total Square Feet | Percent of Pro-Rata Share of Annualized Base Rental Revenue | Percent of Consolidated Annualized Base Rental Revenue |
|--------------------------------|-------------------|-------------------|---|--|
| * Debevoise & Plimpton         | Office            | 465,420           | 3.3%  | 5.5%   |
| * WorldCom/MCI                 | Office            | 547,018           | 3.2%  | 2.9%   |
| * American Express             | Office            | 238,261           | 2.0%  | 1.7%   |
| Bell Atlantic                  | Office            | 208,661           | 1.5%  | 1.3%   |
| * Shulte Roth & Zabel          | Office            | 230,621           | 1.3%  | 2.2%   |
| * HQ Global                    | Office/Industrial | 201,900           | 1.3%  | 1.5%   |
| United Distillers              | Office            | 137,918           | 1.1%  | 0.9%   |
| Waterhouse Securities          | Office            | 127,143           | 1.1%  | 0.9%   |
| * Prudential                   | Office            | 219,416           | 0.9%  | 0.9%   |
| * Banque Nationale De Paris    | Office            | 144,334           | 0.9%  | 1.5%   |
| D.E. Shaw                      | Office            | 89,526            | 0.9%  | 0.7%   |
| Vytra Healthcare               | Office            | 105,612           | 0.8%  | 0.7%   |
| Metromedia Fiber Network Svcs. | Office            | 112,075           | 0.8%  | 0.7%   |
| * Kramer Levin Nessen Kamin,   | Office            | 140,892           | 0.8%  | 1.3%   |
| Hoffman-La Roche Inc.          | Office            | 120,736           | 0.7%  | 0.6%   |
| Heller Ehrman White            | Office            | 54,815            | 0.7%  | 0.6%   |
| Lab Corp                       | Office            | 108,000           | 0.7%  | 0.6%   |
| * Novartis                     | Office            | 150,747           | 0.7%  | 0.9%   |
| * Draft Worldwide, Inc.        | Office            | 124,008           | 0.7%  | 1.1%   |
| Practicing Law Institute       | Office            | 62,000            | 0.7%  | 0.6%   |
| Lockheed Martin Corporation    | Office            | 123,554           | 0.6%  | 0.5%   |
| * State Farm                   | Office/Industrial | 162,650           | 0.7%  | 1.0%   |
| Estee Lauder                   | Industrial        | 370,000           | 0.6%  | 0.5%   |
| * JP Morgan Chase Bank         | Office            | 69,527            | 0.6%  | 0.6%   |
| * Radianz U.S. No. 2 Inc.      | Office            | 130,009           | 0.6%  | 0.5%   |

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

\* Part or all of space occupied by tenant is in a 51% or more owned joint venture building.  
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TENANT DIVERSIFICATION (1)  
Total Portfolio

[Graphic Omitted]

|                             |     |
|-----------------------------|-----|
| Accounting                  | 2%  |
| Advertising                 | 1%  |
| Commercial Banking          | 5%  |
| Consumer Products           | 12% |
| Defense/Electronics         | 2%  |
| Financial Services          | 12% |
| Government                  | 2%  |
| Healthcare                  | 4%  |
| Hospitality                 | 1%  |
| Insurance                   | 7%  |
| Legal Services              | 11% |
| Manufacturing               | 3%  |
| Media/Entertainment         | 6%  |
| Other Professional Services | 8%  |
| Pharmaceuticals             | 4%  |
| Real Estate                 | 3%  |
| Retail/Wholesale            | 2%  |
| Technology                  | 5%  |
| Telecom                     | 9%  |
| Transportation              | 1%  |

(1) Based on annualized base rental revenue adjusted for pro rata share of joint venture interests. Part or all of space occupied by tenants is in a 51% or more owned joint venture building.



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NON-INCREMENTAL REVENUE GENERATING CAPITAL EXPENDITURES, TENANT IMPROVEMENT  
COSTS AND LEASING COMMISSIONS  
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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 Company's office and industrial properties for the years 1998 through 2001 and the six months ended June 30, 2002.

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NON-INCREMENTAL REVENUE GENERATING CAPITAL EXPENDITURES  
-----

|                            | 1998        | 1999        | 2000        | 2001        | Average<br>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        |
|                            |             |             |             |             |                      | \$3,591,208 |

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NON-INCREMENTAL REVENUE GENERATING TENANT IMPROVEMENTS AND LEASING COMMISSIONS  
-----

|                                 | 1998        | 1999        | 2000        | 2001        | Average<br>1998-2001 | 2002        | New         | Renewal    |
|---------------------------------|-------------|-------------|-------------|-------------|----------------------|-------------|-------------|------------|
| Long Island Office Properties   |             |             |             |             |                      |             |             |            |
| Tenant Improvements             | \$1,140,251 | \$1,009,357 | \$2,853,706 | \$2,722,457 | \$1,931,443          | \$ 817,925  | \$ 470,774  | \$ 347,151 |
| Per Square Foot Improved        | 3.98        | 4.73        | 6.99        | 8.47        | 6.04                 | 5.33        | 10.51       | 3.20       |
| Leasing Commissions             | \$ 418,191  | \$ 551,762  | \$2,208,604 | \$1,444,412 | \$1,155,742          | \$ 661,559  | \$ 253,957  | \$ 407,602 |
| Per Square Foot Leased          | 1.46        | 2.59        | 4.96        | 4.49        | 3.38                 | 4.31        | 5.67        | 3.75       |
| Total Per Square Foot           | \$ 5.44     | \$ 7.32     | \$ 11.95    | \$ 12.96    | \$ 9.42              | 9.63        | \$ 16.18    | \$ 6.95    |
| Westchester Office Properties   |             |             |             |             |                      |             |             |            |
| Tenant Improvements             | \$ 711,160  | \$1,316,611 | \$1,860,027 | \$2,584,728 | \$1,618,132          | \$1,200,380 | \$ 967,886  | \$ 232,494 |
| Per Square Foot Improved        | 4.45        | 5.62        | 5.72        | 5.91        | 5.43                 | 7.59        | 11.53       | 3.13       |
| Leasing Commissions             | \$ 286,150  | \$ 457,730  | \$ 412,226  | \$1,263,012 | \$ 604,780           | \$ 513,884  | \$ 357,295  | \$ 156,589 |
| Per Square Foot Leased          | 1.79        | 1.96        | 3.00        | 2.89        | 2.41                 | 3.25        | 4.26        | 2.11       |
| Total Per Square Foot           | \$ 6.24     | \$ 7.58     | \$ 8.72     | \$ 8.80     | \$ 7.84              | \$ 10.84    | \$ 15.79    | \$ 5.24    |
| Connecticut Office Properties   |             |             |             |             |                      |             |             |            |
| Tenant Improvements             | \$ 202,880  | \$ 179,043  | \$ 385,531  | \$ 213,909  | \$ 245,341           | \$ 385,999  | \$ 384,279  | \$ 1,720   |
| Per Square Foot Improved        | 5.92        | 4.88        | 4.19        | 1.46        | 4.11                 | 8.86        | 9.34        | 0.71       |
| Leasing Commissions             | \$ 151,063  | \$ 110,252  | \$ 453,435  | \$ 209,322  | \$ 231,018           | \$ 101,574  | \$ 101,574  | \$ 0       |
| Per Square Foot Leased          | 4.41        | 3.00        | 4.92        | 1.43        | 3.44                 | 2.33        | 2.47        | --         |
| Total Per Square Foot           | \$ 10.33    | \$ 7.88     | \$ 9.11     | \$ 2.89     | \$ 7.55              | \$ 11.19    | \$ 11.81    | 0.71       |
| New Jersey Office Properties    |             |             |             |             |                      |             |             |            |
| Tenant Improvements             | \$ 654,877  | \$ 454,054  | \$1,580,323 | \$1,146,385 | \$ 958,910           | \$ 624,731  | \$ 336,076  | \$ 288,655 |
| Per Square Foot Improved        | 3.78        | 2.29        | 6.71        | 2.92        | 3.93                 | 10.22       | 19.80       | 6.54       |
| Leasing Commissions             | \$ 396,127  | \$ 787,065  | \$1,031,950 | \$1,602,962 | \$ 954,526           | \$ 330,520  | \$ 127,681  | \$ 202,839 |
| Per Square Foot Leased          | 2.08        | 3.96        | 4.44        | 4.08        | 3.64                 | 5.13        | 6.30        | 4.60       |
| Total Per Square Foot           | \$ 5.86     | \$ 6.25     | \$ 11.15    | \$ 7.00     | \$ 7.57              | \$ 15.35    | \$ 26.10    | \$ 11.14   |
| New York City Office Properties |             |             |             |             |                      |             |             |            |
| Tenant Improvements             | N/A         | N/A         | \$ 65,267   | \$ 788,930  | \$ 427,099           | \$2,074,924 | \$1,348,436 | \$ 726,488 |
| Per Square Foot Improved        | N/A         | N/A         | 1.79        | 15.69       | 8.74                 | 20.23       | 20.47       | 19.82      |
| Leasing Commissions             | N/A         | N/A         | \$ 418,185  | \$1,098,829 | \$ 758,507           | \$ 816,045  | \$ 389,781  | \$ 426,264 |
| Per Square Foot Leased          | N/A         | N/A         | 11.50       | 21.86       | 16.68                | 7.96        | 5.92        | 11.63      |
| Total Per Square Foot           | N/A         | N/A         | \$ 13.29    | \$ 37.55    | \$ 25.42             | \$ 28.19    | \$ 26.39    | 31.44      |
| Industrial Properties           |             |             |             |             |                      |             |             |            |
| Tenant Improvements             | \$ 283,842  | \$ 375,646  | \$ 650,216  | \$1,366,488 | \$ 669,048           | \$ 743,640  | \$ 672,728  | \$ 70,912  |
| Per Square Foot Improved        | 0.76        | 0.25        | 0.95        | 1.65        | 0.90                 | 1.56        | 3.71        | --         |
| Leasing Commissions             | \$ 200,154  | \$ 835,108  | \$ 436,506  | \$ 354,572  | \$ 456,585           | \$ 330,391  | \$ 289,591  | \$ 40,800  |
| Per Square Foot Leased          | 0.44        | 0.56        | 0.64        | 0.43        | 0.52                 | 0.69        | 1.60        | 0.14       |
| Total Per Square Foot           | \$ 1.20     | \$ 0.81     | \$ 1.59     | \$ 2.08     | \$ 1.42              | \$ 2.25     | \$ 5.32     | 0.14       |



ANALYSIS OF CAPITAL EXPENDITURES, TENANT IMPROVEMENTS AND LEASING COSTS  
As of June 30, 2002

| CAPITAL EXPENDITURES                            | 2002 COSTS          | COSTS PER SQUARE FOOT | YEAR-TO-DATE COSTS  | COSTS PER SQUARE FOOT |
|---|---------------------|-----------------------|---------------------|-----------------------|
| <b>Recurring Capital Expenditures</b>           |                     |                       |                     |                       |
| Maintenance Capital Expenditures                | \$2,079,474         | \$0.10                | \$3,591,208         | \$0.17                |
| <b>Total Recurring Capital Expenditures</b>     | <b>\$2,079,474</b>  | <b>\$0.10</b>         | <b>\$3,591,208</b>  | <b>\$0.17</b>         |
| <b>Non-Recurring Capital Expenditures</b>       |                     |                       |                     |                       |
| Property Renovations                            | \$3,529,974         | \$0.17                | \$5,203,580         | \$0.25                |
| <b>Total Non-recurring Capital Expenditures</b> | <b>\$3,529,974</b>  | <b>\$0.17</b>         | <b>\$5,203,580</b>  | <b>\$0.25</b>         |
| <b>Acquisition and Development Costs</b>        | <b>\$29,988,288</b> |                       | <b>\$31,809,230</b> |                       |

| TENANT IMPROVEMENTS AND LEASING COSTS (1) | 2002 COSTS         | COSTS PER SQUARE FOOT | YEAR-TO-DATE COSTS  | COSTS PER SQUARE FOOT |
|---|--------------------|-----------------------|---------------------|-----------------------|
| <b>COMMITTED</b>                          |                    |                       |                     |                       |
| <b>Non-Incremental</b>                    |                    |                       |                     |                       |
| Leasing Costs                             | \$1,221,034        | \$0.06                | \$2,753,973         | \$0.13                |
| Tenant Improvements                       | \$2,554,191        | \$0.12                | \$5,847,599         | \$0.28                |
| <b>Total Non-Incremental</b>              | <b>\$3,775,225</b> | <b>\$0.18</b>         | <b>\$8,601,572</b>  | <b>\$0.42</b>         |
| <b>Incremental (4)</b>                    |                    |                       |                     |                       |
| Leasing Costs                             | \$392,312          | \$0.02                | \$3,302,544         | \$0.16                |
| Tenant Improvements                       | \$1,986,445        | \$0.10                | \$13,082,302        | \$0.64                |
| <b>Total Incremental</b>                  | <b>\$2,378,757</b> | <b>\$0.12</b>         | <b>\$16,384,846</b> | <b>\$0.80</b>         |
| <b>Total Committed</b>                    | <b>\$6,153,982</b> | <b>\$0.30</b>         | <b>\$24,986,418</b> | <b>\$1.22</b>         |

| TENANT IMPROVEMENTS AND LEASING COSTS (2) | 2002 COSTS         | COSTS PER SQUARE FOOT | YEAR-TO-DATE COSTS  | COSTS PER SQUARE FOOT |
|---|--------------------|-----------------------|---------------------|-----------------------|
| <b>PAID OR ACCRUED</b>                    |                    |                       |                     |                       |
| <b>Non-Incremental</b>                    |                    |                       |                     |                       |
| Leasing Costs                             | \$2,188,337        | \$0.11                | \$4,429,313         | \$0.22                |
| Tenant Improvements                       | \$3,681,440        | \$0.18                | \$7,924,682         | \$0.39                |
| <b>Total Non-Incremental</b>              | <b>\$5,869,778</b> | <b>\$0.29</b>         | <b>\$12,353,995</b> | <b>\$0.60</b>         |
| <b>Incremental (4)</b>                    |                    |                       |                     |                       |
| Leasing Costs                             | \$910,336          | \$0.04                | \$1,739,804         | \$0.08                |
| Tenant Improvements                       | \$2,846,454        | \$0.14                | \$4,091,131         | \$0.20                |
| <b>Total Incremental</b>                  | <b>\$3,756,790</b> | <b>\$0.18</b>         | <b>\$5,830,935</b>  | <b>\$0.28</b>         |

|                       |             |        |              |        |
|-----------------------|-------------|--------|--------------|--------|
| Total Paid or Accrued | \$9,626,568 | \$0.47 | \$18,184,930 | \$0.89 |
|-----------------------|-------------|--------|--------------|--------|

| TENANT IMPROVEMENTS AND LEASING COSTS (3) | 2002 COSTS | COSTS PER SQUARE FOOT | YEAR-TO-DATE COSTS | COSTS PER SQUARE FOOT |
|---|------------|-----------------------|--------------------|-----------------------|
|---|------------|-----------------------|--------------------|-----------------------|

COMMITTED EXCLUDING LEASES SCHEDULED TO EXPIRE IN FUTURE PERIODS

Non-Incremental

|                       |             |        |             |        |
|-----------------------|-------------|--------|-------------|--------|
| Leasing Costs         | \$538,510   | \$0.03 | \$1,654,974 | \$0.08 |
| Tenant Improvements   | \$2,083,858 | \$0.10 | \$4,356,804 | \$0.21 |
| Total Non-Incremental | \$2,622,368 | \$0.13 | \$6,011,778 | \$0.29 |

Incremental (4)

|                     |             |        |              |        |
|---------------------|-------------|--------|--------------|--------|
| Leasing Costs       | \$392,312   | \$0.02 | \$3,302,544  | \$0.16 |
| Tenant Improvements | \$1,986,445 | \$0.10 | \$13,082,302 | \$0.64 |
| Total Incremental   | \$2,378,757 | \$0.12 | \$16,384,846 | \$0.80 |

|                       |             |        |              |        |
|-----------------------|-------------|--------|--------------|--------|
| Total Paid or Accrued | \$5,001,125 | \$0.24 | \$22,396,624 | \$1.09 |
|-----------------------|-------------|--------|--------------|--------|

- (1) Represents tenant Improvements and leasing costs committed on leases signed during the period.
- (2) Represents tenant improvements and leasing costs paid or accrued during the period.
- (3) Represents tenant Improvements and leasing costs committed to leases signed during the period excluding leases that were scheduled to expire in future periods.
- (4) Represents tenant improvements and leasing costs on developments and repositionings.

-----  
 CAPITAL EXPENDITURES  
 As of June 30, 2002

| CAPITAL EXPENDITURES                | 1Q01<br>Amount | 2Q01<br>Amount | 3Q01<br>Amount | 4Q01<br>Amount |
|-------------------------------------|----------------|----------------|----------------|----------------|
| -----                               |                |                |                |                |
| Recurring - Non Incremental         |                |                |                |                |
| -----                               |                |                |                |                |
| Amenities (Health Club, Cafe, etc.) | \$ --          | \$ 46,474      | \$ 32,858      | \$ 3,607       |
| Bathrooms                           | \$ 5,094       | \$ 13,530      | \$ 125,132     | \$ 325,582     |
| Boiler                              | \$ 848         | \$ 72,515      | \$ 44,885      | \$ 64,058      |
| Chillers                            | \$ 63,370      | \$ 97,653      | \$ 25,501      | \$ 17,814      |
| Non-Recurring Capital Expenditures  | \$ 11,623      | \$ 31,335      | \$ 200,094     | \$ 33,585      |
| Exterior Renovation                 | \$ (4,739)     | \$ 64,922      | \$ 83,638      | \$ 119,938     |
| HVAC                                | \$ 28,343      | \$ 32,926      | \$ 309,333     | \$ 367,750     |
| Lobby/Plaza                         | \$ 529,326     | \$ 801,645     | \$ 734,224     | \$ 1,030,749   |
| Parking Lots                        | \$ 48,677      | \$ 184,531     | \$ 107,319     | \$ 467,208     |
| Roofs                               | \$ --          | \$ 286,101     | \$ 260,183     | \$ 107,557     |
| Security                            | \$ --          | \$ 77,043      | \$ 15,506      | \$ 30,624      |
|                                     |                |                |                |                |
| Total Recurring - Non Incremental   | \$ 682,542     | \$ 1,708,674   | \$ 1,938,674   | \$ 2,568,473   |
| Amount Per Square Foot              | \$ 0.03        | \$ 0.08        | \$ 0.09        | \$ 0.12        |
|                                     |                |                |                |                |
| Non-Recurring - Incremental         | \$ 4,594,235   | \$ 3,519,314   | \$ 2,331,452   | \$ 3,025,187   |
| -----                               |                |                |                |                |
| Amount Per Square Foot              | \$ 0.22        | \$ 0.17        | \$ 0.11        | \$ 0.15        |
|                                     |                |                |                |                |
| Rentable SF                         | 21,291,351     | 21,298,951     | 20,695,723     | 20,610,545     |
| # of Buildings                      | 188            | 188            | 183            | 182            |

| CAPITAL EXPENDITURES                | 1Q02<br>Amount | 2Q02<br>Amount | 2002<br>YTD Amount |
|-------------------------------------|----------------|----------------|--------------------|
| -----                               |                |                |                    |
| Recurring - Non Incremental         |                |                |                    |
| -----                               |                |                |                    |
| Amenities (Health Club, Cafe, etc.) | \$ 85,670      | \$ 20,230      | \$ 105,900         |
| Bathrooms                           | \$ 316,695     | \$ 55,871      | \$ 372,565         |
| Boiler                              | \$ (66,274)    | \$ 38,643      | \$ (27,630)        |
| Chillers                            | \$ 97,773      | \$ 104,411     | \$ 202,184         |
| Non-Recurring Capital Expenditures  | \$ 24,589      | \$ 2,123       | \$ 26,712          |
| Exterior Renovation                 | \$ 86,779      | \$ 442,126     | \$ 528,905         |
| HVAC                                | \$ 372,014     | \$ 466,540     | \$ 838,553         |
| Lobby/Plaza                         | \$ 532,041     | \$ 707,007     | \$ 1,239,048       |
| Parking Lots                        | \$ 16,595      | \$ 119,157     | \$ 135,753         |
| Roofs                               | \$ 15,377      | \$ 80,414      | \$ 95,790          |
| Security                            | \$ 30,476      | \$ 42,953      | \$ 73,428          |
|                                     |                |                |                    |
| Total Recurring - Non Incremental   | \$ 1,511,734   | \$ 2,079,474   | \$ 3,591,208       |
| Amount Per Square Foot              | \$ 0.07        | \$ 0.10        | \$ 0.17            |
|                                     |                |                |                    |
| Non-Recurring - Incremental         | \$ 1,673,606   | \$ 3,529,974   | \$ 5,203,580       |
| -----                               |                |                |                    |
| Amount Per Square Foot              | \$ 0.08        | \$ 0.17        | \$ 0.25            |
|                                     |                |                |                    |
| Rentable SF                         | 20,546,468     | 20,545,786     | 20,545,786         |
| # of Buildings                      | 181            | 181            | 181                |

TENANT IMPROVEMENTS AND LEASING COSTS  
As of June 30, 2002

| COMMITTED (1)                      | 1Q01<br>Amount | 2Q01<br>Amount | 3Q01<br>Amount | 4Q01<br>Amount | 1Q02<br>Amount | 2Q02<br>Amount | 2002<br>YTD Amount |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| <b>Non-Incremental</b>             |                |                |                |                |                |                |                    |
| Leasing Costs                      | \$1,089,006    | \$1,446,245    | \$1,054,004    | \$2,383,854    | \$1,532,939    | \$1,221,034    | \$2,753,973        |
| Tenant Improvements                | \$1,782,554    | \$1,965,338    | \$765,749      | \$4,309,256    | \$3,293,408    | \$2,554,191    | \$5,847,599        |
| Non-Recurring Capital Expenditures | \$2,871,560    | \$3,411,583    | \$1,819,753    | \$6,693,110    | \$4,826,347    | \$3,775,225    | \$8,601,572        |
| <b>Incremental (4)</b>             |                |                |                |                |                |                |                    |
| Leasing Costs                      | \$886,139      | \$611,015      | \$1,430,544    | \$339,337      | \$2,910,232    | \$392,312      | \$3,302,544        |
| Tenant Improvements                | \$2,452,956    | \$2,230,664    | \$1,929,149    | \$2,345,122    | \$11,095,857   | \$1,986,445    | \$13,082,302       |
| Total Incremental                  | \$3,339,095    | \$2,841,679    | \$3,359,693    | \$2,684,459    | \$14,006,089   | \$2,378,757    | \$16,384,846       |
| Total Committed                    | \$6,210,655    | \$6,253,262    | \$5,179,446    | \$9,377,569    | \$18,832,436   | \$6,153,982    | \$24,986,418       |

| PAID OR ACCRUED (2)    | 1Q01<br>Amount | 2Q01<br>Amount | 3Q01<br>Amount | 4Q01<br>Amount | 1Q02<br>Amount | 2Q02<br>Amount | 2002<br>YTD Amount |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| <b>Non-Incremental</b> |                |                |                |                |                |                |                    |
| Leasing Costs          | \$1,416,261    | \$2,819,470    | \$1,237,447    | \$1,503,116    | \$2,240,976    | \$2,188,337    | \$4,429,313        |
| Tenant Improvements    | \$5,530,627    | \$4,849,956    | \$2,751,620    | \$5,107,743    | \$4,243,242    | \$3,681,440    | \$7,924,682        |
| Total Non-Incremental  | \$6,946,888    | \$7,669,426    | \$3,989,067    | \$6,610,859    | \$6,484,218    | \$5,869,778    | \$12,353,995       |
| <b>Incremental (4)</b> |                |                |                |                |                |                |                    |
| Leasing Costs          | \$887,114      | \$3,471,436    | \$237,482      | \$2,199,465    | \$829,468      | \$910,336      | \$1,739,804        |
| Tenant Improvements    | \$14,978,769   | \$23,776,980   | \$8,137,624    | \$11,489,202   | \$1,752,473    | \$2,846,454    | \$4,598,928        |
| Total Incremental      | \$15,865,882   | \$27,248,416   | \$8,375,106    | \$13,688,667   | \$2,581,942    | \$3,756,790    | \$6,338,732        |
| Total Paid or Accrued  | \$22,812,770   | \$34,917,842   | \$12,364,173   | \$20,299,526   | \$9,066,159    | \$9,626,568    | \$18,692,727       |

- (1) Represents tenant improvements and leasing costs committed on leases signed during the period.  
(2) Represents tenant improvements and leasing costs paid or accrued during the period.  
(3) Represents tenant improvements at 100% of cost for all consolidated properties.  
(4) Represents tenant improvements and leasing costs on developments and repositionings.

CLASS A OFFICE STATISTICS

LONG ISLAND STATISTICS

|                             | 1998    | 1999    | 2000    | 2001    | 2002    |
|-----------------------------|---------|---------|---------|---------|---------|
| Direct Vacancy              | 6.1%    | 5.6%    | 6.3%    | 7.7%    | 8.5%    |
| Overall Vacancy             | 6.7%    | 6.5%    | 8.4%    | 11.9%   | 13.0%   |
| Average Asking Rental Rates | \$27.23 | \$27.69 | \$28.86 | \$30.06 | \$29.49 |

WESTCHESTER STATISTICS

|                             | 1998    | 1999    | 2000    | 2001    | 2002    |
|-----------------------------|---------|---------|---------|---------|---------|
| Direct Vacancy              | 16.4%   | 15.0%   | 10.7%   | 16.3%   | 14.2%   |
| Overall Vacancy             | 19.2%   | 16.3%   | 12.0%   | 20.5%   | 19.7%   |
| Average Asking Rental Rates | \$26.67 | \$27.23 | \$29.62 | \$30.15 | \$29.58 |

SOUTHERN CONNECTICUT STATISTICS

|                             | 1998    | 1999    | 2000    | 2001     | 2002     |
|-----------------------------|---------|---------|---------|----------|----------|
| Direct Vacancy              | 3.6%    | 4.0%    | 7.2%    | 8.8%     | 9.3%     |
| Overall Vacancy             | 4.2%    | 4.7%    | 8.1%    | 13.6%    | 18.2%    |
| Average Asking Rental Rates | \$32.22 | \$31.78 | \$44.41 | \$ 36.10 | \$ 37.85 |

NORTHERN NEW JERSEY STATISTICS

|                             | 1998    | 1999    | 2000    | 2001    | 2002    |
|-----------------------------|---------|---------|---------|---------|---------|
| Direct Vacancy              | 5.3%    | 4.6%    | 6.5%    | 8.1%    | 7.7%    |
| Overall Vacancy             | 7.5%    | 7.1%    | 9.9%    | 13.4%   | 13.7%   |
| Average Asking Rental Rates | \$27.42 | \$28.52 | \$29.66 | \$30.92 | \$30.01 |

Source: Cushman & Wakefield

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NEW YORK CITY CLASS A OFFICE STATISTICS

AVERAGE ASKING RENTS  
-----

|                             | 1998     | 1999     | 2000     | 2001     | 2002     |
|-----------------------------|----------|----------|----------|----------|----------|
|                             | ----     | ----     | ----     | ----     | ----     |
| Financial East              | \$ 40.21 | \$ 37.64 | \$ 52.90 | \$ 48.07 | \$ 48.00 |
| Midtown West Side           | \$ 43.36 | \$ 48.28 | \$ 60.89 | \$ 61.22 | \$ 56.53 |
| Midtown East Side           | \$ 47.85 | \$ 51.18 | \$ 61.46 | \$ 59.81 | \$ 59.08 |
| 6th Ave./Rockefeller Center | \$ 51.33 | \$ 53.12 | \$ 65.91 | \$ 67.15 | \$ 66.76 |

Source: Cushman & Wakefield

Breakdown of New York City Revenue:  
Midtown East Side 43%  
Midtown West Side 32%  
6th Ave./Rockefeller Center 15%  
Financial East 11%



-----  
 NEW YORK CITY CLASS A OFFICE STATISTICS

|                  | 1998 | 1999 | 2000 | 2001 | 2002  |
|------------------|------|------|------|------|-------|
|                  | ---- | ---- | ---- | ---- | ----  |
| FINANCIAL EAST   |      |      |      |      |       |
| Overall Vacancy  | 7.3% | 4.1% | 2.1% | 7.0% | 14.1% |
| Direct Vacancy   | 6.6% | 3.4% | 1.4% | 2.3% | 9.1%  |
| MIDTOWN WEST     |      |      |      |      |       |
| Overall Vacancy  | 4.3% | 6.0% | 2.7% | 6.2% | 6.3%  |
| Direct Vacancy   | 3.3% | 4.6% | 2.4% | 4.0% | 3.5%  |
| MIDTOWN EAST     |      |      |      |      |       |
| Overall Vacancy  | 8.0% | 5.0% | 2.6% | 8.9% | 10.3% |
| Direct Vacancy   | 6.0% | 3.8% | 1.9% | 3.1% | 4.7%  |
| 6TH AVE/ROCK CTR |      |      |      |      |       |
| Overall Vacancy  | 5.0% | 2.6% | 1.2% | 4.3% | 7.0%  |
| Direct Vacancy   | 2.2% | 1.6% | 0.9% | 2.7% | 3.5%  |

Source: Cushman & Wakefield

Breakdown of New York City Revenue:  
 Midtown East Side 43%  
 Midtown West Side 32%  
 6th Ave./Rockefeller Center 15%  
 Financial East 11%

-----  
LONG ISLAND SUBMARKET CLASS A OFFICE STATISTICS

AVERAGE ASKING RENTS  
-----

|                        | 1998     | 1999     | 2000    | 2001     | 2002     |
|------------------------|----------|----------|---------|----------|----------|
|                        | ----     | ----     | ----    | ----     | ----     |
| Central Nassau County  | \$ 29.10 | \$ 29.93 | \$31.15 | \$ 31.94 | \$ 32.02 |
| Western Suffolk County | \$ 26.22 | \$ 27.34 | \$28.22 | \$ 30.06 | \$ 30.72 |
| Eastern Nassau County  | \$ 27.49 | \$ 26.23 | \$28.75 | \$ 29.02 | \$ 29.26 |

DIRECT VACANCY RATES  
-----

|                        | 1998 | 1999  | 2000  | 2001  | 2002  |
|------------------------|------|-------|-------|-------|-------|
|                        | ---- | ----  | ----  | ----  | ----  |
| Central Nassau County  | 5.1% | 5.1%  | 4.7%  | 5.6%  | 5.4%  |
| Western Suffolk County | 7.7% | 11.6% | 15.4% | 17.5% | 13.3% |
| Eastern Nassau County  | 4.9% | 0.9%  | 1.4%  | 1.2%  | 1.1%  |

Source: Cushman & Wakefield

Breadown of Long Island office revenue:

Central Nassau 48%  
Western Suffolk 33%  
Eastern Nassau 8%  
Other 11%

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 WESTCHESTER SUBMARKETS CLASS A OFFICE STATISTICS

AVERAGE ASKING RENTS  
 -----

|                   | 1998     | 1999     | 2000     | 2001     | 2Q02     |
|-------------------|----------|----------|----------|----------|----------|
|                   | ----     | ----     | ----     | ----     | ----     |
| Central           | \$ 22.91 | \$ 27.07 | \$ 28.49 | \$ 29.53 | \$ 27.91 |
| Tarrytown/Western | \$ 24.66 | \$ 27.30 | \$ 27.03 | \$ 28.37 | \$ 29.32 |
| Eastern           | \$ 29.35 | \$ 27.70 | \$ 29.65 | \$ 30.62 | \$ 30.73 |
| White Plains CBD  | \$ 26.84 | \$ 27.44 | \$ 30.62 | \$ 30.52 | \$ 30.26 |

DIRECT VACANCY RATES  
 -----

|                     | 1998  | 1999  | 2000  | 2001  | 2Q02  |
|---------------------|-------|-------|-------|-------|-------|
|                     | ----  | ----  | ----  | ----  | ----  |
| Central             | 12.3% | 13.5% | 12.0% | 20.6% | 18.6% |
| Tarrytown / Western | 7.8%  | 8.0%  | 6.0%  | 8.4%  | 9.0%  |
| Eastern             | 12.2% | 10.1% | 8.1%  | 16.6% | 8.0%  |
| White Plains CBD    | 22.7% | 22.6% | 11.5% | 15.3% | 13.8% |

Source: Cushman & Wakefield

Breakdown of Westchester office revenue:

White Plains 28%  
 Tarrytown / Western 26%  
 Central 24%  
 Eastern 15%  
 Other 7%

Note: The 18.6% vacancy in Central Westchester is impacted by IBM selling a 383,000 SF owner occupied building. The location of this building is not easily accessible to major thoroughfares and employee bedroom communities. Excluding this building the vacancy rate is 18%.

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 NEW JERSEY SUBMARKETS CLASS A OFFICE STATISTICS

AVERAGE ASKING RENTS  
 -----

|               | 1998     | 1999     | 2000     | 2001     | 2002     |
|---------------|----------|----------|----------|----------|----------|
|               | ----     | ----     | ----     | ----     | ----     |
| Essex County  | \$ 27.74 | \$ 28.78 | \$ 28.90 | \$ 30.24 | \$ 27.14 |
| Bergen County | \$ 27.37 | \$ 28.07 | \$ 29.41 | \$ 29.78 | \$ 29.07 |
| Mercer County | \$ 24.49 | \$ 27.46 | \$ 30.32 | \$ 30.06 | \$ 31.76 |

DIRECT VACANCY RATES  
 -----

|               | 1998 | 1999 | 2000 | 2001 | 2002 |
|---------------|------|------|------|------|------|
|               | ---- | ---- | ---- | ---- | ---- |
| Essex County  | 3.3% | 6.0% | 9.6% | 6.8% | 6.7% |
| Bergen County | 6.8% | 5.3% | 5.1% | 9.9% | 9.4% |
| Mercer County | 1.5% | 5.2% | 6.3% | 6.2% | 6.0% |

Source: Cushman & Wakefield

Breakdown of New Jersey office revenue:

Essex County 50%  
 Bergen County 11%  
 Mercer County 6%  
 Other 32%

-----  
 VALUE CREATION PIPELINE  
 As of June 30, 2002  
 -----

| STAGE / PROPERTY   | Square Feet/<br>Acres | Investment<br>To Date | Anticipated<br>Total Investment (A) | Current %<br>Leased |
|--|-----------------------|-----------------------|-------------------------------------|---------------------|
| PROJECTS IN PLANNING   |                       |                       |                                     |                     |
| Melville Square Corporate Center II, Melville, NY              | 255,000               |                       | \$ 33,660,000                       |                     |
| University Square , Princeton, NJ                              | 315,000               |                       | \$ 50,397,000                       |                     |
| Melville Expressway Corporate Center, Melville, NY ( Phase II) | 277,500               |                       | \$ 49,290,000                       |                     |
| Reckson Executive Park, Rye Brook, NY                          | 345,000               |                       | \$ 55,799,000                       |                     |
| AIP 2001, Islip, NY  | 71,000                |                       | \$ 5,692,000                        |                     |
| Landmark 7, Stamford, CT                                       | 61,000                |                       | \$ 13,208,000                       |                     |
| Giralda Farms , Morris County, NJ                              | 430,000               |                       | \$ 80,091,000                       |                     |
| TOTAL PROJECTS IN PLANNING                                     | 1,754,500             | \$ 68,422,921         | \$288,137,000                       | 0.0%                |

| LAND                               |       |               |               |    |
|------------------------------------|-------|---------------|---------------|----|
| 70 Andrews Road, Hicksville, NY    | 3.8   |               | \$ 3,309,000  | -- |
| Old Willets Path, Hauppauge, NY    | 2.0   |               | \$ 2,995,000  | -- |
| Eagle Rock 3, East Hanover, NJ     | 15.0  |               | \$ 17,625,000 | -- |
| AIP Recapture, Islip, NY           | 4.2   |               | \$ 0          | -- |
| AIP, Islip NY                      | 3.8   |               | \$ 2,200,000  | -- |
| AIP, Islip NY                      | 2.0   |               | \$ 1,400,000  | -- |
| East Patchogue, East Patchogue, NY | 23.0  |               | \$ 0          | -- |
| 40 Cragwood, South Plainfield, NJ  | 7.0   |               | \$ 0          | -- |
| Giralda Farms , Chatham County, NJ | 113.0 |               | \$130,000,000 | -- |
| Valhalla Land, Valhalla, NY        | 52.7  |               | \$212,000,000 | -- |
| TOTAL LAND                         | 226.5 | \$ 45,070,297 | \$369,529,000 |    |

TOTAL UNREALIZED PIPELINE \$113,493,218 \$657,666,000

Investments that reached realization during 2002

|   |           |                 |                 |       |
|---|-----------|-----------------|-----------------|-------|
| Melville Expressway Corporate Center, Melville, NY<br>(Phase I) | 277,500   |                 |                 |       |
| 103 JFK Expressway, Short Hills, NJ                             | 123,000   |                 |                 |       |
| 400 Moreland Road, Commack, NY                                  | 57,050    |                 |                 |       |
| TOTAL REALIZED VALUE CREATION PROJECTS                          | 8,142,015 | \$1,089,838,191 | \$1,089,838,191 | 96.4% |

TOTAL VALUE CREATION PIPELINE \$1,203,331,409 \$1,747,504,191

| STAGE / PROPERTY | Estimated<br>Stabilization Date (a) | Anticipated<br>Stabilized Return (a) |
|------------------|-------------------------------------|--------------------------------------|
|------------------|-------------------------------------|--------------------------------------|

Projects in Planning

|  |         |       |
|--|---------|-------|
| Melville Square Corporate Center II, Melville, NY              | Q3 2003 |       |
| University Square , Princeton, NJ                              | Q4 2003 |       |
| Melville Expressway Corporate Center, Melville, NY ( Phase II) | Q4 2003 |       |
| Reckson Executive Park, Rye Brook, NY                          | Q4 2003 |       |
| AIP 2001, Islip, NY  | Q4 2002 |       |
| Landmark 7, Stamford, CT                                       | Q1 2003 |       |
| Giralda Farms , Morris County, NJ                              | Q1 2004 |       |
| TOTAL PROJECTS IN PLANNING                                     |         | 12.0% |

| LAND                               |    |       |
|------------------------------------|----|-------|
| 70 Andrews Road, Hicksville, NY    | -- |       |
| Old Willets Path, Hauppauge, NY    | -- |       |
| Eagle Rock 3, East Hanover, NJ     | -- |       |
| AIP Recapture, Islip, NY           | -- |       |
| AIP, Islip NY                      | -- |       |
| AIP, Islip NY                      | -- |       |
| East Patchogue, East Patchogue, NY | -- |       |
| 40 Cragwood, South Plainfield, NJ  | -- |       |
| Giralda Farms , Chatham County, NJ | -- |       |
| Valhalla Land, Valhalla, NY        | -- |       |
| TOTAL LAND                         |    | 11.0% |

TOTAL UNREALIZED PIPELINE 11.4%

Investments that reached realization during 2002

|   |  |
|---|--|
| Melville Expressway Corporate Center, Melville, NY<br>(Phase I) |  |
| 103 JFK Expressway, Short Hills, NJ                             |  |

|  |       |
|--|-------|
| TOTAL REALIZED VALUE CREATION PROJECTS | 12.7% |
| TOTAL VALUE CREATION PIPELINE          |       |

(a) Forward looking statement based upon management's estimates. Actual results may differ materially.

UNCONSOLIDATED REAL ESTATE JOINT VENTURES

| BALANCE SHEETS<br>(in thousands)                           | June 30,<br>2002<br>(Unaudited) | December 31,<br>2001<br>(Unaudited) |
|--|---------------------------------|-------------------------------------|
| <b>ASSETS</b>  |                                 |                                     |
| Commercial real estate property, at cost:                  |                                 |                                     |
| Land   | \$ 3,462                        | \$ 3,462                            |
| Building and improvements                                  | 20,719                          | 20,711                              |
| Furniture, fixtures, and equipment                         | 15                              | 15                                  |
|  | 24,196                          | 24,188                              |
| Less: accumulated depreciation                             | (4,531)                         | (4,081)                             |
| Investment in real estate, net of accumulated depreciation | 19,665                          | 20,107                              |
| Cash and cash equivalents                                  | 320                             | 271                                 |
| Tenant receivables   | 114                             | 172                                 |
| Deferred rents receivable                                  | 905                             | 960                                 |
| Prepaid expenses and other assets                          | 311                             | 306                                 |
| Deferred leasing and loan costs                            | 152                             | 161                                 |
| <b>TOTAL ASSETS</b>  | <b>\$21,467</b>                 | <b>\$21,977</b>                     |
| <b>LIABILITIES AND PARTNERS' CAPITAL</b>                   |                                 |                                     |
| <b>LIABILITIES:</b>  |                                 |                                     |
| Mortgage note payable                                      | \$12,808                        | \$13,057                            |
| Accrued expenses and other liabilities                     | 919                             | 995                                 |
| <b>TOTAL LIABILITIES</b>                                   | <b>13,727</b>                   | <b>14,052</b>                       |
| <b>PARTNERS' CAPITAL</b>                                   | <b>7,740</b>                    | <b>7,925</b>                        |
| <b>TOTAL PARTNERS' CAPITAL</b>                             | <b>7,740</b>                    | <b>7,925</b>                        |
| <b>TOTAL LIABILITIES AND PARTNERS' CAPITAL</b>             | <b>\$21,467</b>                 | <b>\$21,977</b>                     |

STATEMENTS OF OPERATIONS  
(in thousands)

|                                       | Three Months Ended<br>June 30, |               | Six Months Ended<br>June 30, |               |
|---------------------------------------|--------------------------------|---------------|------------------------------|---------------|
| REVENUES                              | 2002                           | 2001          | 2002                         | 2001          |
| Base Rents                            | \$ 909                         | \$ 903        | \$ 1,536                     | \$ 1,808      |
| Other Income                          | 0                              | 1             | 0                            | 4             |
| Tenant escalations and reimbursements | 57                             | 63            | 79                           | 142           |
| <b>Total Operating Revenues</b>       | <b>966</b>                     | <b>967</b>    | <b>1,615</b>                 | <b>1,954</b>  |
| <b>EXPENSES</b>                       |                                |               |                              |               |
| Property operating expenses           | 181                            | 169           | 326                          | 323           |
| Real estate taxes                     | 129                            | 124           | 256                          | 236           |
| Marketing, general and administrative | 11                             | 12            | 25                           | 25            |
| Depreciation and amortization         | 229                            | 228           | 459                          | 460           |
| Interest expense                      | 284                            | 309           | 571                          | 606           |
| <b>Total Expenses</b>                 | <b>834</b>                     | <b>843</b>    | <b>1,637</b>                 | <b>1,650</b>  |
| <b>Net Income (Loss)</b>              | <b>\$ 132</b>                  | <b>\$ 125</b> | <b>\$ (22)</b>               | <b>\$ 304</b> |

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 RSVP (AND IT'S EQUITY INVESTMENTS)  
 Combined Balance Sheets  
 (amounts in thousands)

|                                       | (UNAUDITED)<br>JUNE 30,<br>2002 | (AUDITED)<br>DECEMBER 31,<br>2001 |
|---------------------------------------|---------------------------------|-----------------------------------|
|                                       | -----                           | -----                             |
| Assets                                |                                 |                                   |
| -----                                 |                                 |                                   |
| Cash and other assets                 | \$ 376,240                      | \$ 358,985                        |
| Equity investments                    | \$ 133,676                      | 135,416                           |
| Total assets                          | \$ 509,916<br>=====             | \$ 494,401<br>=====               |
| Liabilities                           |                                 |                                   |
| -----                                 |                                 |                                   |
| Accounts payable and accrued expenses | \$ 10,375                       | 10,546                            |
| Long term debt                        | \$ 254,639                      | 234,449                           |
| Other liabilities                     | \$ 15,093                       | 15,878                            |
| Total liabilities                     | \$ 280,107<br>-----             | \$ 260,873<br>-----               |
| Member's equity (a)                   |                                 |                                   |
| -----                                 |                                 |                                   |
| Preferred equity                      | \$ 150,734                      | 153,340                           |
| Common equity                         | \$ 86,779                       | 87,892                            |
| Offering costs                        | (7,704)                         | (7,704)                           |
| Total member's equity                 | 229,809<br>-----                | 233,528<br>-----                  |
| Total liabilities and member's equity | \$ 509,916<br>=====             | \$ 494,401<br>=====               |

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 (a) RSVP has guaranteed \$8 million of secured first mortgage debt to third party financial institutions with respect to the Resort platform.  
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Reckson Associates Realty Corp.

Supplemental Operating and Financial Data for the Quarter Ended June 30, 2002



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RSVP  
Summary of Invested Capital

The following table sets forth the Company'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:

(amounts in thousands)

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| PLATFORM                              | RSVP CONTROLLED<br>JOINT VENTURES | AMOUNTS<br>ADVANCED | TOTAL            |
|---------------------------------------|-----------------------------------|---------------------|------------------|
| Privatization (Prisons/Gov't offices) | \$ 21,480                         | \$ 3,520            | \$ 25,000        |
| Student housing                       | 18,086                            | 3,935               | 22,021           |
| Medical office                        | 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           |
| Total                                 | <u>\$ 59,751</u>                  | <u>\$ 49,381</u>    | <u>\$109,132</u> |

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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.

At June 30, 2002, the net carrying value of the Company's investments in FrontLine loans, including advances under the RSVP commitment and RSVP controlled joint ventures is approximately \$65 million.

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Reckson Associates Realty Corp.  
Supplemental Operating and Financial Data for the Quarter Ended June 30, 2002

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 RSVP  
 Summarized Platform Balance Sheets as of June 30, 2002 (unaudited)  
 (amounts in thousands)  
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|  | PRIVATIZATION    | STUDENT HOUSING   | MEDICAL OFFICE    | PARKING          |
|--|------------------|-------------------|-------------------|------------------|
| <b>ASSETS:</b>                                 |                  |                   |                   |                  |
| Real estate assets                             | \$ --            | \$ 287,091        | \$ 59,096         | \$ 56,722        |
| Other assets                                   | 75,362           | 40,037            | 50,548            | \$ 5,459         |
| <b>Total Assets</b>                            | <b>\$ 75,362</b> | <b>\$ 327,128</b> | <b>\$ 109,644</b> | <b>\$ 62,181</b> |
| <b>LIABILITIES:</b>                            |                  |                   |                   |                  |
| Accounts payable & other liabilities           | \$ --            | \$ 20,822         | \$ 1,384          | \$ 2,278         |
| Property related debt                          |                  | 254,639           | 44,461            | \$ 31,136        |
| <b>Total Liabilities</b>                       | <b>--</b>        | <b>275,461</b>    | <b>45,845</b>     | <b>33,414</b>    |
| <b>PARTNER'S CAPITAL</b>                       |                  |                   |                   |                  |
| RSVP / RAP capital                             | 75,362           | 51,850            | 59,093            | \$ 19,559        |
| Other partners (2)                             | --               | (183)             | 4,706             | \$ 9,208         |
| <b>Total Partner's Capital</b>                 | <b>75,362</b>    | <b>51,667</b>     | <b>63,799</b>     | <b>28,767</b>    |
| <b>Total Liabilities and Partner's Capital</b> | <b>\$ 75,362</b> | <b>\$ 327,128</b> | <b>\$ 109,644</b> | <b>\$ 62,181</b> |

|  | RESORTS          | NET LEASED RETAIL | OTHER (1)       |
|--|------------------|-------------------|-----------------|
| <b>ASSETS:</b>                                 |                  |                   |                 |
| Real estate assets                             | \$ 59,784        | \$ 6,174          | \$ --           |
| Other assets                                   | 12,304           | 2,255             | 7,452           |
| <b>Total Assets</b>                            | <b>\$ 72,088</b> | <b>\$ 8,429</b>   | <b>\$ 7,452</b> |
| <b>LIABILITIES:</b>                            |                  |                   |                 |
| Accounts payable & other liabilities           | \$ 7,261         | \$ 954            | \$ --           |
| Property related debt                          | 23,675           | 4,162             | --              |
| <b>Total Liabilities</b>                       | <b>30,936</b>    | <b>5,116</b>      | <b>--</b>       |
| <b>PARTNER'S CAPITAL</b>                       |                  |                   |                 |
| RSVP / RAP capital                             | 23,289           | 3,313             | 7,452           |
| Other partners (2)                             | 17,863           | --                | --              |
| <b>Total Partner's Capital</b>                 | <b>41,152</b>    | <b>3,313</b>      | <b>7,452</b>    |
| <b>Total Liabilities and Partner's Capital</b> | <b>\$ 72,088</b> | <b>\$ 8,429</b>   | <b>\$ 7,452</b> |

- (1) Represents note receivable collateralized by interests in certain senior living facilities, less impairment allowances.  
 (2) Includes amounts that are subordinated to RSVP / RAP capital  
 (3) Reflects carrying value of investment  
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