UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

SEPTEMBER 10, 2003
Date of Report (Date of Earliest Event Reported)

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

RECKSON ASSOCIATES REALTY CORP. -MARYLAND	RECKSON ASSOCIATES REALTY CORP. 11-3233650
RECKSON OPERATING PARTNERSHIP, L.P. -DELAWARE	RECKSON OPERATING PARTNERSHIP, L.P. 11-3233647
(State or other jurisdiction of incorporation)	(IRS Employer Identification Number)

1-13762
(Commission File Number)

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

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

Item 5. Other Events and Required FD Disclosure.

On September 10, 2003, Reckson Associates Realty Corp. ("Reckson") announced that it had entered into agreements relating to the disposition of its Long Island industrial portfolio to members of the Rechler family for approximately $315.5 million in cash and other consideration. Subject to the terms and conditions of the agreements, at closing, Reckson will dispose of its 95 property, 5.9 million square foot, Long Island industrial portfolio for approximately $225.1 million in cash and debt assumption and approximately $90.4 million in Reckson Operating Partnership, L.P. Units. In connection with the disposition of the Long Island industrial portfolio, Reckson estimates that it will recognize for United States GAAP purposes a gain on the sale of real estate of approximately $138 million. In addition, Reckson estimates that it will recognize a taxable gain on the sale of real estate of approximately $20 million.

In addition, four of the five remaining options granted at the time of the Company's IPO with regard to interests in properties owned by Rechler family members (including three properties in which the Rechler family members hold non-controlling interests and one industrial property) will be terminated in connection with the transaction in return for an aggregate payment by Rechler family members of $972,000. Rechler family members have also agreed to extend the term of the remaining option on the property located at 225 Broadhollow Road, Melville, New York (the Company's current headquarters) for five years, to release Reckson from approximately 16,000 square feet under its lease at this property and to pay Reckson $1 million in return for Reckson's agreement not to

exercise the option during the next three years and to increase the exercise price of the option payable by Reckson by $1 million.

Reckson also announced certain proposed changes in its Board of Directors and corporate governance arrangements as described in the press release attached as Exhibit 99.1, which is hereby incorporated herein by reference.

Item 7. Financial Statements and Exhibits.

(c) EXHIBITS. The following exhibits are filed as part of this report:

10.1 Redemption Agreement, dated as of September 10, 2003, by and among Reckson Operating Partnership, L.P., Reckson FS Limited Partnership, and Rechler Equity Partners I LLC, as transferee.

10.2 Property Sale Agreement, dated as of September 10, 2003, by and among Reckson Operating Partnership, L.P., Reckson FS Limited Partnership, RCG Kennedy Drive LLC and Rechler Equity Partners II LLC.

10.3 Transition Agreement, dated as of September 10, 2003, by and between Reckson Associates Realty Corp., Reckson Operating Partnership, L.P., and Donald Rechler.

10.4 Transition Agreement, dated as of September 10, 2003, by and between Reckson Associates Realty Corp., Reckson Operating Partnership, L.P., and Roger Rechler.

10.5 Transition Agreement, dated as of September 10, 2003, by and between Reckson Associates Realty Corp., Reckson Operating Partnership, L.P., and Mitchell Rechler.

10.6 Transition Agreement, dated as of September 10, 2003, by and between Reckson Associates Realty Corp., Reckson Operating Partnership, L.P., and Gregg Rechler.

10.7 Amendment Agreement, dated as of September 10, 2003, by and between Reckson Associates Realty Corp. and Scott Rechler.

99.1 Press Release of Reckson Associates Realty Corp., dated September 10, 2003.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the 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

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

Date: September 18, 2003

EXHIBIT INDEX

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EXHIBIT 10.1

REDEMPTION AGREEMENT

BETWEEN

RECKSON OPERATING PARTNERSHIP, L.P.

AND

RECKSON FS LIMITED PARTNERSHIP,

AS TRANSFEROR

AND

RECHLER EQUITY PARTNERS I LLC

AS TRANSFEREE

DATED

September 10, 2003

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REDEMPTION AGREEMENT

THIS AGREEMENT is entered into as of the 10th day of September, 2003, between RECKSON OPERATING PARTNERSHIP, L.P., a Delaware limited partnership ("ROP"), and RECKSON FS LIMITED PARTNERSHIP, a Delaware limited partnership ("RFS"), each having an address c/o Reckson Associates Realty Corp., 225 Broadhollow Road, Melville, New York 11747 (ROP and RFS, collectively, "Transferor"), and RECHLER EQUITY PARTNERS I LLC, a Delaware limited liability company having an address at 225 Broadhollow Road, Melville, New York 11747 ("Transferee").

W I T N E S S E T H:
- - - - - - - - - -

WHEREAS, Transferor and Transferee desire to effectuate the redemption of the Partnership Interests (as hereinafter defined) subject to and in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the mutual premises herein set forth and other valuable consideration, the receipt of which is hereby acknowledged, Transferor and Transferee agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. DEFINITIONS. For purposes of this Agreement, the following terms shall have the meanings indicated below:

"Affiliate" means, with respect to any specified Person, any other Person that directly, or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the specified Person. For purposes of this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting stock, by contract or otherwise.

"Agreement" means this Redemption Agreement, including all Schedules and Exhibits, as the same may be amended, supplemented, restated or modified.

"Allocated Value" shall mean, with respect to a Property, the value ascribed to such Property on Exhibit K attached hereto (or in the case of any substituted Property under Article 12, the value ascribed to such Property on Exhibit K of the Purchase and Sale Agreement).

"Artwork License Agreement" has the meaning given that term in Section 2.3(a).

"Assignable Proceeding" has the meaning given that term in Section 7.3.

"Assignment and Assumption of Contracts" has the meaning given that term in Section 2.3(a).

"Assignment and Assumption of Existing Debt" has the meaning given that term in Section 2.3(a).

"Assignment and Assumption of Leases" has the meaning given that term in Section 2.3(a).

"Assumed Liabilities" has the meaning given that term in Section 9.3(a).

"Base Amount" has the meaning given that term in Section 8.2(b).

"Bi-County Mortgage" means that certain mortgage loan in the original principal amount of $5,100,000.00 from Fortis Benefits Insurance Company to 110 Bi-County Associates, L.P. secured by the Property known as 110 Bi-County Boulevard, Babylon, New York.

"Books and Records" has the meaning given that term in Section 2.2(xii).

"Business Day" means any day other than a Saturday, Sunday or day on which the banks in New York, New York are authorized or obligated by law to be closed.

"Business Plan" has the meaning given that term in Section 2.5(e)(ii)(A).

"Claim" means any claim, demand or legal proceeding.

"Closing" has the meaning given that term in Section 2.1(b).

"Closing Date" has the meaning given that term in Section 2.1(b).

"Code" has the meaning given that term in Section 2.8(a).

"Combined Portfolio" shall mean, collectively, the Properties and the P&S Agreement Properties.

"Competitive Activity" has the meaning given that term in Section 5.10.

"Contracts" has the meaning given that term in Section 2.2(viii).

"Deed" has the meaning given that term in Section 2.3(a)(i).

"Deposit" has the meaning given that term in Section 2.4(a).

"Determination Date" has the meaning given that term in Section 2.4(g).

"DR Amendment" has the meaning given that term in Section 2.3(a)(xxvii).

"Environmental Law" means any Law relating to the environment, human health or safety or Hazardous Substances.

"Escrow Holder" has the meaning given that term in Section 2.4(a).

"Executory Period" has the meaning given that term in Section 2.5(e).

"Existing Mortgages" means, collectively, the Orville Mortgage and the Bi-County Mortgage.

"Existing Unsecured Debt" means a portion of the outstanding principal balance under the Second Amended and Restated Credit Agreement, between and among Reckson Operating Partnership, L.P., the institutions from time to time party thereto as Lenders and JPMorgan Chase (as amended), equal to the excess of $169,931,037 over the outstanding principal balance, as of the Closing Date, of the Existing Mortgages (if any) actually assumed by Transferee at the Closing.

"General Intangibles" has the meaning given that term in Section 2.2(ix).

"Governmental Authority" means any agency, bureau, department or official of any federal, state or local governments or public authorities or any political subdivision thereof.

"Ground Lease" means each of (a) that certain Agreement of Lease made as of June 14th 1991 by and between Heartland Associates and RREEF USA Fund-I and (b) that certain Agreement of Lease made as of December 1, 1997 between Holber Associates and ROP, as each may have been assigned, modified, extended or amended.

"Ground Lease Assignment and Assumption" has the meaning given to that term in Section 2.3(a)(ii).

"Ground Lease Parcel" means each of the respective estates in land which is covered by the Ground Lease applicable thereto.

"Hazardous Substance" means any substance, waste or material that is listed, classified or regulated pursuant to any Environmental Law, and includes, without limitation, any petroleum product or by-product, asbestos-containing material, lead-containing paint or plumbing, flammable explosives, cyanide, polychlorinated biphenyl compounds, heavy metals, radon, chlorinated solvents, methane and radioactive materials.

"Improvements" has the meaning given that term in Section 2.2(iii).

"Land" means all of the parcels of land described in Schedule 2.2 and, when used with reference to a particular Property, means the parcel of land relating to such Property.

"Law" means any law, rule, regulation, order, decree, statute, ordinance, or other legal requirement passed, imposed, adopted, issued or promulgated by any Governmental Authority.

"Leases" means all leases, license agreements and other occupancy agreements pursuant to which any Person has the right to occupy, or is otherwise leased or demised, any portion of a Property, together with any and all amendments, modifications, expansions, extensions, renewals, guarantees or other agreements relating thereto.

"License Agreement" has the meaning given that term in Section 2.3(a)(xxix).

"Licenses and Permits" has the meaning given that term in Section 2.2(vi).

"Losses" has the meaning given that term in Section 9.1.

"Material Adverse Condition" has the meaning given that term in Section 6.1(f).

"Option Modification Agreement" has the meaning given that term in Section 2.3(a)(xxxii).

"Option Termination Agreement" has the meaning given that term in Section 2.3(a)(xxxi).

"Orville Mortgage" means that certain mortgage loan in the original principal amount of $4,650,000 from Principal Mutual Life Insurance Company to Reckson Associates secured by the Property known as 80 Orville Drive, Bohemia, New York.

"P&S Agreement Properties" has the meaning given that term in Section 12.1.

"Partnership Interests" means the number and series of units of limited partnership interests in ROP which will be owned by Transferee immediately prior to the Closing, as set forth on Exhibit H.

"Permitted Exception" has the meaning given that term in Section 6.1(c).

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization, or other entity.

"Personal Property" has the meaning given that term in Section 2.2(v).

"Prior Right" has the meaning given that term in Section 5.4.

"Property(ies)" has the meaning given that term in Section 2.2.

"Proration Agreement" has the meaning given that term in Section 2.5(f).

"Purchase and Sale Agreement" means that certain Purchase and Sale Agreement between Transferor, RCG Kennedy Drive LLC and Rechler Equity Partners II LLC, dated as of the date hereof.

"Qualifying Income" has the meaning given that term in Section 8.2.

"RARC" means Reckson Associates Realty Corp., a Maryland corporation.

"REIT Requirements" has the meaning given that term in Section 8.2.

"Remediation Date" has the meaning given that term in Section 6.3(c).

"Remediation Notice" has the meaning given that term in Section 6.3(c).

"RFS" is the entity identified as such in the first paragraph of this Agreement.

"ROFR Agreement" has the meaning given that term in Section 2.3(a)(xxxiii).

"ROP" is the entity identified as such in the first paragraph of this Agreement.

"Retained Liabilities" has the meaning given that term in Section 9.3(b).

"Satisfactory Financing" means one or more non-recourse first mortgage loans encumbering the properties in the Combined Portfolios, whether short term or long term (a) resulting in net proceeds (after all reasonable fees, expenses, hedging costs, reserves, escrows and holdbacks) to Transferee and/or the purchaser under the Purchase and Sale Agreement of at least $225,000,000.00 less the outstanding principal balance as of the Closing Date of any Existing Mortgage which encumbers a Property which is conveyed to Transferee on the Closing Date and (b) otherwise on commercially reasonable terms and conditions, taking into account all of the terms and conditions of the transactions contemplated by this Agreement (including, without limitation, the requirements of clause (a) above and the fact that Transferee will be investing equity in the Properties in an amount at least equal to the value of the Partnership Interests) and the Purchase and Sale Agreement.

"Scheduled Closing Date" has the meaning given that term in Section 2.1(b).

"SR Amendment" has the meaning given that term in Section 2.3(a).

"Stock Loan Agreement" has the meaning given that term in Section 2.3(a).

"Surrender Agreement" has the meaning given that term in Section 2.3(a).

"Systems" has the meaning given that term in Section 2.2(xi).

"Taking" has the meaning given that term in Section 7.2(b).

"Tenant" has the meaning given that term in Section 2.3(a)(viii).

"Termination Fee" has the meaning given that term in Section 8.2(b).

"Termination Fee Tax Opinion" has the meaning given that term in Section 8.2(b).

"Third Party" means any Person other than Transferor and its Affiliates.

"Title Insurer" means Commonwealth Land Title Insurance Company and/or such other or additional reputable title insurance companies as may be designated by Transferee.

"Transferee" is the entity identified as such in the first paragraph of this Agreement, and any successor or assign.

"Transferee Representation and Warranty Update" has the meaning given that term in Section 3.2.

"Transferor" has the meaning given that term in the first paragraph of this Agreement.

"Transferor Representation and Warranty Update" has the meaning given that term in Section 4.2.

"Transition Agreement" has the meaning given that term in Section 2.3(a).

"Transition Period" has the meaning given that term in Section 5.11.

"Transition Services" has the meaning given that term in Section 5.11.

"Voluntary Encumbrances" has the meaning given that term in Section 6.1(c).

Section 1.2. RULES OF CONSTRUCTION.

(a) All uses of the term "including" shall mean "including, but not limited to," unless specifically stated otherwise.

(b) Unless the context otherwise requires, singular nouns and pronouns, when used herein, shall be deemed to include the plural of such noun or pronoun, pronouns of one gender shall be deemed to include the equivalent pronoun of the other gender and references to a

particular Section, Addendum, Schedule or Exhibit shall be deemed to mean the particular Section of this Agreement or Addendum, Schedule or Exhibit attached hereto, respectively.

ARTICLE II

REDEMPTION OF THE PARTNERSHIP INTERESTS

Section 2.1. REDEMPTION OF THE PARTNERSHIP INTERESTS. (a) Subject to the terms of this Agreement, Transferor agrees to redeem the Partnership Interests from Transferee in exchange for the distribution to Transferee of the Properties subject to the Existing Mortgages and the Existing Unsecured Debt. The parties agree that the value of the Properties has been allocated based upon the Allocated Values on Exhibit K hereto. The terms of the redemption of the Partnership Interests pursuant to this Section 2.1 shall not be affected by any change in the value of the Partnership Interests or of the Properties during the period between the execution and delivery of this Agreement and the Closing.

(b) The closing of the redemption of the Partnership Interests in exchange for the distribution of the Properties to or at the direction of Transferee as described in this Agreement (the "Closing") shall be held on December 30, 2003 (the "Scheduled Closing Date") or such earlier date as may be agreed by the parties hereto, as such Scheduled Closing Date may be adjourned from time to time in accordance with the provisions of this Agreement (the actual date on which the Closing occurs is called the "Closing Date").

Section 2.2. PROPERTIES. As used herein, the term "Properties" means the following (insofar as the same relate to a single parcel of Land, a "Property"):

(i) the fee estate in each parcel of land described on Exhibit L hereto (other than the Ground Lease Parcels), including, without limitation, all of the land that constitutes a part of those properties and any interest of the Transferor in any adjoining parcel or parcels that may be needed for such property to be in compliance with applicable Law or applicable Leases;

(ii) with respect to each Ground Lease Parcel, the leasehold estate in such Ground Lease Parcel demised pursuant to the Ground Lease applicable thereto and all of lessee's interest and right under such Ground Lease or appurtenant to such leasehold estate;

(iii) all buildings, structures and improvements on each parcel of Land (the "Improvements"), including all building systems and equipment relating thereto;

(iv) all easements, covenants, privileges, rights of way and other rights appurtenant to the Land;

(v) all furniture, fixtures, equipment, chattels, machinery and other personal property owned by Transferor or by any Affiliate thereof which are now, or may hereafter prior to the Closing Date be, placed in, located on or attached to the Land and Improvements and used or usable in connection with the operation, use, occupancy, maintenance or repair thereof (the "Personal Property");

(vi) to the extent they may be transferred under applicable Law, all licenses, permits, certificates of occupancy and authorizations issued to Transferor or any Affiliate thereof pertaining to or in connection with the operation, use, occupancy, maintenance or repair of the Land, Improvements or Personal Property (the "Licenses and Permits");

(vii) to the extent assignable, all warranties, if any, issued to Transferor or any Affiliate thereof by any manufacturer or contractor in connection with construction or installation of equipment included as part of the Property;

(viii) to the extent assignable, all brokerage and commission agreements, construction, service, supply, security, maintenance or other contracts (if any) (the "Contracts") held by Transferor or its Affiliates with respect to the use, occupancy, maintenance, repair or operation of the Land, Improvements and Personal Property;

(ix) all trade names, trademarks, logos, copyrights and other intangible personal property owned by Transferor or its Affiliates relating to the Land, Improvements or Personal Property, but excluding the use of the name "Reckson," which shall be retained exclusively by Transferor except to the extent set forth in the License Agreement (the "General Intangibles");

(x) all of Transferor's right, title and interest in and to the Leases and the rents and profits therefrom, subject to Section 5.2, and (B) any security deposited under the Leases;

(xi) all of Transferor's right, title and interest in and to the systems, software and software licenses necessary to operate the Properties (the "Systems");

(xii) all books, records, lists of tenants and prospective tenants, files and other information (including, without limitation, any thereof in electronic format) maintained by Transferor or its Affiliates or agents with respect to the ownership, use, leasing, occupancy, operation, maintenance or repair of the Properties, including, without limitation, audited financial statements (to the extent the same are completed and available) for the Properties and audited financial statements for the Transferor for the 3 fiscal years prior to Closing (the "Books and Records");

(xiii) all other rights, privileges and appurtenances being expressly conveyed to Transferee under this Agreement, including, but not limited to, utility deposits and refunds in connection therewith, subject to Section 2.5.

Section 2.3. CLOSING DELIVERIES. On the Closing Date,

(a) Transferor shall:

(i) for each Property (other than the Ground Lease Parcel) execute and deliver to Transferee a bargain and sale deed with covenant against grantor's acts conveying Transferor's interest in the Properties free and clear of all liens, easements, encumbrances, restrictions and other exceptions, other than the Permitted Exceptions, in the form attached hereto as Exhibit A (the "Deed");

(ii) for the Ground Lease Parcel, execute and deliver to Transferee an assignment (the "Ground Lease Assignment and Assumption") in the form attached hereto as Exhibit A-1, which assigns the lessee's interest in the leasehold estate created by the Ground Lease;

(iii) for each Property, execute and deliver to Transferee a bill of sale covering the Personal Property in the form attached hereto as Exhibit B;

(iv) for each Property, execute and deliver to Transferee an assignment (the "Assignment and Assumption of Leases") of all Leases and security deposits which shall be in recordable form and in the form attached hereto as Exhibit C;

(v) for each Property, execute and deliver to Transferee an assignment (the "Assignment and Assumption of Contracts") of all Contracts, Licenses and Permits, General Intangibles, warranties and guaranties affecting such Property, in the form attached hereto as Exhibit D;

(vi) deliver to Transferee the security deposits then held by Transferor, its agents or any Affiliate pursuant to the Leases, and to the extent that any security deposit made under a Lease is in the form of a letter of credit, deliver such assignments and other instruments as Transferee may reasonably require to transfer such letter of credit to Transferee or, if Transferee so requires, to Transferee's mortgage lender on the applicable Property (together with reasonably satisfactory confirmation from the issuer thereof that Transferee (or such lender) is the valid holder thereof);

(vii) execute and deliver to Transferee a nonforeign affidavit in the form attached hereto as Exhibit E;

(viii) execute and deliver to Transferee a letter addressed to each tenant, licensee or occupant under any Lease ("Tenant") advising the Tenant of the

transfer of the Property and assignment of its Lease in the form attached hereto as Exhibit F;

(ix) execute and deliver to Transferee a letter addressed to each vendor under any Contract being assumed by Transferee hereunder advising the vendor of the transfer of the Property and assignment and assumption of its Contract in the form attached hereto as Exhibit F-1;

(x) deliver to Transferee the original executed estoppel certificates obtained by Transferor pursuant to Section 5.6;

(xi) execute and deliver to Transferee the Proration Agreement;

(xii) deliver to Transferee or Transferee's property manager signed originals or, if unavailable, copies, of all Leases;

(xiii) deliver to Transferee or Transferee's property manager signed originals or, if unavailable, copies, of all Contracts and Licenses and Permits being assigned to Transferee;

(xiv) deliver to Transferee a signed original of each Ground Lease, or, if unavailable, a copy thereof;

(xv) deliver to Transferee or Transferee's property manager for all Improvements copies of all warranties, guaranties, service manuals and other documentation in the possession or control of Transferor, its agents or any Affiliate pertaining to building systems and equipment;

(xvi) deliver to Transferee or Transferee's property manager for all Improvements all keys and combinations to locks that are in the possession or control of Transferor, its agents or any Affiliate;

(xvii) deliver to Transferee or Transferee's property manager for all Improvements copies of all plans and specifications that are in the possession or control of Transferor or any Affiliate;

(xviii) file the 1099-S Form required by the Internal Revenue Service and deliver a copy thereof to Transferee;

(xix) deliver to Title Insurer such customary affidavit or indemnity as is reasonably required for the Title Insurer to omit from its title report those exceptions required to be omitted in order to convey title to the Properties as required hereby;

(xx) deliver to Title Insurer such corporate resolutions or other appropriate documentation reasonably required by Title Insurer regarding the authorization of Transferor to transfer the Properties to Transferee and the authority and incumbency of the person or persons executing this Agreement;

(xxi) to the extent Transferor is obligated under the terms of this Agreement, deliver to Title Insurer such unconditional releases, satisfactions or other instruments as may be required by Law to discharge any mortgages or other security interests of record (other than the Existing Mortgages);

(xxii) deliver to Transferee the Transferor Representation and Warranty Update;

(xxiii) deliver to Transferee or Transferee's property manager (with Transferor having the right to retain copies thereof) all of the Books and Records;

(xxiv) execute and deliver to Transferee such documents as Transferee may reasonably require to evidence the assignment of the Systems;

(xxv) execute and deliver to Transferee an assignment and assumption of the Existing Unsecured Debt (the "Assignment and Assumption of Existing Debt") in form reasonably acceptable to Transferee and Transferor (it being intended that the holder of the Existing Unsecured Debt shall be a third party beneficiary to the Assignment and Assumption of Existing Debt and shall be entitled to proceed thereunder directly against Transferee) whereby Transferee will assume the Existing Unsecured Debt and will, immediately after such assumption, repay the Existing Unsecured Debt;

(xxvi) unless previously executed, execute and deliver to each member of Transferee, except Scott Rechler, a Transition Agreement (collectively, the "Transition Agreements") in the form attached as Exhibit O;

(xxvii) intentionally omitted;

(xxviii) unless previously executed, execute and deliver to Scott Rechler the Employment Agreement Amendment (the "SR Amendment") in the form attached as Exhibit Q;

(xxix) execute and deliver to Transferee the License Agreement (the "License Agreement") in the form attached as Exhibit R;

(xxx) execute and deliver to Transferee an agreement (the "Surrender Agreement") reasonably acceptable to Transferee and Transferor providing for the surrender by Transferor of the entire first floor portion of the space leased by ROP at 225 Broadhollow Road consisting of 16,931 rentable square feet, the abandonment by

ROP of all furniture, fixtures and equipment located in such surrendered premises and providing for the equitable adjustment of the terms of the lease for the remainder of the space so leased by ROP, but for no additional consideration other than the Option Modification Agreement;

(xxxi) execute and deliver to Transferee an agreement providing for the termination of ROP's option to acquire 593 Acorn in consideration of payment to ROP by Transferee at Closing of $872,000.00 (the "Acorn Option Termination Agreement") in the form attached as Exhibit T;

(xxxii) execute and deliver to Transferee an agreement providing for the extension of ROP's option on 225 Broadhollow Road (the "Option Modification Agreement") in the form attached as Exhibit U;

(xxxiii) execute and deliver to Transferee an agreement providing for Transferee to have a right of first refusal with respect to certain parcels of vacant land (the "ROFR Agreement") in the form attached as Exhibit V;

(xxxiv) execute and deliver to Transferee the Stock Loan Assignment and Assumption Agreement (the "Stock Loan Agreement") in the form attached hereto as Exhibit W;

(xxxv) execute and deliver to Transferee an Artwork License Agreement (the "Artwork License Agreement") reasonably acceptable to Transferor and Transferee providing that any artwork belonging to any direct or indirect members of Transferee present in any property of Transferor or its affiliates after the Closing shall, in return for Transferor's payment of $1.00 to Transferee, remain in place until August 15, 2004 and shall be removed by Transferee within 60 days of such date, and that until the removal of such artwork, Transferor shall be responsible for maintaining, insuring and securing such artwork;

(xxxvi) execute and deliver to Transferee an environmental indemnity with respect to 32 Windsor Road in the form attached hereto as Exhibit P; and

(xxxvii) execute and deliver to Transferee an agreement providing for the termination of ROP's options to acquire Gateway, Huntington and Willets (the "Option Termination Agreements") in the same form as the Acorn Option Termination Agreement, except that the aggregate consideration payable to Transferor for all such terminations shall be $100,000.00.

(b) Transferee shall:

(i) deliver to Transferor an instrument reasonably satisfactory to Transferor evidencing and confirming the surrender of the Partnership Interests;

(ii) execute and deliver to Transferor the Ground Lease Assignment and Assumption;

(iii) execute and deliver to Transferor the Assignment and Assumption of Leases;

(iv) execute and deliver to Transferor the Proration Agreement;

(v) execute and deliver to Transferor the Assignment and Assumption of Contracts;

(vi) execute and deliver to Transferor the Assignment and Assumption of Existing Debt;

(vii) deliver to Transferor the Transferee Representation and Warranty Update;

(viii) unless previously executed, cause the Transition Agreements to be executed and delivered by its respective member of Transferee;

(ix) omitted;

(x) unless previously executed, cause Scott Rechler to execute and deliver to Transferor the SR Amendment;

(ix) execute and deliver to Transferor the License Agreement;

(x) execute and deliver to Transferor the Surrender Agreement;

(xi) execute and deliver to Transferor the Acorn Option Termination Agreement and pay the consideration contemplated therein in the amount of $872,000.00 by wire transfer or other immediately available funds;

(xii) execute and deliver to Transferor the Option Modification Agreement and pay the consideration contemplated therein in the amount of $1,000,000.00 by wire transfer or other immediately available funds;

(xxiii) execute and deliver to Transferor the ROFR Agreement;

(xxiv) cause the Artwork License Agreement to be executed and delivered to Transferor;

(xxv) execute and deliver to Transferor the Option Termination Agreements and pay the consideration contemplated therein in the amount of $100,000 by wire transfer or other immediately available funds;

(xxvi) execute and deliver to Transferor the Stock Loan Agreement

(xxvii) execute and deliver to Transferor the Surrender Agreement; and

(xxviii) execute and deliver to Transferor an affidavit of non-foreign status substantially in the form set forth in Treasury Regulation Section 1.1445-2(b)(2)(iii)(B).

(c) Not later than 2 Business Days prior to the Closing, Transferee shall have the right upon written notice to Transferor, to designate one or more different entities to acquire title to each of the Properties in lieu of the Transferee and/or to assume any or all of the liabilities with respect to such Properties; provided, that any acquisition of the Properties or assumption of liabilities pursuant to such designation shall not relieve Transferee from any of its obligations pursuant to this Agreement.

(d) Except as otherwise provided below, if, pursuant to Section 2.5, the prorations owed Transferor exceed the prorations owed Transferee, then Transferee shall, at the Closing, pay to Transferor by wire transfer to an account designated by Transferee on not less than two (2) Business Days notice in immediately available federal funds the amount by which the prorations owed Transferor exceed the prorations owed Transferee. If, pursuant to Section 2.5, the prorations owed Transferee exceed the prorations owed Transferor, then Transferor shall, at the Closing, pay to Transferee by wire transfer to an account designated by Transferee on not less than two (2) Business Days notice in immediately available federal funds the amount by which the prorations owed Transferee exceed the prorations owed Transferor. Notwithstanding the foregoing, unless the Transferor and Transferee mutually agree to make any payments required under this Section 2.3(d) in cash (via wire transfers or otherwise), in lieu of cash adjustments, any adjustments required to be made pursuant to this paragraph shall be made through an adjustment to the amount of Existing Unsecured Debt assumed by the Transferee.

Section 2.4. DEPOSIT.

(a) Concurrently with the execution by Transferor and Transferee of this Agreement, Transferee has deposited with Wachtell Lipton Rosen & Katz, as escrow agent (when acting in the capacity of escrow agent, the "Escrow Holder") the sum of Five Million Dollars ($5,000,000) (the "Deposit") by wire transfer of immediately available federal funds to the account set forth on Exhibit X. Escrow Holder shall invest the Deposit in an interest bearing money market account. Escrow Holder shall not be liable for (i) any loss of such investment (unless due to Escrow Holder's gross negligence or willful misconduct) or (ii) any failure to attain a favorable rate of return on such investment.

(b) Escrow Holder shall deliver the Deposit, and the interest accrued thereon, to Transferor or to Transferee, as the case may be, under the following conditions:

(i) upon the Closing, the Deposit (together with all interest accrued thereon) shall be delivered to Transferee; or

(ii) if Transferee has defaulted in the performance of its obligations under this Agreement as provided in Section 8.2(a) then Transferor shall deliver a written notice to Escrow Holder instructing Escrow Holder to deliver the Deposit to Transferor, and in the event that within ten (10) days of such request, Transferee shall not have delivered a written objection to Escrow Holder pursuant to Section 2.4(d) below, then the Escrow Holder shall within two Business Days after the end of such ten (10) day period deliver the Deposit to Transferor, unless Transferee has delivered to Transferor the shares of common stock or units of limited partnership as provided in Section 8.2(a); or

(iii) if Transferor has defaulted in the performance of its obligations under this Agreement as provided in Section 8.2(c) then Transferee shall deliver a written notice to Escrow Holder instructing Escrow Holder to deliver the Deposit to Transferee, and in the event that within ten (10) days of such request, Transferor shall not have delivered a written objection to Escrow Holder pursuant to Section 2.4(d) below, then the Escrow Holder shall within two Business Days after the end of such ten (10) day period deliver the Deposit to Transferee; or

(iv) the Deposit, and the interest accrued thereon, shall be delivered to Transferee or Transferor as directed by joint written instructions of Transferor and Transferee.

(c) Upon the filing of a written demand for the Deposit by Transferor or Transferee, pursuant to subsection (b)(ii) or (b)(iii), Escrow Holder shall promptly give notice thereof (including a copy of such demand) to the other party. The other party shall have the right to object to the delivery of the Deposit, by giving written notice of such objection to Escrow Holder at any time within ten (10) days after such party's receipt of notice from Escrow Holder, but not thereafter. Such notice shall set forth the basis for objecting to the delivery of the Deposit. Within one Business Day of its receipt of such notice of objection, Escrow Holder shall give a copy of such notice to the party who filed the written demand.

(d) If Escrow Holder shall have received the notice of objection provided for in subsection (c) above within the time therein prescribed, Escrow Holder shall continue to hold the Deposit, and the interest accrued thereon, until (i) Escrow Holder receives a written notice jointly signed by Transferor and Transferee directing the disbursement of the Deposit, in which case Escrow Holder shall then disburse the Deposit, and the interest accrued thereon, in accordance with said direction, or (ii) litigation is commenced between Transferor and Transferee, in which case Escrow Holder shall deposit the Deposit, and the interest accrued thereon, with the clerk of the court in which said litigation is pending, or (iii) Escrow Holder takes such affirmative steps as Escrow Holder may elect, at Escrow Holder's option, in order to terminate Escrow Holder's duties hereunder, including but not limited to depositing the Deposit,

and the interest accrued thereon, in court and commencing an action for interpleader, the costs thereof to be borne by whichever of Transferor or Transferee is the losing party.

(e) Escrow Holder may rely and act upon any instrument or other writing reasonably believed by Escrow Holder to be genuine and purporting to be signed and presented by any person or persons purporting to have authority to act on behalf of Transferor or Transferee, as the case may be, and shall not be liable in connection with the performance of any duties imposed upon Escrow Holder by the provisions of this Agreement, except for Escrow Holder's own gross negligence, willful misconduct or default. Escrow Holder shall have no duties or responsibilities except those set forth herein. Escrow Holder shall not be bound by any modification, cancellation or rescission of this Agreement unless the same is in writing and signed by Transferee and Transferor, and, if Escrow Holder's duties hereunder are affected, unless Escrow Holder shall have given prior written consent thereto. Escrow Holder shall be reimbursed by Transferor and Transferee for any expenses (including reasonable legal fees and disbursements of outside counsel, including all of Escrow Holder's fees and expenses with respect to any interpleader action pursuant to paragraph (d) above) incurred in connection with this Agreement, and such liability shall be joint and several; provided that, as between Transferee and Transferor, the prevailing party in any dispute over the Deposit shall be entitled to reimbursement of any such expenses paid to Escrow Holder. In the event that Escrow Holder shall be uncertain as to Escrow Holder's duties or rights hereunder, or shall receive instructions from Transferee or Transferor that, in Escrow Holder's opinion, are in conflict with any of the provisions hereof, Escrow Holder shall be entitled to hold and apply the Deposit, and the interest accrued thereon, pursuant to subsection (d) hereof and may decline to take any other action. After delivery of the Deposit, and the interest accrued thereon, in accordance herewith, Escrow Holder shall have no further liability or obligation of any kind whatsoever.

(f) Escrow Holder shall have the right at any time to resign upon ten (10) Business Days prior notice to Transferor and Transferee. Transferor and Transferee shall jointly select a successor Escrow Holder and shall notify Escrow Holder of the name and address of such successor Escrow Holder within ten (10) Business Days after receipt of notice of Escrow Holder of its intent to resign. If Escrow Holder has not received notice of the name and address of such successor Escrow Holder within such period, Escrow Holder shall have the right to select on behalf of Transferor and Transferee a bank or trust company to act as successor Escrow Holder hereunder. At any time after the ten (10) Business Day period, Escrow Holder shall have the right to deliver the Deposit, and the interest accrued thereon, to any successor Escrow Holder selected hereunder, provided such successor Escrow Holder shall execute and deliver to Transferor and Transferee an assumption agreement whereby it assumes all of Escrow Holder's obligations hereunder. Upon the delivery of all such amounts and such assumption agreement, the successor Escrow Holder shall become the Escrow Holder for all purposes hereunder and shall have all of the rights and obligations of the Escrow Holder hereunder, and the resigning Escrow Holder shall have no further responsibilities or obligations hereunder. The provisions of this Section 2.4 shall survive the Closing or termination of this Agreement.

(g) The parties acknowledge and agree that, except as otherwise may be required by applicable law, (i) the parties will treat the escrow arrangement described in this

Section 2.4 as a "contingent at closing escrow" within the meaning of Proposed Treasury Regulation Section 1.468B-8(b) and (ii) consistent with such characterization, for all periods (or portions thereof) ending on or prior to the Determination Date, Transferee shall (A) be treated as owning the Deposit and any interest accrued thereon for federal income tax purposes and (B) in computing its taxable income, take into account all items of income, deduction, and credit of the escrow. "Determination Date" shall mean the date on which (or by which) the last of the events occurs as a result of which the Deposit and any interest accrued thereon is required to be delivered to the Transferee or the Transferor, as the case may be, in accordance with the provisions of this Agreement.

Section 2.5. PRORATIONS.

(a) The items described below with respect to each Property shall be apportioned between Transferor and Transferee and shall be prorated on a per diem basis as of 11:59 p.m. of the day before the Closing Date:

(i) annual rents, other fixed charges (including prepaid rents), unfixed charges and additional rents (including, without limitation, on account of taxes, porter's wage, electricity and percentage rent), in each case paid under the Leases (it being agreed that any such amounts not paid prior to the Closing Date shall not be apportioned but shall be dealt with in accordance with the provisions of Section 5.2);

(ii) amounts payable under the Contracts to be assigned to Transferee;

(iii) real estate taxes, vault taxes, water charges and sewer rents, if any, on the basis of the fiscal year for which assessed;

(iv) fuel; electric and other utility costs;

(v) assessments, if any, provided that any remaining installments with respect to any assessment or improvement lien for water, sewer or other utilities or public improvements shall be paid by Transferor if due and payable prior to the Closing and by Transferee if due and payable subsequent to the Closing;

(vi) rents payable under the Ground Lease;

(vii) dues to owner and marketing organizations;

(viii) amounts payable under reciprocal operating agreements, easements and similar instruments; and

(ix) other items customarily apportioned in sales or transfers of real property in the jurisdiction in which the applicable Property is located.

(b) If the Closing Date shall occur before the tax rate or assessment is fixed for the tax year in which the Closing Date occurs, the apportionment of taxes shall be upon the basis of the tax rate or assessment for the next preceding year applied to the latest assessed valuation and Transferor and Transferee shall readjust real estate taxes promptly upon the fixing of the tax rate or assessment for the tax year in which the Closing Date occurs.

(c) If there is a water or other utility meter(s) on the Property, Transferor shall furnish a reading to a date not more than thirty (30) days prior to the Closing Date, and the unfixed meter charge and the unfixed sewer rent, if any, based thereon for the intervening time shall be apportioned on the basis of such last reading. If Transferor cannot readily obtain such a current reading, the apportionment shall be based upon the most recent reading.

(d) At the Closing, if Transferee elects to take an assignment of any utility deposit made by Transferor with any utility company, then Transferee shall reimburse Transferor for such utility deposit and Transferor shall execute such documents as may be required to assign its rights in such deposits to Transferee and provide such utility companies with notice of such assignment, if necessary (in each case in form and substance reasonably satisfactory to Transferee). Any utility deposits not so assigned to Transferee shall be refunded to Transferor.

(e) At the Closing, (i) the cost of tenant improvements actually paid for by Transferor and the amount of any allowance in respect of tenant improvements actually paid by the Transferor during the period of time from and after the date hereof until the date of the Closing (such period, the "Executory Period") and (ii) any leasing commissions actually paid by the Transferor during the Executory Period shall be apportioned as follows:

(A) Transferee shall receive a credit to the extent the amounts for such tenant improvement costs, allowances or leasing commissions shown on the business plan attached as Exhibit M (the "Business Plan") exceed the amounts actually expended by Transferor for such costs, allowances or commissions during the Executory Period.

(B) Transferor shall receive a credit to the extent the amounts actually expended by Transferor for such costs, allowances or commissions during the Executory Period exceed the amounts for such costs, allowances or commissions shown on the Business Plan.

(f) Transferor and Transferee shall prepare an agreement (the "Proration Agreement") setting forth on a Property-by-Property basis in reasonable detail the prorations described in this Section 2.5 and stating the net amount owed to Transferor or Transferee, as the case may be, on account thereof. Transferor and Transferee shall execute and deliver the Proration Agreement as provided in Section 2.3(a)(xi).

(g) If any of the items described above cannot be apportioned at the Closing because of the unavailability of the amounts which are to be apportioned or otherwise, or are incorrectly apportioned at Closing or subsequent thereto, such items shall be apportioned

or reapportioned, as the case may be, as soon as practicable after the Closing Date or the date such error is discovered, as applicable.

(h) The provisions of this Section 2.5 shall survive the Closing.

Section 2.6. TRANSFER AND RECORDATION TAXES; RESPONSIBILITY FOR RECORDING. At the Closing, Transferor shall pay any and all transfer taxes, recording charges and other similar costs and expenses payable in connection with the transactions contemplated hereunder. Transferor and Transferee shall execute and deliver all returns, questionnaires, and any necessary supporting documents, instruments and affidavits, in form and substance reasonably satisfactory to each party, required in connection with any of the aforesaid taxes. The provisions of this Section 2.6 shall survive the Closing.

Section 2.7. CLOSING EXPENSES. Except as otherwise expressly provided herein, Transferor and Transferee each shall be responsible for the payment of their respective closing expenses and expenses in negotiating and carrying out their respective obligations under this Agreement, including, without limitation, the costs of counsel, consultants and other parties entitled to compensation in connection with the transactions contemplated herein, due diligence and all other expenses relating to this Agreement (the parties agreeing that all of Transferee's financing costs and title insurance and survey expenses shall be paid by Transferee).

Section 2.8. TAX CHARACTERIZATIONS.

(a) Except as otherwise required pursuant to a "determination" (as defined in Section 1313(a) of the Internal Revenue Code of 1986, as amended (the "Code"), or any similar provision of state, local or foreign Law), the parties hereby agree to treat the transactions contemplated herein for federal income tax purposes as (i) a distribution in liquidation of Transferee's ownership interest in ROP pursuant to Sections 731 and 736 of the Code; and (ii) a "partnership division" as described in Treasury Regulation Section 1.708-1(d)(3), characterizing Transferor (immediately after the redemption of the Partnership Interests) as a continuation of Transferor (immediately prior to the redemption of the Partnership Interests).

(b) Except as otherwise required pursuant to a "determination" (as defined in Section 1313(a) of the Code or any similar provision of state, local or foreign Law), the parties hereby agree (i) to treat the portion of the Existing Unsecured Debt to be assumed by Transferee in connection with the transactions contemplated herein as "qualified liabilities" as defined in Treasury Regulation Section 1.707-6(b)(2), and (ii) to file all tax returns and informational returns or statements on a basis consistent with such characterization and not to take position on any tax return or other informational returns or statements which is inconsistent with such characterization.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF TRANSFEREE

Section 3.1. Representations and Warranties by Transferee. Transferee makes the following representations and warranties, each of which is true and correct as of the date hereof and as of the Closing Date:

(a) Transferee is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. This Agreement has been duly authorized, executed and delivered by Transferee and constitutes the valid and legally binding obligation of Transferee, enforceable against Transferee in accordance with its terms. This Agreement and the transaction contemplated herein do not contravene any of the provisions of the Certificate of Formation or Operating Agreement of Transferee.

(b) The execution and delivery of this Agreement and all related documents and the performance of its obligations hereunder and thereunder by Transferee do not conflict with any provision of any law or regulation to which Transferee is subject, or conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any agreement or instrument to which Transferee is a party or by which Transferee is bound or any order or decree applicable to Transferee, or result in the creation or imposition of any lien on any of Transferee's respective assets or property, which would adversely affect the ability of Transferee to perform its obligations under this Agreement. Transferee has obtained all consents, approvals, authorizations or orders of any court or governmental agency or body, if any, required for the execution, delivery and performance by Transferee of this Agreement.

(c) Transferee has not filed any petition seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief relating to Transferee or any of its property under any law relating to bankruptcy or insolvency, nor has any such petition been filed against Transferee. No general assignment of Transferee's property has been made for the benefit of creditors, and no receiver, master, liquidator or trustee has been appointed for Transferee or any of its property. Transferee is not insolvent and the consummation of the transactions contemplated by this Agreement shall not render Transferee insolvent.

(d) Transferee is not a "foreign person" as defined in Section 1445 of the Code and the regulations promulgated thereunder.

(e) As of the Closing Date, the direct and indirect partners or members of Transferee shall not own (and there shall be no agreement or understanding pursuant to which the direct and indirect partners or members of Transferee would become the owners of) in the aggregate more than 75% of either the profits interest or the capital interest in the purchaser under the Purchase and Sale Agreement.

(f) The provisions of this Section 3.1 shall survive the Closing or termination of this

Agreement.

Section 3.2. UPDATE OF REPRESENTATIONS AND WARRANTIES. At Closing Transferee shall deliver to Transferor a certification (the "Transferee Representation and Warranty Update") which states that all of Transferee's representations and warranties set forth in this Agreement are true and correct as of the Closing or, if not so true and correct, advising Transferor in what respects Transferee's representations and warranties set forth in this Agreement are inaccurate as of the Closing Date. Nothing contained in this Section 3.2 or in any such Representation and Warranty Update shall limit or otherwise affect the provisions of Section 6.2.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF TRANSFEROR

Section 4.1. REPRESENTATIONS AND WARRANTIES BY TRANSFEROR. Transferor makes the following representations and warranties, each of which is true and correct as of the date hereof:

(a) Each entity constituting Transferor is a limited partnership, duly organized, validly existing and in good standing under the laws of the State of Delaware. This Agreement has been duly authorized, executed and delivered by Transferor and constitutes the valid and legally binding obligation of Transferor, enforceable against Transferor in accordance with its terms. This Agreement and the transaction contemplated herein do not contravene any of the provisions of the Certificate of Limited Partnership or Partnership Agreement of Transferor.

(b) Except for the Existing Unsecured Debt, the execution and delivery of this Agreement and all related documents and the performance of its obligations hereunder and thereunder by Transferor do not conflict with any provision of any law or regulation to which Transferor is subject, or conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any material agreement or instrument to which Transferor is a party or by which Transferor is bound or any order or decree applicable to Transferor, or result in the creation or imposition of any lien on any of its assets or property which would adversely affect the ability of Transferor to perform its obligations under this Agreement. Except for the Prior Rights and in connection with the Existing Unsecured Debt, Transferor has obtained all consents, approvals, authorizations or orders of any court, governmental agency or body and of all Third Parties, if any, required for the execution, delivery and performance by Transferor of this Agreement and the consummation of the transactions contemplated hereby.

(c) Transferor has not filed any petition seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief relating to Transferor or any of its property under any law relating to bankruptcy or insolvency, nor has any such petition been filed against Transferor. No general assignment of Transferor's property has been made for the benefit of creditors, and no receiver, master, liquidator or trustee

has been appointed for Transferor or any material portion of its property. Transferor is not insolvent and the consummation of the transactions contemplated by this Agreement shall not render Transferor insolvent.

(d) Transferor is not a "foreign person" as defined in Section 1445 of the Code and the regulations promulgated thereunder.

(e) The provisions of this Section 4.1 shall survive the losing or termination of this Agreement.

Section 4.2. UPDATE OF REPRESENTATIONS AND WARRANTIES. At Closing Transferor shall deliver to Transferee a certification (the "Transferor Representation and Warranty Update") which states that all of Transferor's representations and warranties set forth in the Agreement are true and correct as of the Closing or, if not so true and correct, advising Transferee in what respects Transferor's representations and warranties set forth in this Agreement are inaccurate as of the Closing Date. Nothing contained in this Section 4.2 or in any such Transferor Representation and Warranty Update shall limit or otherwise affect the provisions of Section 6.1.

ARTICLE V

LEASES; OPERATING COVENANT; PROPERTY MANAGEMENT

Section 5.1. LEASING. Between the date of this Agreement and the Closing Date, without the prior written consent of Transferee (which consent shall not be unreasonably withheld or delayed), Transferor shall not (i) execute or agree to execute any material amendment or modification to any Lease or Contract; (ii) execute or agree to execute any new Lease or Contract unless (in the case of a Contract) it is terminable by Transferee without cause and without penalty by the giving of not more than 30 days' notice; (iii) terminate any Lease; (iv) consent to any assignment or subletting by any Tenant or the taking of any other material action by a Tenant which requires the landlord's consent; (v) accept any payments of rent under any Lease more than 30 days in advance of its due date; or (vi) waive any of the material obligations of the Tenant under any Lease; (vii) apply any security deposit under any Lease. If Transferor desires to take any action requiring Transferee's consent under this Section 5.1, and Transferee shall not deny its consent to such action by written notice to Transferor given within seven (7) Business Days after receipt of Transferor's notice, Transferee shall be deemed to have granted its consent.

Section 5.2. RENT ARREARAGES. Transferor shall use reasonable efforts to collect any delinquent amounts from Tenants prior to the Closing Date; provided, that Transferor may not bring any action or suit for dispossess or similar proceeding in any court without first obtaining the written consent of Transferee. If, prior to the Closing Date, Transferor is unable to collect all rents due and owing for any period preceding the Closing Date, then Transferee shall be entitled to collect and retain all such amounts, and Transferor shall have no further rights in respect thereof. If, as of the Closing Date, any amounts due and payable under the Leases

(including, without limitation, operating expense escalations, real estate tax escalations and percentage rent) has not been billed or has not been determined in accordance with the provisions of the Leases then Transferor shall reasonably cooperate with Transferee to determine the correct amount to be billed. Any amounts payable under the Leases which are received by Transferor on or after the Closing Date, shall be paid to Transferee within fifteen (15) Business Days following receipt thereof. The provisions of this Section 5.2 shall survive the Closing.

Section 5.3. OPERATIONS. Between the date of this Agreement and the Closing Date, Transferor shall operate and maintain the Properties in accordance in all material respects with Transferor's past practices and substantially in accordance with the Business Plan, and will furnish Transferee with copies of all periodic reports Transferor (or its agents) currently generates with respect to the Properties or any thereof. The Improvements shall be maintained substantially in their present condition, subject, however, to normal wear and tear and damage by fire or other casualty (subject to Section 7.2) through the Closing Date. Transferor shall maintain all insurance policies presently covering the Properties in full force and effect until the Closing Date. Transferor shall not sell or otherwise dispose of any material Personal Property used in connection with the operation or maintenance of the Properties, except for Personal Property that becomes obsolete and that is replaced with Personal Property of at least equal quality if necessary for the operation or maintenance of the Properties.

Section 5.4. OPTIONS. Transferor shall, within thirty (30) days after the date hereof, take any steps necessary to trigger any rights or options of any Person to acquire any Property or any portion thereof or any interest relating thereto, and any rights of first offer or rights of refusal to do so (each, a "Prior Right"). If (a) any Prior Right is exercised by the holder thereof or (b) the holder of a Prior Right shall neither have exercised nor waived its Prior Right but Transferor shall nevertheless be unable on the Closing Date to transfer the subject Property by reason of such Prior Right, then, in either such event, the parties shall nevertheless proceed to Closing subject to and in accordance with the other terms of this Agreement, and, at Transferee's option, (i) Transferee may effect a substitution pursuant to Section 12.1 in order to replace such Property, or (ii) such Property shall not be transferred pursuant to this Agreement and the Allocated Value of the affected Property shall be accounted for by adjusting the amount of the Existing Unsecured Debt assumed by Transferee or such other method as Transferee and Transferor may reasonably agree.

Section 5.5. EMPLOYEES. (a) Between the date of this Agreement and the Closing, Transferee shall be permitted to negotiate with the employees of Transferor listed on Exhibit N (the "Business Employees") in connection with their potential employment by Transferee or its Affiliate after the Closing. To the extent Transferor implements any layoffs prior to or in connection with the Closing, Transferor shall comply with all relevant Law, including, but not limited to, the Worker Adjustment and Retraining Notification Act.

(b) On the Closing Date, Transferor shall pay, or cause to be paid, to each Business Employee who has accepted employment with Transferee (each a "Transferred Employee"), a lump sum cash payment equal to the sum of (i) any salary or other wages earned by such Transferred Employee, but unpaid as of the Closing Date, (ii) compensation for such Transferred Employee's accrued, but unused vacation time as of the Closing Date, if any, and (iii) any

unreimbursed business expenditures incurred by such Transferred Employee on or prior to the Closing Date that are reimbursable under Transferor's expense reimbursement policy.

(c) On the Closing Date, unless previously paid, Transferor shall pay, or cause to be paid, to each Transferred Employee an annual bonus for the year 2003 in an amount that is not less than the amount of the annual bonus paid to such Transferred Employee in respect of the year 2002.

(d) Between the date of this Agreement and the Closing, Transferor shall take, or cause to be taken, all reasonable and necessary actions to amend each of the options to acquire shares of the common stock of RARC held by any of the Transferred Employees as of the Closing Date (the "Options") such that, following the Closing Date and until the second anniversary of the Closing Date, each Option will (i) remain outstanding (unless exercised) and (ii) continue to become vested in accordance with the vesting schedule applicable to such Option.

(e) Between the date of this Agreement and the Closing, Transferor shall take, or cause to be taken, all reasonable and necessary actions such that the restrictions on any shares of the common stock of RARC granted to any of the Transferred Employees will lapse as of the Closing Date.

Section 5.6. ESTOPPELS. Between the date of this Agreement and the Closing, to the extent requested by Transferee, Transferor shall request from each Tenant, ground lessor or other person designated by Transferee, an estoppel certificate in a form designated by Transferee.

Section 5.7. FURTHER COVENANTS. Between the date of this Agreement and the Closing, without the prior written consent of Transferee, Transferor shall not (i) effect or agree to effect any conveyance or any contract to convey any Property or any portion thereof; (ii) execute or agree to execute any material amendment or modification to any Ground Lease; (iii) terminate any Ground Lease; (iv) consent to the taking of any material action by the lessor under any Ground Lease requiring the ground lessee's consent; (v) waive any of the material obligations of the lessor under any Ground Lease; and (vi) effect, or agree to, any change in the zoning applicable to any Property. If Transferor desires to take any action requiring Transferee's consent under this Section 5.7, and Transferee shall neither grant nor deny its consent to such action by written notice to Transferor given within seven (7) Business Days after receipt of Transferor's notice, Transferee shall be deemed to have denied its consent.

Section 5.8. SURVEYS. Transferor shall deliver to Transferee all surveys of the Properties in Transferor's possession. Between the date of this Agreement and the Closing, Transferor will reasonably cooperate with Transferee in obtaining recertifications of such surveys or currently dated surveys with respect to the Properties prepared by a licensed professional engineer or surveyor acceptable to Title Insurer.

Section 5.9. FINANCING. Between the date of this Agreement and the Closing, Transferee shall use commercially reasonable efforts to obtain financing for the acquisition of the Combined Portfolio.

Section 5.10. NO COMPETITION. If the Closing shall occur hereunder, Transferor shall not, for a period commencing on the Closing Date and ending on the second anniversary of the Closing Date, engage in any Competitive Activity. As used herein, the term "Competitive Activity" means directly or indirectly, engaging, participating or assisting, as an owner, partner, consultant, trustee or agent, in any business that is engaged in operating, constructing or leasing (as lessor) industrial buildings in the counties of Suffolk or Nassau (such counties being located in New York State) (the "Effective Areas"). Notwithstanding the foregoing, Transferor shall be permitted to engage in Competitive Activity (i) to the extent the Transferor is engaged in such Competitive Activity immediately after effectuating the Closing and (ii) if RARC or an Affiliate of RARC shall acquire, in a stock or asset transaction involving the direct or indirect acquisition of multiple properties, industrial properties in the Effective Areas having a net operating income for the fiscal year immediately prior to the signing of such transaction totaling no greater than 25% of the total net operating income for the fiscal year immediately prior to the signing of such transaction for all properties that are the subject of such transaction, to the extent necessary to operate such industrial properties. The provisions of this Section 5.10 shall survive the Closing, provided, that the provisions of this Section 5.10 shall terminate in the event of a Change of Control of Transferor or of RARC.

For the purposes of this Section 5.10, a "Change of Control" with respect to any Person shall mean the consummation of a reorganization, merger or consolidation involving such Person or any of its subsidiaries or a sale or other disposition of all or substantially all of the assets or shares of such Person or any similar transaction (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the Persons who were the beneficial owners, respectively, of the then outstanding shares of common stock of the Person (the "Outstanding Company Common Stock") and the then outstanding voting securities of the Person entitled to vote generally in the election of directors of such Person (the "Outstanding Company Voting Securities") of the applicable Person immediately prior to such Business Combination beneficially own, directly or indirectly, 50% or more of, respectively, the then Outstanding Company Common Stock and the then Outstanding Company Voting Securities, as the case may be, of the Person resulting from such Business Combination (including a Person which as a result of such transaction owns the applicable Person or all or substantially all of the applicable Person's assets either directly or through one or more Subsidiaries) (such resulting Person, a "Resulting Corporation") in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities of the applicable Person, as the case may be, (ii) no Person or group of Persons (excluding any Resulting Corporation) beneficially owns, directly or indirectly, 50% or more of, respectively, the then Outstanding Company Common Stock of the Resulting Corporation or the then Outstanding Company Voting Securities of the Resulting Corporation, and (iii) at least a majority of the members of the board of directors or other similar governing body of the Resulting Corporation were individuals who, as of the date of this Agreement, constitute the board of directors or other similar governing body of the Person in question.

Section 5.11. TRANSITION SERVICES. Transferor shall perform (or cause to be performed) Transition Services on behalf of Transferee (and any designee to whom a Property is transferred pursuant to Section 2.3(c)) for a period of 60 days following the Closing (the

"Transition Period"). Transferee shall have the right to extend the Transition Period for up to 30 days upon written notice to Transferor no later than 50 days following the Closing. At any time prior to the end of the Transition Period (as the same may have been extended), Transferee may terminate such Transition Services upon 10 days prior written notice to Transferor. In consideration for such services, Transferee shall pay to Transferor the sum of $28,000 per month, plus any third party out-of-pocket expenses of Transferor actually expended by Transferor in connection with the Transition Services, such sum to be ratably adjusted with respect to any partial month. As used herein, the term "Transition Services" means (i) property-level accounting services (including preparing and delivering financial statements); (ii) asset management services; (iii) employee payroll services; and (iv) cooperation with the administration of certain employee benefits, all of which shall be provided consistent with the general level of such services provided by the Transferor in the administration of its own business to the extent reasonably practicable. The provisions of this Section 5.11 shall survive the Closing.

Section 5.12. INCONSISTENT ACTIONS. Between the date of this Agreement and the Closing Date, without the prior written consent of Transferee (which consent may be withheld or delayed in Transferee's sole discretion), Transferor shall not take any material action or enter into any material agreement that would be reasonably likely to prevent the consummation of any of the transactions contemplated by this Agreement, the Purchase and Sale Agreement, the Transition Agreements or any of the Related Agreements (as defined in the Transition Agreements).

ARTICLE VI

CONDITIONS PRECEDENT

Section 6.1. CONDITIONS TO OBLIGATION OF TRANSFEREE. The obligation of Transferee to effect the Closing shall be subject to the fulfillment or written waiver at or prior to the Closing Date of the following conditions:

(a) Representations and Warranties. The representations and warranties of Transferor set forth in Article IV shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date.

(b) Performance of Obligations. Transferor shall have in all material respects performed all obligations required to be performed by Transferor under this Agreement, the Transition Agreements, the DR Amendment, the SR Amendment and the Stock Loan Agreement on and prior to the Closing Date.

(c) Condition of Title. Transferor shall be able to transfer fee simple title to (and, in the case of the Ground Lease Parcels, a leasehold estate in) each of the Properties without exception, condition, limitation, qualification or exclusion except for the following (collectively, the "Permitted Exceptions"): (A) the lien of property taxes and assessments, water rates, water meter charges, sewer rates, sewer charges and similar matters which are not yet due and payable, so long as same are to be apportioned between Transferor and Transferee; (B) the

rights of the Tenants under the Leases as tenants only; (C) the Existing Mortgages, (D) any item (excluding monetary liens and mortgages (other than the Existing Mortgages)) that is an encumbrance existing on the date of this Agreement, (E) any other item (excluding monetary liens and mortgages (other than the Existing Mortgages)) voluntarily created or consented to by Transferor without violating any of the covenants in Article V, (F) any other item (excluding monetary liens and mortgages (other than the Existing Mortgages)) which does not materially adversely affect the ability to use the Property for its current or intended purpose or materially adversely affect the value of any Property, and (G) such additional title matters as to which Transferee does not object as described below. On or before the date occurring 30 days following Transferee's receipt of a title report (which Transferee agrees to order promptly after the execution of this Agreement), Transferee shall advise Transferor in writing of all title matters disclosed on such title report, as the case may be, which Transferee finds objectionable (it being understood that Transferee shall have no right to object to the matters described in items (A) through (F) of the definition of Permitted Exceptions). Any title matter as to which Transferee does not timely so object (excluding mortgages and liens (other than those described in items (A) and (F) of the definition of Permitted Exceptions) which shall in all events be deemed to have been objected to by Transferee) shall thereafter be deemed a "Permitted Exception." On or prior to the Closing Date, Transferor shall (i) cause to be discharged of record all liens, encumbrances and other title exceptions which are not Permitted Exceptions and which were created, or consented to, by Transferor or any Affiliate of Transferor (collectively, "Voluntary Encumbrances") and (ii) cause to be discharged of record all liens, encumbrances and other title exceptions which are not Permitted Exceptions and which are not Voluntary Encumbrances, but which can be satisfied solely by the payment of a liquidated sum in an aggregate amount not in excess of $20,000,000.00.

(d) Delivery of Documents. Each of the documents required to be delivered by Transferor at the Closing shall have been delivered as provided therein.

(e) Financing. Concurrent with the Closing, Transferee shall have closed and funded a financing satisfactory to Transferee (provided, that if, assuming the use of commercially reasonable efforts by Transferor, a financing which satisfies the requirements of the definition of Satisfactory Financing would have been available to be funded on the Closing Date, then this condition shall be deemed to have been satisfied).

(f) Material Adverse Condition. There shall not exist Material Adverse Conditions with respect to one or more properties in the Combined Portfolio having an aggregate Allocated Value of greater than $30,000,000. A "Material Adverse Condition" shall be deemed to exist with respect to a property if (i) there shall be Hazardous Substances present or alleged to be present on such property or liability exists or is alleged to exist under any Environmental Law with respect to such property; (ii) such property is subject to any orders, decrees, injunctions or any other proceedings or requirements imposed by any Governmental Authority or Third Party relating to Hazardous Substances or Environmental Law; (iii) a material structural defect shall exist with respect to such property; (iv) a matter which affects title to such property shall exist, whether or not such matter constitutes a Permitted Exception; (v) the property shall not be in compliance in any material respect with Applicable Laws; (vi) all or any material portion of such

property shall be damaged by fire or other casualty occurring following the date of this Agreement and prior to Closing; or (vii) such property shall be a Property described in Section 5.4(ii), Section 6.3(d)(ii) or Section 6.3(e)(ii); and, in the case of clauses (i) through (vii), Transferee's proposed lender shall be unwilling to finance such property, shall require substantial reserves or recourse indemnities as a condition to financing such property, or shall otherwise impose other material requirements substantially adverse to Transferee as a condition to financing such property as result of any such matter.

(g) Lender Consent. The holder of the Existing Unsecured Debt shall have delivered any consents necessary to consummate the transactions contemplated by this Agreement and any related transactions.

(h) Assumption of Existing Mortgages. The holders of the Existing Mortgages shall have consented to the sale of the Property affected thereby and the assumption by Transferee of the Existing Mortgage, but failure of the condition in this Section 6.1(h) shall be governed by the provisions of Section 6.3(d).

Section 6.2. CONDITIONS TO OBLIGATION OF TRANSFEROR. The obligation of Transferor to effect the Closing shall be subject to the fulfillment or written waiver at or prior to the Closing Date of the following conditions:

(a) Representations and Warranties. The representations and warranties of Transferee set forth in Article III shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made at and as of the Closing Date.

(b) Performance of Obligations. Transferee shall have in all material respects performed all obligations required to be performed by it under this Agreement, the Transition Agreements, the DR Amendment, the SR Amendment and the Stock Loan Agreement on and prior to the Closing Date. Notwithstanding the foregoing or any other provision of this Agreement to the contrary, the failure by Transferee to perform Transferee's obligations under Section 5.9 shall not be deemed to be a breach or default by Transferee under this Agreement except if, assuming the use by Transferee of commercially reasonable efforts, a financing which satisfies the requirements of the definition of Satisfactory Financing would have been available to be funded on the Closing Date.

(c) Delivery of Documents. Each of the documents required to be delivered by Transferee at the Closing shall have been delivered as provided therein.

(d) Lender Consent. The holder of the Existing Unsecured Debt shall have delivered any consents necessary to consummate the transactions contemplated by this Agreement and any related transactions.

Section 6.3. Failure of Condition.

(a) (i) Transferee may, by notice to Transferor, adjourn the Closing Date from time to time, but in no event later than January 30, 2004.

(ii) If the Transferee shall have adjourned the Closing Date to January 30, 2004 under Section 6.3(a)(i), and on January 30, 2004, the condition to Closing set forth in Section 6.1(e) shall not be satisfied (without regard to the parenthetical contained in such section), Transferee may, by notice to Transferor, adjourn the Closing Date from time to time but in no event later than April 30, 2004; provided, that no such adjournment shall be effective unless Transferee shall deliver to Escrow Holder upon the first such adjournment pursuant to this Section 6.3(a)(ii) Five Million Dollars ($5,000,000) by wire transfer of immediately available federal funds to the account set forth on Exhibit X, which amount shall be added to, and deemed part of, the Deposit.

(b) Subject to Sections 6.3(c) and (d) below, if, on the Closing Date (as the same may have been adjourned pursuant to the terms of this Agreement), (x) any condition to Transferor's obligation to close hereunder shall not be satisfied, then Transferor shall be entitled to terminate this Agreement or (y) any condition to Transferee's obligation to close hereunder shall not be satisfied, then Transferee shall be entitled to terminate this Agreement, or (z) any judgment, injunction, order, decree or action by any governmental entity of competent authority preventing or prohibiting the Closing shall have become final and non-appealable, then either Transferor or Transferee shall be entitled to terminate this Agreement, in each such case, by delivering notice thereof to the other party.

(c) If Transferee shall notify Transferor at any time on or before the Closing Date that the condition in Section 6.1(f) is not then satisfied (any such notice, a "MAC Notice") then notwithstanding the provisions of Section 6.3(b):

(i) Transferor shall have the right to give a written notice to Transferee (the "Remediation Notice") within 10 days following Transferor's receipt of any MAC Notice stating that Transferor intends to attempt to satisfy such condition, provided, that Transferor shall have no obligation to deliver the Remediation Notice or to remedy any such condition regardless of whether the Remediation Notice is given by Transferor; and

(ii) if the Remediation Notice shall be given to Transferee, then (A) if the condition in Section 6.1(f) shall be satisfied on the date that is thirty days after the date the Remediation Notice was given by Transferor (the "Remediation Date") then the Closing Date shall be adjourned at Transferee's option from time to time to a date not later than the later of (x) the date thirty days after the Remediation Date or (y) such other date to which the Closing Date may be adjourned pursuant to Section 6.3(a) above and (B) if the condition in Section 6.1(f) shall not be satisfied on the Remediation Date, then Transferee may terminate this Agreement by notice to Transferor.

(d) If the condition in Section 6.1(h) shall not be satisfied on the Closing Date, with respect to either or both of the Existing Mortgages (the Existing Mortgage or Mortgages as to which the condition is so unsatisfied is called the "Relevant Existing Mortgage") but all other conditions are satisfied, the parties shall nevertheless proceed to Closing subject to and in accordance with the other terms of this Agreement, and at Transferor's option, (i) Transferor shall pay to the holder of each Relevant Existing Mortgage all sums necessary to satisfy such Relevant Existing Mortgage and the affected Property or Properties shall be transferred free and clear of such Relevant Existing Mortgage, or (ii) such Property or Properties shall not be transferred pursuant to this Agreement and the Allocated Value of the affected Property or Properties shall be accounted for by reducing the amount of the Existing Unsecured Debt assumed by Transferee or such other method as Transferee and Transferor may reasonably agree.

(e) If the condition in Section 6.1(c) shall not be satisfied on the Closing Date in respect of one or more Properties solely by reason of the existence of liens, encumbrances and other title exceptions which are not Permitted Exceptions, are not Voluntary Encumbrances and cannot be satisfied solely by the payment of a liquidated sum, but all other conditions are satisfied, the parties shall nevertheless proceed to Closing subject to and in accordance with the other terms of this Agreement, and, at Transferee's option, (i) Transferee may effect a substitution pursuant to Section 12.1 in order to replace such Property or Properties, or (ii) such Property or Properties shall not be transferred pursuant to this Agreement and the Allocated Value of the affected Property or Properties shall be accounted for by reducing the amount of the Existing Unsecured Debt assumed by Transferee or such other method as Transferee and Transferor may reasonably agree.

(f) If this Agreement shall terminate pursuant to Section 6.3(b), then neither party shall have any further obligation or liability to the other, except for any such obligation or liability which expressly survives the termination of this Agreement; provided, that if any such termination is due to a party's default in performing its material obligations hereunder, then the remedies under Section 8.2 shall control.

ARTICLE VII

ADDITIONAL AGREEMENTS

Section 7.1. TRANSFEREE ACCESS. From and after the date hereof, Transferee and its authorized representatives will be given full access to the Properties and to all books, contracts, commitments, records or other documentation concerning the Properties as Transferee may reasonably request, such access to be provided during ordinary business hours; provided, that any entry upon the Property by Transferee and/or its representatives shall be subject to the following: (i) any such entry shall be subject to the provisions of the Leases and the rights of the Tenants, (ii) Transferee and its representatives shall not interfere in any manner with the quiet enjoyment and possession of the Tenants in the conduct of any such inspection, (iii) Transferee and its representatives shall minimize interference with the operations of the Property and (iv) Transferee and its representatives shall promptly upon completion of any inspection, repair

any damage caused by Transferee or its representatives. Transferor agrees to cooperate in all reasonable respects with Transferee to effectuate the Closing subject to any applicable legal restraints.

Section 7.2 CASUALTY AND CONDEMNATION.

(a) Casualty. Subject to the condition contained in Section 6.1(f) above, if all or any part of any Property is damaged by fire or other casualty occurring following the date hereof and prior to the Closing, the parties shall nonetheless consummate this transaction in accordance with this Agreement, without any liability or obligation on the part of Transferor by reason of such casualty; provided, that Transferor shall, on the Closing Date, (i) assign and remit to Transferee, and Transferee shall be entitled to receive and keep, the net proceeds of any award or other proceeds under any relevant insurance policy which may have been collected by Transferor as a result of such casualty less the reasonable expenses incurred by Transferor in obtaining such award or proceeds, or (ii) if no award or other proceeds shall have been collected, deliver to Transferee an assignment of Transferor's right to any such award or other proceeds which may be payable to Transferor as a result of such casualty. Transferor will reasonably cooperate with Transferee, at Transferee's cost, in its prosecution of any Claims thereto. The provisions of this Section 7.2(a) supersede the provisions of Section 5-1311 of the General Obligations Law of the State of New York.

(b) If, prior to the Closing Date, any part of any Property is taken, or if Transferor shall receive an official notice from any Governmental Authority having eminent domain power over the Premises of its intention to take, by eminent domain proceeding, all or any part of any Property (a "Taking"), then the parties shall nonetheless consummate this transaction in accordance with this Agreement, without any liability or obligation on the part of Transferor by reason of such Taking; provided, that Transferor shall, on the Closing Date, (i) assign and remit to Transferee, and Transferee shall be entitled to receive and keep, the net proceeds of any award or other proceeds of such Taking which may have been collected by Transferor as a result of such Taking less the reasonable expenses incurred by Transferor in obtaining such award or proceeds, or (ii) if no award or other proceeds shall have been collected, deliver to Transferee an assignment of Transferor's right to any such award or other proceeds which may be payable to Transferor as a result of such Taking.

Section 7.3. TAX CERTIORARI PROCEEDINGS. From and after the date of this Agreement, Transferor shall not settle or compromise any certiorari proceeding relating to any tax year (an "Assignable Proceeding") without Transferee's consent, which shall not be unreasonably withheld or delayed. At the Closing, Transferor shall execute and deliver such documents as may be required to assign all of Transferor's right, title and interest in any Assignable Proceeding to Transferee. After the Closing, Transferee shall have all rights (subject to any rights of Tenants under their Leases) to apply for, prosecute and settle tax certiorari proceedings with respect to any tax year (whether such tax year began before or after the Closing), and to retain all refunds and credits relating thereto. If any refund shall be received by Transferor on or after the Closing Date, Transferor shall pay the same to Transferee within fifteen (15) Business Days after receipt thereof. Transferor shall execute any and all consents or

other documents as may be reasonably necessary to be executed by Transferor so as to permit Transferee to commence or continue any tax certiorari proceeding which Transferee is authorized to commence or continue pursuant to the terms of this Section 7.3, or to collect any refund or credit with respect to any such tax proceeding. The provisions of this Section 7.3 shall survive the Closing.

Section 7.4. TAX COOPERATION. Transferee and Transferor shall each cooperate reasonably with respect to tax matters. Without limiting the generality of the foregoing, each party shall, at its own cost and expense, provide the other with such information as the other may reasonably request in connection with any tax returns required to be filed or any tax elections available with respect to the transactions contemplated by this Agreement.

ARTICLE VIII

TERMINATION; DEFAULT

Section 8.1. TERMINATION. This Agreement may be terminated and the Closing may be abandoned at any time prior to the Closing Date by mutual written consent of Transferor and Transferee.

Section 8.2. TERMINATION BY REASON OF DEFAULT. (a) If Transferor shall be ready, willing and able to close and Transferee shall default in the performance of any of its material obligations to be performed on the Closing Date, Transferor's sole remedy by reason thereof shall be to terminate this Agreement and, upon such termination, Transferor shall be entitled to receive the Deposit as liquidated damages for Transferee's default hereunder, it being agreed that the damages by reason of Transferee's default are difficult, if not impossible, to ascertain, and thereafter Transferee and Transferor shall have no further rights or obligations under this Agreement except for those that are expressly provided in this Agreement to survive the termination hereof. Notwithstanding the foregoing, if Transferor shall be entitled to receive the Deposit under the preceding sentence, then in lieu thereof, Transferee may assign to Transferor as the liquidated damages contemplated herein, (i) if, at the time Transferor shall be entitled to receive the Deposit, Transferee shall not have adjourned the closing pursuant to Section 6.3(a)(ii) above, either (w) 217,391 shares of common stock in RARC or (x) 217,391 units of partnership interest in ROP or (ii) if, at the time Transferor shall be entitled to receive the Deposit, Transferee shall have adjourned the closing pursuant to Section 6.3(a)(ii) above, either (y) 434,782 shares of common stock in RARC or (x) 434,782 units of partnership interest in ROP, which assignment shall be made by Transferee within ten days following the delivery of Transferor's demand to Escrow Holder under Section 2.4(b)(ii) (provided Transferee shall not have objected to such demand pursuant to Section 2.4(c)). If Transferee shall assign to Transferor such shares of stock or units of partnership interest, the Deposit shall be returned to Transferee by Escrow Agent.

(b) Notwithstanding the foregoing, the amount received by Transferor as liquidated damages pursuant to Section 8.2(a) (the "Termination Fee") shall be subject to adjustment as specified in this Section 8.2(b). The Termination Fee shall be an amount equal to

the lesser of (i) an amount equal to the Deposit (the "Base Amount") and (ii) the sum of (A) the maximum amount that can be paid to Transferor without causing RARC to fail to meet the requirements of Sections 856(c)(2) or (3) of the Code determined as if the payment of such amount did not constitute income described in Sections 856(c)(2)(A)-(H) and 856(c)(3)(A)-(I) of the Code ("Qualifying Income"), as determined by independent accountants to RARC, and (B) in the event RARC receives a letter from outside counsel (the "Termination Fee Tax Opinion") to the effect that Transferor's receipt of the Base Amount either would constitute Qualifying Income or would be excluded from gross income of RARC within the meaning of Sections 856(c)(2) and (3) of the Code (the "REIT Requirements"), the Base Amount less the amount paid under clause (A) above. In the event that Transferor is not able to receive the full Base Amount, Transferee shall place the unpaid amount in escrow and shall not release any portion thereof to Transferor unless and until Transferee receives either one of the following: (i) a letter from RARC's independent accountants indicating the maximum amount that can be paid at that time to Transferor without causing RARC to fail to meet the REIT Requirements or (ii) a Termination Fee Tax Opinion, in either of which events Transferee shall pay to Transferor the lesser of the unpaid Base Amount or the maximum amount stated in the letter referred to in (i) above. Transferee's obligation to pay any unpaid portion of the Base Amount shall terminate three years from the date of the termination of this Agreement.

(c) If Transferee shall be ready, willing and able to close and (x) Transferor shall default in any of its material obligations to be performed on the Closing Date or (y) Transferor shall materially default in the performance of any of its material obligations to be performed prior to the Closing Date and, with respect to any default under this clause (y) only, such default shall continue for ten (10) days after notice to Transferor, Transferee as its sole remedy by reason thereof (in lieu of prosecuting an action for damages or proceeding with any other legal course of conduct, the right to bring such actions or proceedings being expressly and voluntarily waived by Transferee, to the extent legally permissible, following and upon advice of its counsel) shall have the right subject to the other provisions of this Section 8.2(c) (i) to seek to obtain specific performance of Transferor's obligations hereunder, and if Transferee prevails thereunder, Transferor shall reimburse Transferee for all reasonable legal fees, court costs and all other reasonable costs of such action or (ii) to terminate this Agreement and receive payment from Transferor of all reasonable expenses incurred by Transferee in connection with the transactions contemplated herein (including, without limitation, title search and survey expenses any and all costs and expenses relating to any financing (including, without limitation, borrower's and lender's legal fees and disbursements, commitment fees, the lender's due diligence costs and costs of terminating hedging or other interest protection agreements)). Notwithstanding the preceding portions of this Section 8.2(c), if Transferor shall willfully default in its obligation to close the transactions hereunder, then Transferee shall be entitled to pursue all rights and remedies available to Transferee at law or in equity. If this Agreement is terminated under clause (ii) above, then neither party hereto shall have any further obligations hereunder except for those that are expressly provided in this Agreement to survive the termination hereof.

(d) The provisions of this Section 8.2 shall survive the termination hereof.

ARTICLE IX

INDEMNIFICATION

Section 9.1. TRANSFEROR'S INDEMNITY. From and after the Closing Date, Transferor shall indemnify and hold harmless Transferee from and against any and all liability, loss, cost, judgment, claim, lien, damage or expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Losses") incurred by Transferee by reason of or resulting from Claims asserted against Transferee relating to the Retained Liabilities (as such term is hereinafter defined). Transferor shall be responsible for, and shall assume, the defense of such matter, including employment by it of counsel reasonable satisfactory to Transferee. In the case of any Claim which is covered by an insurance policy and as to which the applicable insurer has assumed the defense of such Claim, the counsel selected by such insurer shall, absent a conflict of interest, be deemed to be reasonably satisfactory. Transferor shall not settle or compromise any such matter without the prior written consent of Transferee, which consent shall not be unreasonably withheld or delayed; provided, that no consent shall be required if in connection with such settlement or compromise, Transferor shall obtain a full and unconditional release of Transferee from all liabilities relating to the Claim so settled. If Transferor fails to act in a commercially reasonable manner to pursue the settlement or defense of such matter, Transferee may, if such failure is not remedied within thirty (30) days from the date written notice of such failure is given by Transferee to Transferor, but shall have no obligation to, defend against any such Claim in such manner as it may deem appropriate but at the sole cost and expense of Transferor. All costs, fees or expenses incurred by Transferee in defending any Claim indemnified pursuant to this Section shall, from time to time, upon request by the Transferee be advanced by Transferor to Transferee prior to the final disposition of such Claim upon receipt by Transferor of any undertaking by or on behalf of Transferee to repay such amount, if it shall be determined in a judgment or final adjudication which is not subject to further appeal that Transferee is not entitled to be indemnified with respect to such Claim as authorized in this Section 9.1.

Section 9.2. TRANSFEREE'S INDEMNITY. From and after the Closing Date, Transferee shall indemnify and hold harmless Transferor from and against Losses incurred by Transferor by reason of or resulting from Claims asserted against Transferor relating to the Assumed Liabilities (as such term is hereinafter defined). Transferee shall be responsible for, and shall assume, the defense of such matter, including employment by it of counsel reasonable satisfactory to Transferor. In the case of any Claim which is covered by an insurance policy and as to which the applicable insurer has assumed the defense of such Claim, the counsel selected by such insurer shall, absent a conflict of interest, be deemed to be reasonably satisfactory. Transferee shall not settle or compromise any such matter without the prior written consent of Transferor, which consent shall not be unreasonably withheld or delayed; provided, that no consent shall be required if in connection with such settlement or compromise, Transferee shall obtain a full and unconditional release of Transferor from all liabilities relating to the Claim so settled. If Transferee fails to act in a commercially reasonable manner to pursue the settlement or defense of such matter, Transferor may, if such failure is not remedied within thirty (30) days from the date written notice of such failure is given by Transferor to Transferee, but shall have no

obligation to, defend against any such Claim in such manner as it may deem appropriate but at the sole cost and expense of Transferee.

Section 9.3. DEFINITIONS. As used in this Article IX, the term (a) "Assumed Liabilities" means all liabilities and obligations related to the Properties (including, without limitation, the Existing Unsecured Debt assumed by Transferee hereunder and the Existing Mortgages to the extent the affected Properties are transferred to Transferee hereunder) other than the Retained Liabilities and (b) "Retained Liabilities" means all liabilities and obligations (w) as to which Transferee is being indemnified by Transferor pursuant to any other agreement executed on or after the date of this Agreement (x) directly or indirectly relating to any Claims, actions, suits or proceedings by, on behalf of, or with respect to, shareholders of RARC arising out of, in connection with, or related to, the execution and delivery of this Agreement and the consummation of the transactions contemplated within, (y) related to the Properties in connection with any claims covered by insurance policies of the Transferor in effect on or before the Closing Date or (z) relating to indebtedness for money borrowed by the Transferor other than the Existing Mortgages or the Existing Unsecured Debt.

Section 9.4. SURVIVAL. The provisions of this Article IX shall survive the Closing.

ARTICLE X

NOTICES

Section 10.1. NOTICES. All notices and other communications required or permitted to be given hereunder shall be in writing and shall be given (i) by registered or certified mail, return receipt requested, (ii) by personal delivery, (iii) by facsimile transmission if a confirmation of transmission is produced by the sending machine (with a hard copy sent simultaneously by one of the methods described in clause (i), (ii), (iv) of this Section 10.1) or (iv) by nationally recognized overnight courier, in each case to the parties at the following addresses or facsimile numbers (or at such other addresses or facsimile numbers as shall be specified by like notice):

(a) If to Transferor, to:

Reckson Operating Partnership, L.P. and
Reckson FS Limited Partnership
c/o Reckson Associates Realty Corp.
225 Broadhollow Road
Melville, New York 11747
Attention: Jason M. Barnett, Esq.

with a copy to:
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019-6618
Attention: Stephen G. Gellman, Esq.

(b) If to Transferee, to:

Rechler Equity Partners I LLC
225 Broadhollow Road
Melville, New York 11747
Attention: Gregg Rechler

with a copy to:
Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004
Attention: Joshua Mermelstein, Esq.
Fax No.: (212) 859-8582

A notice shall be deemed given upon receipt (or refusal to accept delivery or inability to deliver by reason of changed address of which notice was not given in accordance with this Section 10.1) as evidenced by the return receipt, or the receipt of the personal delivery or overnight courier service, or telecopier transmission electronic confirmation, as applicable. Either party may change its address for notices by giving the other party not less than 10 days prior notice thereof. The parties agree that its respective counsel may send notices on their behalf.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Section 11.1. SEVERABILITY. Each part of this Agreement is intended to be severable. If any term, covenant, condition or provision hereof is unlawful, invalid, or unenforceable for any reason whatsoever, and such illegality, invalidity, or unenforceability does not affect the remaining parts of this Agreement, then all such remaining parts hereof shall be valid and enforceable and have full force and effect as if the invalid or unenforceable part had not been included.

Section 11.2. AMENDMENT. This Agreement may not be amended except by an instrument in writing signed on behalf of Transferor and Transferee.

Section 11.3. WAIVER. Any term, condition or provision of this Agreement may only be waived in writing by the party which is entitled to the benefits thereof.

Section 11.4. HEADINGS. The headings contained in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provision hereof.

Section 11.5. FURTHER ASSURANCES. Transferor shall, at any time and from time to time after the Closing Date, upon request of Transferee (or its permitted successors and assigns) and Transferee shall, at any time and from time to time after the Closing Date, upon request of Transferor (or its permitted successors and assigns) execute, acknowledge and deliver all such further documents, instruments, filings or agreements and provide such other assurances as may be reasonably requested and are necessary to further effectuate and confirm the conveyances and other matters contemplated hereby. This Section 11.5 shall survive the Closing.

Section 11.6. BINDING EFFECT; ASSIGNMENT. This Agreement and the terms, covenants, conditions, provisions, obligations, undertakings, rights and benefits hereof, including the Addenda, Exhibits and Schedules hereto, shall be binding upon, and shall inure to the benefit of, the undersigned parties and their respective heirs, executors, administrators, representatives, successors, and permitted assigns. Transferee may, on or prior to the Closing Date, assign this Agreement to its designee or nominee that is an Affiliate of Transferee provided such designee or nominee assumes all of the obligations of Transferee hereunder in writing. Upon such assignment and assumption, the assignor shall be released from liability hereunder.

Section 11.7. PRIOR UNDERSTANDINGS; INTEGRATED AGREEMENT. This Agreement supersedes any and all prior discussions and agreements (written or oral) between Transferor and Transferee with respect to the transfer of the Property and other matters contained herein, and this Agreement contains the sole, final and complete expression and understanding between Transferor and Transferee with respect to the transactions contemplated herein.

Section 11.8. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument, and either party hereto may execute this Agreement by signing any such counterpart.

Section 11.9. GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED, AND THE RIGHTS AND OBLIGATIONS OF TRANSFEROR AND TRANSFEREE HEREUNDER DETERMINED, IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES. THIS PROVISION SHALL SURVIVE THE CLOSING OR TERMINATION OF THIS AGREEMENT.

Section 11.10. NO THIRD-PARTY BENEFICIARIES. No person, firm or other entity other than the parties hereto, shall have any rights or claims under this Agreement. This provision shall survive the Closing or termination of this Agreement.

Section 11.11. WAIVER OF TRIAL BY JURY. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY OF ANY DISPUTE ARISING UNDER OR RELATING TO THIS AGREEMENT. THIS PROVISION SHALL SURVIVE THE CLOSING OR TERMINATION OF THIS AGREEMENT.

Section 11.12. BROKER. Transferee and Transferor each represent to the other that it has not dealt with any broker, finder or other party entitled to a commission or other compensation or which was instrumental or had any role in bringing about the transfer of the Properties. Each of Transferor and Transferee hereby agrees to indemnify and hold the other free and harmless from any and all claims, liabilities, losses, damages, costs or expenses as a result of a breach of the foregoing representation, including, without limitation, reasonable attorneys' fees and disbursements. This Section 11.12 shall survive the Closing or termination of this Agreement.

Section 11.13. CERTAIN TAX MATTERS. The parties hereby acknowledge that, for federal income tax purposes, the tax year of the Transferor with respect to the Transferee shall close as of the Closing Date pursuant to Section 706(c) of the Code. The Transferor and Transferee hereby agrees to utilize the "interim closing of the books" method described in Treasury Regulation Section 1.706-1(c)(2)(ii) for purposes of calculating the Transferee's distributive share of ROP's items of income, gain, loss, deduction or credit for the Transferee's partnership taxable year ending on the Closing Date.

Section 11.14. SUBSTITUTION OF DEPOSIT. At any time that Transferee shall be obligated to post a deposit under this Agreement (including the Deposit), Transferee (or any direct or indirect members of Transferee), may, in lieu of a cash deposit, pledge to Transferor an amount of shares of common stock in RARC and/or units of partnership interest in ROP, in either case equivalent in value to the amount of cash that would otherwise be required to be deposited, assuming for purposes hereof that each such share of such stock and/or unit of partnership interest has a value the same as the per share and per unit value used in determining the number of shares or units for purposes of Section 8.2(b) of this Agreement. Transferee (or the direct or indirect members of Transferee) shall also have the right from time to time to substitute cash, shares of common stock in RARC or units of partnership interest in ROP for any such items previously deposited. In connection with any such pledge, Transferee (or such direct or indirect members of Transferee) shall also execute any documents or instruments reasonably necessary to effect such pledge and evidence same on the books of the relevant company.

ARTICLE XII

SUBSTITUTION OF PROPERTY

Section 12.1. SUBSTITUTION OF PROPERTY. At any time, and from time to time prior to the Closing, Transferee, in Transferee's sole discretion, may notify Transferor that one or more of the Properties shall be exchanged for one or more properties having substantially the

same Allocated Value which are the subject of the Purchase and Sale Agreement ("P&S Agreement Properties"), provided that the aggregate Common Basis of all Properties exchanged hereunder shall not be more than $5,000,000.00 less than the aggregate Common Basis of the P&S Agreement Properties for which they are exchanged. For purposes of the foregoing, the "Common Basis" of a property shall mean its adjusted basis for federal income tax purposes in the hands of Transferor increased by any unamortized built-in gain under Code section 704(c) with respect to such property (not including any such built-in gain allocable to Transferee or any of its direct or indirect partners or members). In the event of any such substitution, the substituted property or properties shall be deemed part of the Properties for all purposes under this Agreement. Notwithstanding the foregoing, in no event shall the P&S Agreement Property located at 300/350 Kennedy Drive, Hauppauge, New York, be substituted under the provisions of this Article 12.

Section 12.2 ADJUSTMENT. In the event one or more of the Properties is exchanged as provided in Section 12.1, then any difference in valuation (if any) of the Allocated Value of the Property or Properties being exchanged shall be accounted for either by adjusting the amount of the Existing Unsecured Debt assumed by Transferee or such other method as Transferee and Transferor may reasonably agree.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

TRANSFEROR:

RECKSON OPERATING PARTNERSHIP, L.P., a Delaware limited partnership

By: RECKSON ASSOCIATES REALTY CORP., a Maryland corporation, its general partner

By: /s/ JASON M. BARNETT

Name: Jason M. Barnett
Title: Executive Vice President

RECKSON FS LIMITED PARTNERSHIP, a Delaware limited partnership
By: RECKSON FINANCING LLC, its general partner
By: RECKSON OPERATING PARTNERSHIP, L.P., its managing member
By: RECKSON ASSOCIATES REALTY CORP., a Maryland corporation, its general partner

By: /s/ JASON M. BARNETT

Name: Jason M. Barnett
Title: Executive Vice President

TRANSFEREE:

RECHLER EQUITY PARTNERS I LLC, a Delaware limited liability company

By: RECHLER EQUITY PARTNERS I GENERAL PARTNERS LLC, a Delaware limited liability company, its managing member

By: /s/ GREGG RECHLER

Name: Gregg Rechler
Title: Managing Member

EXHIBIT 10.2

PROPERTY SALE AGREEMENT

BETWEEN

RECKSON OPERATING PARTNERSHIP,
RECKSON FS LIMITED PARTNERSHIP,
AND
RCG KENNEDY DRIVE LLC
AS SELLER

AND

RECHLER EQUITY PARTNERS II LLC

AS PURCHASER

DATED

September 10, 2003

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PROPERTY SALE AGREEMENT

THIS AGREEMENT is entered into as of the 10th day of September, 2003, between RECKSON OPERATING PARTNERSHIP, L.P., a Delaware limited partnership ("ROP"), RECKSON FS LIMITED PARTNERSHIP, a Delaware limited partnership ("RFS") and RCG KENNEDY DRIVE LLC, a Delaware limited liability company ("RKD"), each having an address c/o Reckson Associates Realty Corp., 225 Broadhollow Road, Melville, New York 11747 (ROP, RFS and RKD, collectively, "Seller"), and RECHLER EQUITY PARTNERS II LLC, a Delaware limited liability company, having an address at 225 Broadhollow Road, Melville, New York 11747 ("Purchaser").

W I T N E S S E T H:

WHEREAS, Seller desires to sell and Purchaser desires to purchase the Properties (hereinafter defined) subject to and in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the mutual premises herein set forth and other valuable consideration, the receipt of which is hereby acknowledged, Seller and Purchaser agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1 DEFINITIONS. For purposes of this Agreement, the following terms shall have the meanings indicated below:

"Affiliate" means, with respect to any specified Person, any other Person that directly, or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the specified Person. For purposes of this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting stock, by contract or otherwise.

"Agreement" means this Property Sale Agreement, including all Schedules and Exhibits, as the same may be amended, supplemented, restated or modified.

"Allocated Purchase Price" shall mean, with respect to a Property, the value ascribed to such Property on Exhibit K attached hereto, (or in the case of any substituted Property under Article 12, the value ascribed to such Property on Exhibit K of the Redemption Agreement).

"Assignable Proceeding" has the meaning given that term in Section 7.3.

"Assignment and Assumption of Contracts" has the meaning given that term in Section 2.3(a).

"Assignment and Assumption of Leases" has the meaning given that term in Section 2.3(a).

"Assumed Liabilities" has the meaning given that term in Section 9.3.

"Base Amount" has the meaning given that term in Section 8.2(b).

"Books and Records" has the meaning given that term in Section 2.2(xii).

"Business Day" means any day other than a Saturday, Sunday or day on which the banks in New York, New York are authorized or obligated by law to be closed.

"Business Plan" has the meaning given that term in Section 2.5.

"Claim" means any claim, demand or legal proceeding.

"Closing" has the meaning given that term in Section 2.1(b).

"Closing Date" has the meaning given that term in Section 2.1(a).

"Code" has the meaning given that term in Section 3.1(d).

"Combined Portfolio" shall mean, collectively, the Properties and the Redemption Agreement Properties.

"Credit Tenant" shall mean any Tenant at a Property which is responsible for the payment of 20% or more of the total annual rents due to Seller pursuant to all leases for space at such Property.

"Contracts" has the meaning given that term in Section 2.2.

"Deed" has the meaning given that term in Section 2.3(a).

"Deferred Closing" means each applicable closing of the sale and purchase of a Property or Properties that has been deferred pursuant to Section 6.4, Section 6.6 or Section 12.3.

"Deferred Closing Date" means, as applicable, any TCC Closing Date, Kennedy Property Closing Date or Remediation Closing Date.

"Deposit" has the meaning given that term in Section 6.4(a).

"Determination Date" has the meaning given that term in Section 6.4(c).

"Environmental Law" means any Law relating to the environment, human health or safety or Hazardous Substances.

"Escrow Holder" has the meaning given that term in Section 6.4(a)(ii).

"Executory Period" has the meaning given that term in Section 2.5(e).

"General Intangibles" has the meaning given that term in Section 2.2.

"Governmental Authority" means any agency, bureau, department or official of any federal, state or local governments or public authorities or any political subdivision thereof.

"Hazardous Substance" means any substance, waste or material that is listed, classified or regulated pursuant to any Environmental Law, and includes, without limitation, any petroleum product or by-product, asbestos-containing material, lead-containing paint or plumbing, flammable explosives, cyanide, polychlorinated biphenyl compounds, heavy metals, radon, chlorinated solvents, methane and radioactive materials.

"Improvements" has the meaning given that term in Section 2.2.

"Individual Property Remediation Notice" has the meaning given that term in Section 12.3.

"Initial Portfolio" has the meaning given that term in Section 6.3(b).

"Kennedy Drive Property" means, collectively, the Properties located at 300/350 Kennedy Drive, Hauppauge, New York.

"Land" means all of the parcels of land described in Exhibit L and Exhibit L-1 and, when used with reference to a particular Property, means the parcel of land relating to such Property.

"Law" means any law, rule, regulation, order, decree, statute, ordinance, or other legal requirement passed, imposed, adopted, issued or promulgated by any Governmental Authority.

"Leases" means all leases, license agreements and other occupancy agreements pursuant to which any Person has the right to occupy, or is otherwise leased or demised, any portion of a Property, together with any and all amendments, modifications, expansions, extensions, renewals, guarantees or other agreements relating thereto.

"Licenses and Permits" has the meaning given that term in Section 2.2.

"Losses" has the meaning given that term in Section 9.1.

"Market MAC" has the meaning given that term in Section 6.5.

"Material Adverse Condition" has the meaning given that term in Section 12.3(c).

"Outside Date" has the meaning given that term in Section 2.1(c).

"Permitted Exceptions" has the meaning given that term in Section 6.1(c).

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization, or other entity.

"Personal Property" has the meaning given that term in Section 2.3.

"Prior Right" has the meaning given that term in Section 5.4.

"Property(ies)" has the meaning given that term in Section 2.2.

"Proration Agreement" has the meaning given that term in Section 2.5(g).

"Purchaser" is the entity identified as such in the first paragraph of this Agreement, and any successor or assign.

"Purchaser Representation and Warranty Update" has the meaning given that term in Section 3.2.

"Qualifying Income" has the meaning given that term in Section 8.2(b).

"RARC" means Reckson Associates Realty Corp., a Maryland corporation.

"REIT Requirements" has the meaning given that term in Section 8.2(b).

"REP 1" means Rechler Equity Partners I LLC, a Delaware limited liability company.

"RFS" is the entity identified as such in the first paragraph of this Agreement.

"RKD" is the entity identified as such in the first paragraph of this Agreement.

"ROP" is the entity identified as such in the first paragraph of this Agreement.

"Redemption" means the transaction contemplated by the Redemption Agreement, whereby ROP shall redeem certain Partnership Interests (as defined in Section 1.1 of the Redemption Agreement) in exchange for the distribution to REP 1 of certain parcels of real property and the assumption by Purchaser of certain debt.

"Redemption Agreement" means that certain Redemption Agreement between ROP and RFS, as transferor, and REP 1, as transferee, dated as of the date hereof.

"Redemption Agreement Properties" has the meaning given that term in Section 12.1.

"Remediation Date" has the meaning given that term in Section 12.3.

"Retained Liabilities" has the meaning given that term in Section 9.3.

"Scheduled Closing Date" has the meaning given that term in Section 2.1(a).

"Seller" has the meaning given that term in the first paragraph of this Agreement.

"Seller Representation and Warranty Update" has the meaning given that term in Section 4.2.

"Systems" has the meaning given that term in Section 2.2.

"Taking" has the meaning given that term in Section 7.2(b).

"TCC Closing Date" has the meaning given that term in Section 6.4(a).

"TCC Notice" has the meaning given that term in Section 6.4(a).

"TCC Properties" has the meaning given that term in Section 6.4(a).

"Tenant" has the meaning given that term in Section 2.4(a).

"Tenant Credit Condition" has the meaning given that term in Section 6.4(b).

"Termination Fee" has the meaning given the term in Section 8.2(b).

"Termination Fee Tax Opinion" has the meaning given that term in Section 8.2(b).

"Third Party" means any Person other than Seller and its Affiliates.

"Title Insurer" means Commonwealth Land Title Insurance Company or such other or additional reputable title insurance companies as may be designated by Purchaser.

"Voluntary Encumbrances" has the meaning given that term in Section 6.1(c).

Section 1.2 Rules of Construction.

(a) All uses of the term "including" shall mean "including, but not limited to," unless specifically stated otherwise.

(b) Unless the context otherwise requires, singular nouns and pronouns, when used herein, shall be deemed to include the plural of such noun or pronoun, pronouns of one gender shall be deemed to include the equivalent pronoun of the other gender and references to a particular Section, Addendum, Schedule or Exhibit shall be deemed to mean the particular Section of this Agreement or Addendum, Schedule or Exhibit attached hereto, respectively.

ARTICLE II

SALE AND PURCHASE OF PROPERTIES

Section 2.1 SALE AND PURCHASE OF THE PROPERTIES. Subject to the terms of this Agreement, Seller agrees to sell, assign and convey (or cause to be sold, assigned and conveyed) unto Purchaser, and Purchaser agrees to purchase, assume and accept from Seller, the Properties. The parties agree that the value of the Properties has been allocated based upon the Allocated Purchase Prices.

(a) Subject to the further provisions of this Section 2.1, the closing of the sale of the Properties (the "Closing") shall be held on the Business Day immediately following the date that the Redemption is consummated (the "Scheduled Closing Date"), as such Scheduled Closing Date may be adjourned from time to time in accordance with the provisions of this Agreement (the actual date on which the Closing occurs is called the "Closing Date").

Section 2.2 PROPERTIES. As used herein, the term "Properties" means the following (insofar as the same relate to a single parcel of Land, a "Property"):

(i) the fee estate in each parcel of land described on Exhibit L hereto, including, without limitation, all of the land that constitutes a part of those properties and any interest of the Seller in any adjoining parcel or parcels that may be needed for such parcel to be in compliance with applicable Law or applicable Leases;

(ii) all buildings, structures and improvements on each parcel of Land (the "Improvements"), including all building systems and equipment relating thereto;

(iii) all easements, covenants, privileges, rights of way and other rights appurtenant to the Land;

(iv) all furniture, fixtures, equipment, chattels, machinery and other personal property owned by Seller or by any Affiliate which are now, or may hereafter prior to the Closing Date be, placed in, located on or attached to the Land and Improvements and used or usable in connection with the operation, use, occupancy, maintenance or repair thereof (the "Personal Property");

(v) to the extent they may be transferred under applicable Law, all licenses, permits, certificates of occupancy and authorizations issued to Seller or any Affiliate or agent thereof pertaining to or in connection with the operation, use, occupancy, maintenance or repair of the Land, Improvements or Personal Property (the "Licenses and Permits");

(vi) to the extent assignable, all warranties, if any, issued to Seller or any Affiliate or agent thereof by any manufacturer or contractor in connection with construction or installation of equipment included as part of the Property;

(vii) to the extent assignable, all brokerage and commission agreements, construction, service, supply, security, maintenance or other contracts (if any) (the "Contracts") held by Seller or its Affiliates with respect to the use, occupancy, maintenance, repair or operation of the Land, Improvements and Personal Property;

(viii) all trade names, trademarks, logos, copyrights and other intangible personal property owned by Seller or its Affiliates relating to the Land, Improvements or Personal Property, but excluding the use of the name "Reckson" which shall be retained exclusively by Seller except to the extent set forth in the License Agreement (the "General Intangibles");

(ix) all of Seller's right, title and interest in and to the Leases and the rents and profits therefrom, subject to Section 5.2, and (B) any security deposited under the Leases;

(x) all of Seller's right, title and interest in and to the systems, software and software licenses necessary to operate the Properties (the "Systems");

(xi) all books, records, lists of tenants and prospective tenants, files and other information (including, without limitation, any thereof in electronic format) maintained by Seller or its Affiliates or agents with respect to the ownership, use, leasing, occupancy, operation, maintenance or repair of the Properties, including, without limitation, audited financial statements (to the extent the same are completed and available) for the Properties and audited financial statements for the Seller for the 3 fiscal years prior to Closing (the "Books and Records");

(xii) all other rights, privileges and appurtenances being expressly conveyed to Purchaser under this Agreement, including, but not limited to, utility deposits and refunds in connection therewith, subject to Section 2.5.

Section 2.3 PURCHASE PRICE. The purchase price (the "Purchase Price") for the Properties is Fifty-Five Million Five Hundred Thirty Thousand Four Hundred Ten Dollars ($55,530,410.00), subject to the adjustments and prorations herein. The parties agree that the Purchase Price has been allocated among the Properties based upon the Allocated Purchase Prices. The parties agree that the value of the Personal Property is de minimis and no part of the Initial Purchase Price is allocable thereto. The parties further agree that, except as otherwise may be required by applicable law, the transactions contemplated by this Agreement will be reported for all taxpurposes in a manner consistent with the terms of this Agreement, and that neither party (nor any of their Affiliates) will take any position inconsistent therwith.

Section 2.4 CLOSING DELIVERIES. On the Closing Date or any Deferred Closing Date, as the case may be,

(a) Seller shall:

(i) for each Property execute and deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying Seller's interest in the Properties free and clear of all liens, easements, encumbrances, restrictions and other exceptions, other than the Permitted Exceptions, in the form attached hereto as Exhibit A (the "Deed");

(ii) for each Property, execute and deliver to Purchaser a bill of sale covering the Personal Property in the form attached hereto as Exhibit B;

(iii) for each Property, execute and deliver to Purchaser an assignment (the "Assignment and Assumption of Leases") of all Leases and security deposits which shall be in recordable form and in the form attached hereto as Exhibit C;

(iv) for each Property, execute and deliver to Purchaser an assignment (the "Assignment and Assumption of Contracts") of all Contracts, Licenses and Permits, General Intangibles, warranties and guaranties affecting such Property, in the form attached hereto as Exhibit D;

(v) deliver to Purchaser the security deposits then held by Seller, its agents or any Affiliate pursuant to the Leases, and to the extent that any security deposit made under a Lease is in the form of a letter of credit, deliver such assignments and other instruments as Purchaser may reasonably require to transfer such letter of credit to Purchaser or, if Purchaser so requires, to Purchaser's mortgage lender on the applicable Property (together with reasonably satisfactory confirmation from the issuer thereof that Purchaser is the valid holder thereof);

(vi) execute and deliver to Purchaser a nonforeign affidavit in the form attached hereto as Exhibit E;

(vii) execute and deliver to Purchaser a letter addressed to each tenant, licensee or occupant under any Lease ("Tenant") advising the Tenant of the sale of the Property and assignment of its Lease in the form attached hereto as Exhibit F;

(viii) execute and deliver to Purchaser a letter addressed to each vendor under any Contract being assumed by Purchaser hereunder advising the vendor of the sale of the Property and assignment and assumption of its Contract in the form attached hereto as Exhibit F-1;

(ix) deliver to Purchaser the original executed estoppel certificates obtained by Seller pursuant to Section 5.6;

(x) execute and deliver to Purchaser the Proration Agreement;

(xi) deliver to Purchaser or Purchaser's property manager signed originals or, if unavailable, copies, of all Leases;

(xii) deliver to Purchaser or Purchaser's property manager signed originals or, if unavailable, copies, of all Contracts and Licenses and Permits being assigned to Purchaser;

(xiii) deliver to Purchaser or Purchaser's property manager for all Improvements copies of all warranties, guaranties, service manuals and other documentation in the possession or control of Seller, its agents or any Affiliate pertaining to building systems and equipment;

(xiv) deliver to Purchaser or Purchaser's property manager for all Improvements all keys and combinations to locks that are in the possession or control of Seller, its agents or any Affiliate;

(xv) deliver to Purchaser or Purchaser's property manager for all Improvements copies of all plans and specifications that are in the possession or control of Seller or any Affiliate;

(xvi) file the 1099-S Form required by the Internal Revenue Service and deliver a copy thereof to Purchaser;

(xvii) deliver to Title Insurer such customary affidavit or indemnity as is reasonably required for the Title Insurer to omit from its title report those exceptions required to be omitted in order to convey title to the Properties as required hereby;

(xviii) deliver to Title Insurer such corporate resolutions or other appropriate documentation reasonably required by Title Insurer regarding the authorization of Seller to sell the Properties to Purchaser and the authority and incumbency of the person or persons executing this Agreement;

(xix) to the extent Seller is obligated under the terms of this Agreement, deliver to Title Insurer such unconditional releases, satisfactions or other instruments as may be required by Law to discharge any mortgages or other security interests of record;

(xx) deliver to Purchaser the Seller Representation and Warranty Update;

(xxi) deliver to Purchaser or Purchaser's property manager (with Seller having the right to retain copies thereof) all of the Books and Records; and

(xxii) execute and deliver to Purchaser such documents as Purchaser may reasonably require to evidence the assignment of the Systems.

(b) Purchaser shall:

(i) deliver to Seller the Purchase Price;

(ii) execute and deliver to Seller the Assignment and Assumption of Leases;

(iii) execute and deliver to Seller the Proration Agreement;

(iv) execute and deliver to Seller the Assignment and Assumption of Contracts; and

(v) deliver to Seller the Purchaser Representation and Warranty Update.

(c) Not later than 2 Business Days prior to the Closing Purchaser shall have the right upon written notice to Seller to designate one or more different entities to acquire title to each of the Properties in lieu of Purchaser and/or to assume any or all of the liabilities with respect to such Properties; provided, that any acquisition of the Properties or assumption of liabilities pursuant to such designation shall not relieve Purchaser from any of its obligations pursuant to this Agreement.

(d) Except as otherwise provided below, if, pursuant to Section 2.5, the prorations owed Seller exceed the prorations owed Purchaser, then Purchaser shall, at the initial Closing or applicable Deferred Closing, pay to Seller by wire transfer to an account designated by Purchaser on not less than two (2) Business Days notice in immediately available federal funds the amount by which the prorations owed Seller exceed the prorations owed Purchaser. If, pursuant to Section 2.5, the prorations owed Purchaser exceed the prorations owed Seller, then Seller shall, at the Initial Closing, pay to Purchaser by wire transfer to an account designated by Purchaser on not less than two (2) Business Days notice in immediately available federal funds the amount by which the prorations owed Purchaser exceed the prorations owed Seller.

Section 2.5 PRORATIONS.

(a) The items described below with respect to each Property shall be apportioned between Seller and Purchaser and shall be prorated on a per diem basis as of 11:59 p.m. of the day before the Closing Date:

(i) annual rents, other fixed charges (including prepaid rents), unfixed charges and additional rents (including, without limitation, on account of taxes, porter's wage, electricity and percentage rent), in each case paid under the Leases (it being agreed that any such amounts not paid prior to the Closing Date shall not be apportioned but shall be dealt with in accordance with the provisions of Section 5.2);

(ii) amounts payable under the Contracts to be assigned to Purchaser;

(iii) real estate taxes, vault taxes, water charges and sewer rents, if any, on the basis of the fiscal year for which assessed;

(iv) fuel; electric and other utility costs;

(v) assessments, if any, provided that any remaining installments with respect to any assessment or improvement lien for water, sewer or other utilities or public improvements paid by Seller if due and payable prior to the Closing and by Purchaser if due and payable subsequent to the Closing;

(vi) dues to owner and marketing organizations;

(vii) amounts payable under reciprocal operating agreements, easements and similar instruments; and

(viii) other items customarily apportioned in sales or transfers of real property in the jurisdiction in which the applicable Property is located.

(b) If the Closing Date shall occur before the tax rate or assessment is fixed for the tax year in which the Closing Date occurs, the apportionment of taxes shall be upon the basis of the tax rate or assessment for the next preceding year applied to the latest assessed valuation and Seller and Purchaser shall readjust real estate taxes promptly upon the fixing of the tax rate or assessment for the tax year in which the Closing Date occurs.

(c) If there is a water or other utility meter(s) on a Property, Seller shall furnish a reading to a date not more than thirty (30) days prior to the Closing Date and the unfixed meter charge and the unfixed sewer rent, if any, based thereon for the intervening time shall be apportioned on the basis of such last reading. If Seller cannot readily obtain such a current reading, the apportionment shall be based upon the most recent reading.

(d) At the Closing, if Purchaser elects to take an assignment of any utility deposit made by Seller with any utility company, then Purchaser shall reimburse Seller for such utility deposit and Seller shall execute such documents as may be required to assign its rights in such deposits to Purchaser and provide such utility companies with notice of such assignment, if necessary (in each case in form and substance reasonably satisfactory to Purchaser). Any utility deposits not so assigned to Purchaser shall be refunded to Seller.

(e) At the Closing, (i) the cost of tenant improvements actually paid for by Seller and the amount of any allowance in respect of tenant improvements actually paid by the Seller during the period of time from and after the date hereof until the date of the Closing (such period, the "Executory Period") and (ii) any leasing commissions actually paid by the Seller during the Executory Period shall be apportioned as follows:

(A) Purchaser shall receive a credit to the extent the amounts for such tenant improvement costs, allowances or leasing commissions shown on the business plan attached as Exhibit M (the "Business Plan") exceed the amounts actually expended by Seller for such costs, allowances or commissions during the Executory Period.

(B) Seller shall receive a credit to the extent the amounts actually expended by Seller for such costs, allowances or commissions during the Executory Period exceed the amounts for such costs, allowances or commissions shown on the Business Plan.

(f) Seller and Purchaser shall prepare an agreement (the "Proration Agreement") setting forth on a Property-by-Property basis in reasonable detail the prorations described in this Section 2.5 and stating the net amount owed to Seller or Purchaser, as the case may be, on account thereof. Seller and Purchaser shall execute and deliver the Proration Agreement as provided in Section 2.4.

(g) If any of the items described above cannot be apportioned at the Closing because of the unavailability of the amounts which are to be apportioned or otherwise, or are incorrectly apportioned at the Closing, or subsequent thereto, such items shall be apportioned or reapportioned, as the case may be, as soon as practicable after the Closing Date or the date such error is discovered, as applicable.

(h) The provisions of this Section 2.5 shall survive the Closing.

Section 2.6 TRANSFER AND RECORDATION TAXES; RESPONSIBILITY FOR RECORDING. At the Closing, Seller shall pay any and all transfer taxes, recording charges and other similar costs and expenses payable in connection with the transactions contemplated hereunder. Seller and Purchaser shall execute and deliver all returns, questionnaires, and any necessary supporting documents, instruments and affidavits, in form and substance reasonably satisfactory to each party, required in connection with any of the aforesaid taxes. The provisions of this Section 2.6 shall survive the Closing.

Section 2.7 CLOSING EXPENSES. Except as otherwise expressly provided herein, Seller and Purchaser each shall be responsible for the payment of their respective closing expenses and expenses in negotiating and carrying out their respective obligations under this Agreement, including, without limitation, the costs of counsel, due diligence and all other expenses relating to this Agreement (the parties agreeing that all title insurance and survey expenses shall be paid by Purchaser).

Section 2.8 DEFERRED CLOSING. With respect to any Deferred Closing under this Agreement, all references in this Agreement to the "Closing" shall be deemed to refer to such Deferred Closing, all references in this Agreement to the "Closing Date" shall be deemed to refer to the applicable Deferred Closing Date, and all provisions of this Agreement applicable to the Deferred Closing or the Deferred Closing Date shall apply only in respect of the Properties which are the subject of such Deferred Closing.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Section 3.1 REPRESENTATIONS AND WARRANTIES BY PURCHASER. Purchaser makes the following representations and warranties, each of which is true and correct as of the date hereof and as of the Closing Date:

(a) Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. This Agreement has been duly authorized, executed and delivered by Purchaser and constitutes the valid and legally binding

obligation of Purchaser, enforceable against Purchaser in accordance with its terms. This Agreement and the transaction contemplated herein do not contravene any of the provisions of the Certificate of Formation or Operating Agreement of Purchaser.

(b) The execution and delivery of this Agreement and all related documents and the performance of its obligations hereunder and thereunder by Purchaser do not conflict with any provision of any law or regulation to which Purchaser is subject, or conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any agreement or instrument to which Purchaser is a party or by which Purchaser is bound or any order or decree applicable to Purchaser, or result in the creation or imposition of any lien on any of Purchaser's respective assets or property, which would adversely affect the ability of Purchaser to perform its obligations under this Agreement. Purchaser has obtained all consents, approvals, authorizations or orders of any court or governmental agency or body, if any, required for the execution, delivery and performance by Purchaser of this Agreement.

(c) Purchaser has not filed any petition seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief relating to Purchaser or any of its property under any law relating to bankruptcy or insolvency, nor has any such petition been filed against Purchaser. No general assignment of Purchaser's property has been made for the benefit of creditors, and no receiver, master, liquidator or trustee has been appointed for Purchaser or any of its property. Purchaser is not insolvent and the consummation of the transactions contemplated by this Agreement shall not render Purchaser
insolvent.

(d) The provisions of this Section 3.1 shall survive the Closing or the termination of this Agreement.

Section 3.2 UPDATE OF REPRESENTATIONS AND WARRANTIES. At the Closing, Purchaser shall deliver to Seller a certification (the "Purchaser Representation and Warranty Update") which states that all of Purchaser's representations and warranties set forth in this Agreement are true and correct as of the Closing or, if not so true and correct, advising Seller in what respects Purchaser's representations and warranties set forth in this Agreement are inaccurate as of the Closing Date. Nothing contained in this Section 3.2 or in any such Purchaser Representation and Warranty Update shall limit or otherwise affect the provisions of Section 6.2.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF SELLER

Section 4.1 REPRESENTATIONS AND WARRANTIES BY SELLER. Seller makes the following representations and warranties, each of which is true and correct as of the date hereof:

(a) Each entity constituting Seller except RKD is a limited partnership, duly organized, validly existing and in good standing under the laws of the State of Delaware. RKD is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware. This Agreement has been duly authorized, executed and delivered

by Seller and constitutes the valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms. This Agreement and the transaction contemplated herein do not contravene any of the respective provisions of the Certificates of Limited Partnership or Partnership Agreements of ROP or RFS, or the Certificate of Formation or Operating Agreement of RKD.

(b) Except for the Existing Unsecured Debt (as defined in the Redemption Agreement), the execution and delivery of this Agreement and all related documents and the performance of its obligations hereunder and thereunder by Seller do not conflict with any provision of any law or regulation to which Seller is subject, or conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any material agreement or instrument to which Seller is a party or by which Seller is bound or any order or decree applicable to Seller, or result in the creation or imposition of any lien on any of its assets or property which would adversely affect the ability of Seller to perform its obligations under this Agreement. Except for the Prior Rights, and in connection with the Existing Unsecured Debt, Seller has obtained all consents, approvals, authorizations or orders of any court, governmental agency or body and of all Third Parties, if any, required for the execution, delivery and performance by Seller of this Agreement and the consummation of the transactions contemplated hereby.

(c) Seller has not filed any petition seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief relating to Seller or any of its property under any law relating to bankruptcy or insolvency, nor has any such petition been filed against Seller. No general assignment of Seller's property has been made for the benefit of creditors, and no receiver, master, liquidator or trustee has been appointed for Seller or any material portion of its property. Seller is not insolvent and the consummation of the transactions contemplated by this Agreement shall not render Seller insolvent.

(d) Seller is not a "foreign person" as defined in Section 1445 of the Code and the regulations promulgated thereunder.

(e) The provisions of this Section 4.1 shall survive the Closing or other termination of this Agreement.

Section 4.2 UPDATE OF REPRESENTATIONS AND WARRANTIES. At the Closing, Seller shall deliver to Purchaser a certification (the "Seller Representation and Warranty Update") which states that all of Seller's representations and warranties set forth in the Agreement are true and correct as of the Closing or, if not so true and correct, advising Purchaser in what respects Seller's representations and warranties set forth in this Agreement are inaccurate as of the Closing Date. Nothing contained in this Section 4.2 or in any such Seller Representation and Warranty Update shall limit or otherwise affect the provisions of Section 6.1.

ARTICLE V

LEASES; OPERATING COVENANT; PROPERTY MANAGEMENT

Section 5.1 LEASING. Between the date of this Agreement and the Initial Closing Date without the prior written consent of Purchaser (which consent shall not be unreasonably withheld or delayed), Seller shall not (i) execute or agree to execute any material amendment or modification to any Lease or Contract; (ii) execute or agree to execute any new Lease or Contract unless (in the case of a Contract) it is terminable by Purchaser without cause and without penalty by the giving of not more than 30 days' notice; (iii) terminate any Lease; (iv) consent to any assignment or subletting by any Tenant or the taking of any other material action by a Tenant which requires the landlord's consent; (v) accept any payments of rent under any Lease more than 30 days in advance of its due date; or (vi) waive any of the material obligations of the Tenant under any Lease; (vii) apply any security deposit under any Lease. If Seller desires to take any action requiring Purchaser's consent under this Section 5.1, and Purchaser shall not deny its consent to such action by written notice to Seller given within seven (7) Business Days after receipt of Seller's notice, Purchaser shall be deemed to have granted its consent.

Section 5.2 RENT ARREARAGES. Seller shall use reasonable efforts to collect any delinquent amounts from Tenants prior to the Closing Date; provided, that Seller may not bring any action or suit for dispossess or similar proceeding in any court without first obtaining the written consent of Purchaser. If, prior to the Closing Date, Seller is unable to collect all rents due and owing for any period preceding the Closing Date, then Purchaser shall be entitled to collect and retain all such amounts, and Seller shall have no further rights in respect thereof. If, as of the Closing Date, any amounts due and payable under the Leases (including, without limitation, operating expense escalations, real estate tax escalations and percentage rent) has not been billed or has not been determined in accordance with the provisions of the Leases then Seller shall reasonably cooperate with Purchaser to determine the correct amount to be billed. Any amounts payable under the Leases which are received by Seller on or after the Closing Date, shall be paid to Purchaser within fifteen (15) Business Days following receipt thereof. The provisions of this Section 5.2 shall survive the Closing.

Section 5.3 OPERATIONS. Between the date of this Agreement and the Closing Date, Seller shall operate and maintain the Properties in accordance in all material respects with Seller's past practices and substantially in accordance with the Business Plan, and will furnish Purchaser with copies of all periodic reports Seller (or its agents) currently generates with respect to the Properties or any thereof. The Improvements shall be maintained substantially in their present condition, subject, however, to normal wear and tear and damage by fire or other casualty (subject to Section 7.3) through the Closing Date. Seller shall maintain all insurance policies presently covering the Properties in full force and effect until the Closing Date. Seller shall not sell or otherwise dispose of any material Personal Property used in connection with the operation or maintenance of the Properties, except for Personal Property that becomes obsolete and that is replaced with Personal Property of at least equal quality if necessary for the operation or maintenance of the Properties.

Section 5.4 OPTIONS. Seller shall, within thirty (30) days after the date hereof, take any steps necessary to trigger any rights or options of any Person to acquire any Property or

any portion thereof or any interest relating thereto, and any rights of first offer or rights of refusal to do so (each, a "Prior Right"). If (a) any Prior Right is exercised by the holder thereof or (b) the holder of a Prior Right shall neither have exercised nor waived its Prior Right but Seller shall nevertheless be unable on the Closing Date to transfer the subject Property by reason of such Prior Right, then, in either such event, the parties shall nevertheless proceed to Closing, subject to and in accordance with the other terms of this Agreement, and at Purchaser's option, (i) Purchaser may effect a substitution pursuant to Section 12.1 in order to replace such Property, or (ii) such Property shall not be transferred pursuant to this Agreement and the Allocated Purchase Price of the affected Property shall be accounted for by adjusting the amount of the Purchase Price.

Section 5.5 EMPLOYEES. Between the date of this Agreement and the Closing, Purchaser shall be permitted to negotiate with the employees of Seller listed on Exhibit N in connection with their potential employment by Purchaser or its Affiliate after the Closing. To the extent Seller implements any layoffs prior to or in connection with the Closing, Seller shall comply with all relevant Law, including, but not limited to, the Worker Adjustment and Retraining Notification Act.

Section 5.6 ESTOPPELS. Between the date of this Agreement and the Closing, to the extent requested by Purchaser, Seller shall request from each Tenant, or other person designated by Purchaser, an estoppel certificate in a form designated by Purchaser.

Section 5.7 FURTHER COVENANTS. Between the date of this Agreement and the Closing, without the prior written consent of Purchaser, Seller shall not (i) effect or agree to effect any conveyance or any contract to convey any Property or any portion thereof or (ii) effect, or agree to, any change in the zoning applicable to any Property. If Seller desires to take any action requiring Purchaser's consent under this Section 5.7, and Purchaser shall neither grant nor deny its consent to such action by written notice to Seller given within seven (7) Business Days after receipt of Seller's notice, Purchaser shall be deemed to have denied its consent.

Section 5.8 SURVEYS. Seller shall deliver to Purchaser all surveys of the Properties in Seller's possession. Between the date of this Agreement and the Closing, Seller will reasonably cooperate with Purchaser in obtaining recertifications of such surveys or currently dated surveys with respect to the Properties prepared by a licensed professional engineer or surveyor acceptable to Title Insurer.

Section 5.9 INTENTIONALLY OMITTED.

Section 5.10 TRANSITION SERVICES. Seller shall perform (or cause to be performed) Transition Services on behalf of Purchaser (and any designee to whom a Property is transferred pursuant to Section 2.4(c)) for a period of 60 days following the Closing (the "Transition Period"). Purchaser shall have the right to extend the Transition Period for up to 30 days upon written notice to Seller no later than 50 days following the Closing. At any time prior to the end of the Transition Period (as the same may have been extended), Purchaser may terminate such Transition Services upon 10 days prior written notice to Seller. In consideration for such services, Purchaser shall pay to Seller the sum of $7,000 per month, plus any third party out-of-pocket expenses of Seller actually expended by Seller in connection with the Transition

Services, such sum to be ratably adjusted with respect to any partial month. As used herein, the term "Transition Services" means (i) property-level accounting services (including preparing and delivering financial statements); (ii) asset management services; (iii) employee payroll services; and (iv) cooperation with the administration of certain employee benefits, all of which shall be provided consistent with the general level of such services provided by the Seller in the administration of its own business to the extent reasonably practicable. The provisions of this Section 5.10 shall survive the Closing.

ARTICLE VI

CONDITIONS PRECEDENT

Section 6.1 CONDITIONS TO OBLIGATION OF PURCHASER. The obligation of Purchaser to effect the Closing shall be subject to the fulfillment or written waiver at or prior to the Closing Date of the following conditions:

(a) Representations and Warranties. The representations and warranties of Seller set forth in Article IV shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date.

(b) Performance of Obligations. Seller shall have in all material respects performed all obligations required to be performed by Seller under this Agreement on and prior to the Closing Date.

(c) Condition of Title. Seller shall be able to transfer fee simple title to each of the Properties without exception, condition, limitation, qualification or exclusion except for the following (collectively, the "Permitted Exceptions"). (A) the lien of property taxes and assessments, water rates, water meter charges, sewer rates, sewer charges and similar matters which are not yet due and payable, so long as same are to be apportioned between Seller and Purchaser; (B) the rights of the Tenants under the Leases as tenants only; (C) any item (excluding monetary liens and mortgages) that is an encumbrance existing on the date of this Agreement, (D) any other item (excluding monetary liens and mortgages) voluntarily created or consented to by Seller without violating any of the covenants in Article V, (E) any other item (excluding monetary liens and mortgages) which does not materially adversely affect the ability to use the Property for its current or intended purpose or materially adversely affect the value of any Property, and (F) such additional title matters as to which Purchaser does not object as described below. On or before the date occurring 30 days following Purchaser's receipt of a title report (which Purchaser agrees to order promptly after the execution of this Agreement), Purchaser shall advise Seller in writing of all title matters disclosed on such title report, as the case may be, which Purchaser finds objectionable (it being understood that Purchaser shall have no right to object to the matters described in items (A) through (E) of the definition of Permitted Exceptions). Any title matter as to which Purchaser does not timely so object (excluding mortgages and liens (other than those described in item (A) of the definition of Permitted Exceptions) which shall in all events be deemed to have been objected to by Purchaser) shall thereafter be deemed a "Permitted Exception." On or prior to the Closing Date, Transferor shall (i) cause to be discharged of record all liens, encumbrances and other title exceptions which are

not Permitted Exceptions and which were created, or consented to, by Transferor or any Affiliate of Transferor (collectively, "Voluntary Encumbrances" and (ii) cause to be discharged of record all liens, encumbrances and other title exceptions which are not Permitted Exceptions and which are not Voluntary Encumbrances, but which can be satisfied solely by the payment of a liquidated sum in an aggregate amount not in excess of the balance remaining after subtracting from $20,000,000 the amount, if any, expended by the transferor under the Redemption Agreement to discharge any liens, encumbrances and other title exceptions described in clause (ii) of the last sentence of Section 6.1(c) of the Redemption Agreement.

(d) Delivery of Documents. Each of the documents required to be delivered by Seller at the Closing shall have been delivered as provided therein.

Section 6.2 CONDITIONS TO OBLIGATION OF SELLER. The obligation of Seller to effect the Closing, shall be subject to the fulfillment or written waiver at or prior to the Closing Date of the following conditions:

(a) Representations and Warranties. The representations and warranties of Purchaser set forth in Article III shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made at and as of the Closing Date.

(b) Performance of Obligations. Purchaser shall have in all material respects performed all obligations required to be performed by it under this Agreement on and prior to the Closing Date, including without limitation, payment of the Purchase Price.

(c) Delivery of Documents. Each of the documents required to be delivered by Purchaser at the Closing shall have been delivered as provided therein.

Section 6.3 FAILURE OF CONDITION.

(a) Subject to Sections 6.3(b) and (c) below, if, on the Closing Date, (x) any condition to Seller's obligation to close hereunder shall not be satisfied, then Seller shall be entitled to terminate this Agreement or (y) any condition to Purchaser's obligation to close hereunder shall not be satisfied, then Purchaser shall be entitled to terminate this Agreement or (z) either (A) the Redemption Agreement shall have terminated without the Redemption thereunder having occurred, or (B) any judgment, injunction, order, decree or action by any governmental entity of competent authority preventing or prohibiting the Closing shall have become final and non-appealable, then in either such case either Seller or Purchaser shall be entitled to terminate this Agreement, in each such case, by delivering notice thereof to the other party.

(b) Notwithstanding the provisions of Section 6.3(a), if all of the conditions applicable to the closing of the Initial Portfolio shall have been satisfied (or waived by the applicable party on the Scheduled Closing Date, the parties shall be obligated to consummate the Closing of the purchase and sale of the Initial Portfolio on the Scheduled Closing Date, notwithstanding that there may be conditions to such Closing which have not been satisfied (or waived) in respect of other Properties that are the subject of this Agreement but which were not included in the Initial Portfolio. "Initial Portfolio" means the Properties described on Exhibit L on the date of this Agreement (i.e., excluding any Properties which, on the date of this

Agreement are subject to the Redemption Agreement, but which subsequently become subject to the terms of this Agreement).

(c) If the condition in Section 6.1(c) shall not be satisfied on the Closing Date in respect of one or more Properties in the Initial Portfolio solely by reason of the existence of liens, encumbrances and other title exceptions which are not Permitted Exceptions, are not Voluntary Encumbrances and cannot be satisfied solely by the payment of a liquidated sum, but all other conditions are satisfied in respect of the Initial Portfolio, the parties shall nevertheless proceed to Closing in respect of all of the other Properties in the Initial Portfolio subject to and in accordance with the other terms of this Agreement.

(d) If this Agreement shall terminate pursuant to Section 6.3(a), then neither party shall have any further obligation or liability to the other, except for any such obligation or liability which expressly survives the termination of this Agreement; provided, that if any such termination is due to a party's default in performing its material obligations hereunder, then the remedies under Section 8.2 shall control; provided further, that if the Redemption Agreement shall have terminated due to the default of the Transferor thereunder, then any termination of this Agreement under Section 6.3(a)(z)(A) above shall be deemed to be due to Seller's default hereunder.

SECTION 6.4 TENANT CREDIT CONDITION.

(a) If, on any Closing Date, there shall exist a Tenant Credit Condition with respect to a Property or Properties, then Purchaser may, by notice to Seller (the "TCC Notice"), adjourn the date of Closing with respect to such Property or Properties only from time to time, but in no event later than the date 90 days after the Closing Date, (such date, the "TCC Closing Date") pursuant to the following conditions:

(i) The aggregate Allocated Purchase Price for all such Properties shall not exceed $20,000,000.

(ii) On the Closing Date, Purchaser shall deposit with Wachtell Lipton Rosen & Katz, as escrow agent (when acting in the capacity of escrow agent, the "Escrow Holder") a sum (the "Deposit") equal to twenty percent (20%) of the Allocated Purchase Price of the Properties that are the subject of the TCC Notice (the "TCC Properties") by wire transfer of immediately available federal funds to the account set forth on Exhibit H. Escrow Holder shall invest the Deposit in an interest bearing money market account. Escrow Holder shall not be liable for (i) any loss of such investment (unless due to Escrow Holder's gross negligence or willful misconduct) or (ii) any failure to attain a favorable rate of return on such investment.

(iii) Escrow Holder shall deliver the Deposit, and the interest accrued thereon, to Seller or to Purchaser, as the case may be, as follows:

(A) upon the Closing of the TCC Properties, the Deposit (together with all interest accrued thereon) shall be applied toward the Purchase Price; or

(B) if Purchaser has defaulted in the performance of its obligations under this Agreement as provided in Section 8.2(a) with respect to the TCC Properties, then Seller shall deliver a written notice to Escrow Holder instructing Escrow Holder to deliver the Deposit to Seller, and in the event that within ten (10) days of such request, Purchaser shall not have delivered a written objection to Escrow Holder pursuant to Section 6.4(a)(v) below, then the Escrow Holder shall within two Business Days after the end of such ten (10) day period deliver the Deposit to Seller; or

(C) if Seller has defaulted in the performance of its obligations under this Agreement as provided in Section 8.2(c) then Purchaser shall deliver a written notice to Escrow Holder instructing Escrow Holder to deliver the Deposit to Purchaser, and in the event that within ten (10) days of such request, Seller shall not have delivered a written objection to Escrow Holder pursuant to Section 6.4(a)(v) below, then the Escrow Holder shall within two Business Days after the end of such ten (10) day period deliver the Deposit to Purchaser; or

(D) the Deposit, and the interest accrued thereon, shall be delivered to Purchaser or Seller as directed by joint written instructions of Seller and Purchaser.

(iv) Upon the filing of a written demand for the Deposit by Seller or Purchaser, pursuant to subsection (a)(iii)(B) or (a)(iii)(C), Escrow Holder shall promptly give notice thereof (including a copy of such demand) to the other party. The other party shall have the right to object to the delivery of the Deposit, by giving written notice of such objection to Escrow Holder at any time within ten (10) days after such party's receipt of notice from Escrow Holder, but not thereafter. Such notice shall set forth the basis for objecting to the delivery of the Deposit. Within 1 Business Day of its receipt of such notice of objection, Escrow Holder shall give a copy of such notice to the party who filed the written demand.

(v) If Escrow Holder shall have received the notice of objection provided for in subsection (a)(iv) above within the time therein prescribed, Escrow Holder shall continue to hold the Deposit, and the interest accrued thereon, until (A) Escrow Holder receives a written notice jointly signed by Seller and Purchaser directing the disbursement of the Deposit, in which case Escrow Holder shall then disburse the Deposit, and the interest accrued thereon, in accordance with said direction, or (B) litigation is commenced between Seller and Purchaser, in which case Escrow Holder shall deposit the Deposit, and the interest accrued thereon, with the clerk of the court in which said litigation is pending, or (C) Escrow Holder takes such affirmative steps as Escrow Holder may elect, at Escrow Holder's option, in order to terminate Escrow Holder's duties hereunder, including but not limited to depositing the Deposit, and the interest accrued thereon, in court and commencing an action for interpleader, the costs thereof to be borne by whichever of Seller or Purchaser is the losing party.

(vi) Escrow Holder may rely and act upon any instrument or other writing reasonably believed by Escrow Holder to be genuine and purporting to be signed and presented by any person or persons purporting to have authority to act on behalf of Seller or Purchaser, as the case may be, and shall not be liable in connection with the performance of any duties imposed upon Escrow Holder by the provisions of this Agreement, except for Escrow Holder's own gross negligence, willful misconduct or default. Escrow Holder shall have no duties or responsibilities except those set forth herein. Escrow Holder shall not be bound by any modification, cancellation or rescission of this Agreement unless the same is in writing and signed by Seller and Purchaser, and, if Escrow Holder's duties hereunder are affected, unless Escrow Holder shall have given prior written consent thereto. Escrow Holder shall be reimbursed by Seller and Purchaser for any expenses (including reasonable legal fees and disbursements of outside counsel, including all of Escrow Holder's fees and expenses with respect to any interpleader action pursuant to paragraph (vi) above) incurred in connection with this Agreement, and such liability shall be joint and several; provided that, as between Seller and Purchaser, the prevailing party in any dispute over the Deposit shall be entitled to reimbursement of any such expenses paid to Escrow Holder. In the event that Escrow Holder shall be uncertain as to Escrow Holder's duties or rights hereunder, or shall receive instructions from Seller or Purchaser that, in Escrow Holder's opinion, are in conflict with any of the provisions hereof, Escrow Holder shall be entitled to hold and apply the Deposit, and the interest accrued thereon, pursuant to subsection (vi) hereof and may decline to take any other action. After delivery of the Deposit, and the interest accrued thereon, in accordance herewith, Escrow Holder shall have no further liability or obligation of any kind whatsoever.

(vii) Escrow Holder shall have the right at any time to resign upon ten (10) Business Days prior notice to Seller and Purchaser. Seller and Purchaser shall jointly select a successor Escrow Holder and shall notify Escrow Holder of the name and address of such successor Escrow Holder within ten (10) Business Days after receipt of notice of Escrow Holder of its intent to resign. If Escrow Holder has not received notice of the name and address of such successor Escrow Holder within such period, Escrow Holder shall have the right to select on behalf of Seller and Purchaser a bank or trust company to act as successor Escrow Holder hereunder. At any time after the ten (10) Business Day period, Escrow Holder shall have the right to deliver the Deposit, and the interest accrued thereon, to any successor Escrow Holder selected hereunder, provided such successor Escrow Holder shall execute and deliver to Seller and Purchaser an assumption agreement whereby it assumes all of Escrow Holder's obligations hereunder. Upon the delivery of all such amounts and such assumption agreement, the successor Escrow Holder shall become the Escrow Holder for all purposes hereunder and shall have all of the rights and obligations of the Escrow Holder hereunder, and the resigning Escrow Holder shall have no further responsibilities or obligations hereunder. The provisions of this Section 6.4 shall survive the Closing or termination of this Agreement.

(b) For the purposes of this Agreement, a "Tenant Credit Condition" shall be deemed to exist with respect to a Property if (i) any Credit Tenant in such Property shall commence any case, proceeding or other action under any existing or future law of any

jurisdiction, domestic or foreign, relating to bankruptcy,insolvency, reorganization, conservatorship or relief of debtors (A) seeking tohave an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets; or (ii) there shall be commenced against any Credit Tenant in such Property any case, proceeding or other action of a nature referred to in clause (i) above; or (iii) there shall be commenced against any Credit Tenant in such Property any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of any order for any such relief; or (iv) any Credit Tenant in such Property shall be generally unable to pay its debts when due, or (v) any Credit Tenant in such Property shall be insolvent or (vi) any Credit Tenant in such Property shall be more than 60 days in arrears in any rent due to Seller.

(c) The parties acknowledge and agree that, except as otherwise may be required by applicable law, (i) the parties will treat the escrow arrangement described in this Section 6.4 as a "contingent at closing escrow" within the meaning of Proposed Treasury Regulation Section 1.468B-8(b) and (ii) consistent with such characterization, for all periods (or portions thereof) ending on or prior to the Determination Date, Purchaser shall (A) be treated as owning the Deposit and any interest accrued thereon for federal income tax purposes and (B) in computing its taxable income, take into account all items of income, deduction, and credit of the escrow. "Determination Date" shall mean the date on which (or by which) the last of the events occurs as a result of which the Deposit and any interest accrued thereon is required to be delivered to the Purchaser or the Seller, as the case may be, in accordance with the provisions of this Section 6.4.

(d) Anything contained in this Section 6.4 to the contrary notwithstanding, in no event shall the provisions of this Section 6.4 operate to permit Purchaser to adjourn the Closing as to any particular Property by more than 90 days.

(e) The provisions of this Section 6.4 shall survive the Closing.

SECTION 6.5 MARKET MAC. Anything contained in this Agreement to the contrary notwithstanding, if, on the Scheduled Closing Date, there shall exist a Market MAC, then Purchaser may, by notice to Seller, adjourn the date of Closing from time to time, but in no event later than the date 90 days after the Scheduled Closing Date. A "Market MAC" will be deemed to exist if (i) there is a suspension or material limitation in trading in securities generally on the New York Stock Exchange; (ii) a general moratorium on commercial banking activities is declared by either the Federal or New York State or other relevant authorities or there is a material disruption in commercial banking or securities settlement and clearance services in the United States; (iii) there is an outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or the occurrence of any other calamity or crisis if any the foregoing, in the judgment of Purchaser's proposed lender, makes it impracticable or inadvisable to proceed with the Loans; or (iv) there is a change in national or international financial, political or economic conditions which, in the judgment of

Purchaser's proposed lender, makes it impracticable or inadvisable to proceed with Purchaser's financing.

SECTION 6.6 KENNEDY PROPERTY.

(a) Seller may, by notice to Purchaser (the "Kennedy Property Notice"), adjourn the date of Closing with respect to the Kennedy Property only from time to time, but in no event shall such Closing by adjourned beyond the date that is 90 days after the Scheduled Closing Date (such date, the "Kennedy Property Closing Date").

(b) Purchaser and Seller shall cooperate with each other in order that the purchase and sale of the Kennedy Property may be accomplished by either or both of them as part of a deferred exchange pursuant to Section 1031 of the Internal Revenue Code (a "1031 Transaction"). Each party shall execute such agreements and documents as may be reasonably necessary to complete and otherwise effectuate a 1031 Transaction by the other party; provided, that (a) neither party shall be obligated to incur any costs, expenses or other liabilities or agree to any change in the terms of the transaction in cooperating at the request of the other hereunder; and (b) neither shall be relieved from its obligation to close the transaction contemplated hereby at the Closing for the Kennedy Property.

(c) The provisions of this Section 6.6 shall survive the Closing.

ARTICLE VII

ADDITIONAL AGREEMENTS

Section 7.1 PURCHASER ACCESS. From and after the date hereof, Purchaser and its authorized representatives will be given full access to the Properties and to all books, contracts, commitments, records or other documentation concerning the Properties as Purchaser may reasonably request, such access to be provided during ordinary business hours; provided, that any entry upon the Properties by Purchaser and/or its representatives shall be subject to the following: (i) any such entry shall be subject to the provisions of the Leases and the rights of the Tenants, (ii) Purchaser and its representatives shall not interfere in any manner with the quiet enjoyment and possession of the Tenants in the conduct of any such inspection, (iii) Purchaser and its representatives shall minimize interference with the operations of the Property and (iv) Purchaser and its representatives shall promptly upon completion of any inspection, repair any damage caused by Purchaser or its representatives. Seller agrees to cooperate in all reasonable respects with Purchaser to effectuate the Closing subject to any applicable legal restraints.

Section 7.2 CASUALTY AND CONDEMNATION.

(a) Casualty. If all or any part of any Property is damaged by fire or other casualty occurring following the date hereof and prior to the Closing, the parties shall nonetheless consummate this transaction in accordance with this Agreement, without any liability or obligation on the part of Seller by reason of such casualty; provided, that Seller shall, on the Closing Date, (i) assign and remit to Purchaser, and Purchaser shall be entitled to receive

and keep, the net proceeds of any award or other proceeds under any relevant insurance policy which may have been collected by Seller as a result of such casualty less the reasonable expenses incurred by Seller in obtaining such award or proceeds, or (ii) if no award or other proceeds shall have been collected, deliver to Purchaser an assignment of Seller's right to any such award or other proceeds which may be payable to Seller as a result of such casualty. Seller will reasonably cooperate with Purchaser, at Purchaser's cost, in its prosecution of any Claims thereto. The provisions of this Section 7.2(a) supersede the provisions of Section 5-1311 of the General Obligations Law of the State of New York.

(b) If, prior to the Closing Date, any part of any Property is taken, or if Seller shall receive an official notice from any Governmental Authority having eminent domain power over the Premises of its intention to take, by eminent domain proceeding, all or any part of any Property (a "Taking"), then the parties shall nonetheless consummate this transaction in accordance with this Agreement, without any liability or obligation on the part of Seller by reason of such Taking; provided, that Seller shall, on the Closing Date, (i) assign and remit to Purchaser, and Purchaser shall be entitled to receive and keep, the net proceeds of any award or other proceeds of such Taking which may have been collected by Seller as a result of such Taking less the reasonable expenses incurred by Seller in obtaining such award or proceeds, or (ii) if no award or other proceeds shall have been collected, deliver to Purchaser an assignment of Seller's right to any such award or other proceeds which may be payable to Seller as a result of such Taking.

Section 7.3 TAX CERTIORARI PROCEEDINGS. From and after the date of this Agreement, Seller shall not settle or compromise any certiorari proceeding relating to any tax year (an "Assignable Proceeding") without Purchaser's consent, which shall not be unreasonably withheld or delayed. At the Closing, Seller shall execute and deliver such documents as may be required to assign all of Seller's right, title and interest in any Assignable Proceeding to Purchaser. After the Closing, Purchaser shall have all rights (subject to any rights of Tenants under their Leases) to apply for, prosecute and settle tax certiorari proceedings with respect to any tax year (whether such tax year began before or after the Closing), and to retain all refunds and credits relating thereto. If any refund shall be received by Seller on or after the Closing Date, Seller shall pay the same to Purchaser within fifteen (15) Business Days after receipt thereof. Seller shall execute any and all consents or other documents as may be reasonably necessary to be executed by Seller so as to permit Purchaser to commence or continue any tax certiorari proceeding which Purchaser is authorized to commence or continue pursuant to the terms of this Section 7.3, or to collect any refund or credit with respect to any such tax proceeding. The provisions of this Section 7.3 shall survive the Closing.

Section 7.4 TAX COOPERATION. Purchaser and Seller shall each cooperate reasonably with respect to tax matters. Without limiting the generality of the foregoing, each party shall, at its own cost and expense, provide the other with such information as the other may reasonably request in connection with any tax returns required to be filed or any tax elections available with respect to the transactions contemplated by this Agreement.

ARTICLE VIII

TERMINATION; DEFAULT

Section 8.1 TERMINATION. This Agreement may be terminated and the Closing may be abandoned at any time prior to the Closing Date by mutual written consent of Seller and Purchaser.

Section 8.2 TERMINATION BY REASON OF DEFAULT. (a) If Seller shall be ready, willing and able to close and Purchaser shall default in the performance of any of its material obligations to be performed on the Closing Date, Seller's sole remedy by reason thereof shall be to terminate this Agreement and, upon such termination, Seller shall be entitled to receive (i) if the Redemption under the Redemption Agreement has been consummated and Purchaser defaults in respect of the initial Closing under this Agreement, the sum of Fifteen Million Dollars ($15,000,000.00) or (ii) if the initial Closing under this Agreement has occurred, but Purchaser defaults in respect of a TCC Closing Date, the Deposit (or, if the Deposit was not made by Purchaser, an amount equal to the Deposit), or (iii) if the initial Closing under this Agreement has occurred, but Purchaser defaults in respect of the Kennedy Property Closing or any Remediation Closing, 10% of the Allocated Purchase Price of the Property or Properties that are the subject of such Closing, in any of such cases as liquidated damages for Purchaser's default hereunder, it being agreed that the damages by reason of Purchaser's default are difficult, if not impossible, to ascertain, and thereafter Purchaser and Seller shall have no further rights or obligations under this Agreement except for those that are expressly provided in this Agreement to survive the termination hereof, it being acknowledged that defaults described in both clauses (ii) and (iii) may occur and in such event Seller shall be entitled to receive the damages contained in both clauses. For purposes of clarification, (A) if the Transferee under the Redemption Agreement defaults thereunder, Seller shall not be entitled to any damages for the termination of this Agreement (the damages to which Seller is entitled under the Redemption Agreement being deemed sufficient) and (B) if Seller shall be entitled to damages under clause (i) above, Seller shall in no event by entitled to damages under clause (ii) or clause (iii) above.

(b) Notwithstanding the foregoing, the Termination Fee, as the case may be, shall be subject to adjustment as specified in this Section 8.2(b). The amount of the liquidated damages shall be an amount equal to the lesser of (i) the amount otherwise payable under Section 8.2(a) in the absence of this Section 8.2(b) (the "Base Amount") and (ii) the sum of (A) the maximum amount that can be paid to Seller without causing RARC to fail to meet the requirements of Sections 856(c)(2) or (3) of the Code determined as if the payment of such amount did not constitute income described in Sections 856(c)(2)(A)-(H) and 856(c)(3)(A)-(I) of the Code ("Qualifying Income"), as determined by independent accountants to RARC, and (B) in the event RARC receives a letter from outside counsel (the "Termination Fee Tax Opinion") to the effect that Seller's receipt of the Base Amount either would constitute Qualifying Income or would be excluded from gross income of RARC within the meaning of Sections 856(c)(2) and (3) of the Code (the "REIT Requirements"), the Base Amount less the amount paid under clause (A) above. In the event that Seller is not able to receive the full Base Amount, Purchaser shall place the unpaid amount in escrow and shall not release any portion thereof to Seller unless and until Purchaser receives either one of the following: (i) a letter from RARC's independent accountants indicating the maximum amount that can be paid at that time to Seller without causing RARC to fail to meet the REIT Requirements or (ii) a Termination Fee Tax Opinion, in either of which events Purchaser shall pay to Seller the lesser of the unpaid Base Amount or the maximum amount stated in the letter referred to in (i) above. Purchaser's obligation to pay any

unpaid portion of the Base Amount shall terminate three years from the date of the termination of this Agreement.

(c) If Purchaser shall be ready, willing and able to close and (x) Seller shall default in any of its material obligations to be performed on the Closing Date, or (y) Seller shall materially default in the performance of any of its material obligations to be performed prior to the Closing Date, with respect to any default under this clause (y) only, such default shall continue for ten (10) days after notice to Seller, Purchaser as its sole remedy by reason thereof (in lieu of prosecuting an action for damages or proceeding with any other legal course of conduct, the right to bring such actions or proceedings being expressly and voluntarily waived by Purchaser, to the extent legally permissible, following and upon advice of its counsel) shall have the right subject to the other provisions of this Section 8.2(c) (i) to seek to obtain specific performance of Seller's obligations hereunder, and if Purchaser prevails thereunder, Seller shall reimburse Purchaser for all reasonable legal fees, court costs and all other reasonable costs of such action or (ii) to terminate this Agreement and receive payment from Seller of all reasonable expenses incurred by Purchaser in connection with the transactions contemplated herein (including, without limitation, title search and survey expenses any and all costs and expenses relating to any financing (including, without limitation, borrower's and lender's legal fees and disbursements, commitment fees, the lender's due diligence costs and costs of terminating hedging or other interest protection agreements)). Notwithstanding the preceding portions of this Section 8.2(c), if Seller shall willfully default in its obligation to close the transactions hereunder, then Purchaser shall be entitled to pursue all rights and remedies available to Purchaser at law or in equity. If this Agreement is terminated under clause (ii) above, then neither party hereto shall have any further obligations hereunder except for those that are expressly provided in this Agreement to survive the termination hereof.

(d) The obligation, if any, of Purchaser under Section 8.2(a)(i) above shall be guaranteed by Rechler Equity Partners I General Partners LLC, a Delaware limited liability company, which entity is today, and shall remain through and including the date of the initial Closing under this Agreement, the holder (directly or indirectly) of not less than 65% of the equity in the transferee under the Redemption Agreement.

(e) The provisions of this Section 8.2 shall survive the termination hereof.

ARTICLE IX

INDEMNIFICATION

Section 9.1 SELLER'S INDEMNITY. From and after the Closing Date, Seller shall indemnify and hold harmless Purchaser from and against any and all liability, loss, cost, judgment, Claim, lien, damage or expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "Losses") incurred by Purchaser by reason of or resulting from Claims asserted against Purchaser relating to the Retained Liabilities (as such term is hereinafter defined). Seller shall be responsible for, and shall assume, the defense of such matter, including employment by it of counsel reasonable satisfactory to Purchaser. In the case of any Claim which is covered by an insurance policy and as to which the applicable insurer has assumed the defense of such Claim, the counsel selected by such insurer shall, absent a conflict of interest, be

deemed to be reasonably satisfactory. Seller shall not settle or compromise any such matter without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed; provided, that no consent shall be required if in connection with such settlement or compromise, Seller shall obtain a full and unconditional release of Purchaser from all liabilities relating to the Claim so settled. If Seller fails to act in a commercially reasonable manner to pursue the settlement or defense of such matter, Purchaser may, if such failure is not remedied within thirty (30) days from the date written notice of such failure is given by Purchaser to Seller, but shall have no obligation to, defend against any such Claim in such manner as it may deem appropriate but at the sole cost and expense of Seller. All costs, fees or expenses incurred by Purchaser in defending any Claim indemnified pursuant to this Section 9.1 shall, from time to time, upon request by the Purchaser be advanced by Seller to Purchaser prior to the final disposition of such Claim upon receipt by Seller of any undertaking by or on behalf of Purchaser to repay such amount, if it shall be determined in a judgment or final adjudication which is not subject to further appeal that Purchaser is not entitled to be indemnified with respect to such Claim as authorized in this Section 9.1.

Section 9.2 PURCHASER'S INDEMNITY. From and after the Closing Date or Purchaser shall indemnify and hold harmless Seller from and against Losses incurred by Seller by reason of or resulting from Claims asserted against Seller relating to the Assumed Liabilities (as such term is hereinafter defined). Purchaser shall be responsible for, and shall assume, the defense of such matter, including employment by it of counsel reasonable satisfactory to Seller. In the case of any Claim which is covered by an insurance policy and as to which the applicable insurer has assumed the defense of such Claim, the counsel selected by such insurer shall, absent a conflict of interest, be deemed to be reasonably satisfactory. Purchaser shall not settle or compromise any such matter without the prior written consent of Seller, which consent shall not be unreasonably withheld or delayed; provided, that no consent shall be required if in connection with such settlement or compromise, Purchaser shall obtain a full and unconditional release of Seller from all liabilities relating to the Claim so settled. If Purchaser fails to act in a commercially reasonable manner to pursue the settlement or defense of such matter, Seller may, if such failure is not remedied within thirty (30) days from the date written notice of such failure is given by Seller to Purchaser, but shall have no obligation to, defend against any such Claim in such manner as it may deem appropriate but at the sole cost and expense of Purchaser.

Section 9.3 DEFINITIONS. As used in this Article IX, the term (a) "Assumed Liabilities" means all liabilities and obligations related to the Properties other than the Retained Liabilities and (b) "Retained Liabilities" means all liabilities and obligations (w) as to which Purchaser is being indemnified by Seller pursuant to any other agreement executed on or after the date of this Agreement, (x) directly or indirectly relating to any Claims, actions, suits or proceedings by, on behalf of, or with respect to, shareholders of RARC arising out of, in connection with, or related to, the execution and delivery of this Agreement and the consummation of the transactions contemplated within, (y) related to the Properties in connection with any Claims covered by insurance policies of the Seller in effect on or before the Closing Date or (z) relating to indebtedness for money borrowed by the Seller other than the Existing Mortgages (as defined in the Redemption Agreement) or the Existing Unsecured Debt.

Section 9.4 SURVIVAL. The provisions of this Article IX shall survive the Closing.

ARTICLE X

NOTICES

Section 10.1 NOTICES. All notices and other communications required or permitted to be given hereunder shall be in writing and shall be given (i) by registered or certified mail, return receipt requested, (ii) by personal delivery, (iii) by facsimile transmission if a confirmation of transmission is produced by the sending machine (with a hard copy sent simultaneously by one of the methods described in clauses (i), (ii) or (iv) of this Section 10.1) or (iv) by nationally recognized overnight courier, in each case to the parties at the following addresses or facsimile numbers (or at such other addresses or facsimile numbers as shall be specified by like notice):

(a) If to Seller, to:

Reckson Operating Partnership, L.P. and
Reckson FS Limited Partnership
c/o Reckson Associates Realty Corp.
225 Broadhollow Road
Melville, New York 11747
Attention: Jason M. Barnett, Esq.

with a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019-6618
Attention: Stephen G. Gellman, Esq.

If to Purchaser, to:

Rechler Equity Partners II LLC
225 Broadhollow Road
Melville, New York 11747
Attention: Gregg Rechler

with a copy to:

Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004
Attention: Joshua Mermelstein, Esq.
Fax No.: (212) 859-8582

A notice shall be deemed given upon receipt (or refusal to accept delivery or inability to deliver by reason of changed address of which notice was not given in accordance with this Section 10.1) as evidenced by the return receipt, or the receipt of the personal delivery or overnight courier service, or telecopier transmission electronic confirmation, as applicable. Either party may change its address for notices by giving the other party not less than 10 days prior notice thereof. The parties agree that its respective counsel may send notices on their behalf.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Section 11.1 SEVERABILITY. Each part of this Agreement is intended to be severable. If any term, covenant, condition or provision hereof is unlawful, invalid, or unenforceable for any reason whatsoever, and such illegality, invalidity, or unenforceability does not affect the remaining parts of this Agreement, then all such remaining parts hereof shall be valid and enforceable and have full force and effect as if the invalid or unenforceable part had not been included.

Section 11.2 AMENDMENT. This Agreement may not be amended except by an instrument in writing signed on behalf of Seller and Purchaser.

Section 11.3 WAIVER. Any term, condition or provision of this Agreement may only be waived in writing by the party which is entitled to the benefits thereof.

Section 11.4 HEADINGS. The headings contained in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provision hereof.

Section 11.5 FURTHER ASSURANCES. Seller shall, at any time and from time to time after the Closing Date, upon request of Purchaser (or its permitted successors and assigns) and Purchaser shall, at any time and from time to time after the Closing Date, upon request of Seller (or its permitted successors and assigns) execute, acknowledge and deliver all such further documents, instruments, filings or agreements and provide such other assurances as may be reasonably requested and are necessary to further effectuate and confirm the conveyances and other matters contemplated hereby. This Section 11.5 shall survive the Closing.

Section 11.6 BINDING EFFECT; ASSIGNMENT. This Agreement and the terms, covenants, conditions, provisions, obligations, undertakings, rights and benefits hereof, including the Addenda, Exhibits and Schedules hereto, shall be binding upon, and shall inure to the benefit of, the undersigned parties and their respective heirs, executors, administrators, representatives, successors, and permitted assigns. Purchaser may, on or prior to the Closing Date, assign this Agreement to its designee or nominee that is an Affiliate of Purchaser provided such designee or nominee assumes all of the obligations of Purchaser hereunder in writing. Upon such assignment and assumption, the assignor shall be released from liability hereunder.

Section 11.7 PRIOR UNDERSTANDINGS; INTEGRATED AGREEMENT. This Agreement supersedes any and all prior discussions and agreements (written or oral) between Seller and

Purchaser with respect to the purchase of the Property and other matters contained herein, and this Agreement contains the sole, final and complete expression and understanding between Seller and Purchaser with respect to the transactions contemplated herein.

Section 11.8 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument, and either party hereto may execute this Agreement by signing any such counterpart.

Section 11.9 GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED, AND THE RIGHTS AND OBLIGATIONS OF SELLER AND PURCHASER HEREUNDER DETERMINED, IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES. THIS PROVISION SHALL SURVIVE THE CLOSING OR TERMINATION OF THIS AGREEMENT.

Section 11.10 NO THIRD-PARTY BENEFICIARIES. No person, firm or other entity other than the parties hereto, shall have any rights or Claims under this Agreement. This provision shall survive the Closing or termination of this Agreement.

Section 11.11 WAIVER OF TRIAL BY JURY. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY OF ANY DISPUTE ARISING UNDER OR RELATING TO THIS AGREEMENT. THIS PROVISION SHALL SURVIVE THE CLOSING OR TERMINATION OF THIS AGREEMENT.

Section 11.12 BROKER. Purchaser and Seller each represent to the other that it has not dealt with any broker, finder or other party entitled to a commission or other compensation or which was instrumental or had any role in bringing about the sale of the Properties. Each of Seller and Purchaser hereby agrees to indemnify and hold the other free and harmless from any and all Claims, liabilities, losses, damages, costs or expenses as a result of a breach of the foregoing representation, including, without limitation, reasonable attorneys' fees and disbursements. This Section 11.12 shall survive the Closing or termination of this Agreement.

ARTICLE XII

SUBSTITUTION OR REMOVAL OF PROPERTY; DEFERRED CLOSINGS

Section 12.1 SUBSTITUTION OF PROPERTY. At any time, and from time to time prior to the Initial Closing, Purchaser, in Purchaser's sole discretion, may notify Seller that one or more of the Properties shall be exchanged for one or more properties having substantially the same value which are the subject to the Redemption Agreement (the "Redemption Agreement Properties"), provided that the aggregate Common Basis of all Properties exchanged hereunder shall not be more than $5,000,000.00 higher than the aggregate Common Basis of the Redemption Agreement Properties for which they are exchanged, unless otherwise mutually agreed by Seller and REP 1. For purposes of the foregoing, the "Common Basis" of a property

shall mean its adjusted basis for federal income tax purposes in the hands of Seller increased by any unamortized built-in gain under Code section 704(c) with respect to such property (not including any such built-in gain allocable to the transferee under the Redemption Agreement or any of its direct or indirect partners or members). In the event of any such substitution, the substituted property or properties shall be deemed part of the Properties for all purposes under this Agreement. In the event that such substituted property is the Ground Lease Parcel (as defined in the Redemption Agreement), all representations, covenants, conditions to closing and other provisions relating to the Ground Lease Parcel and/or the Ground Lease (as defined in the Redemption Agreement) shall be incorporated into this Agreement by reference. Notwithstanding the foregoing, in no event shall the Kennedy Drive Property be substituted under the provisions of this Section 12.1.

Section 12.2 ADJUSTMENT. In the event one or more of the Properties is exchanged as provided in Section 12.1, then any difference in valuation (if any) of the Allocated Purchase Price of the Property or Properties being exchanged shall be accounted for by such method as Purchaser and Seller may reasonably agree.

Section 12.3 INDIVIDUAL PROPERTY MAC.

(a) If on the Closing Date, a Material Adverse Condition shall exist with respect to one or more Properties, then Purchaser, in Purchaser's sole discretion, may notify Seller that only such Property or Properties shall be removed from the Properties that are to be sold to Purchaser at the Closing (any such notice, a "MAC Removal Notice"); provided, that the aggregate Allocated Purchase Prices for all Properties removed pursuant to this Section 12.3(a) shall not exceed $30,000,000.00. In the event of such removal, the removed Property or Properties shall be deemed to not be a part of the Properties for all purposes under this Agreement.

(b) Notwithstanding the foregoing, if Purchaser shall provide a MAC Removal Notice to Seller with respect to a Property, then the parties shall proceed to Closing on all other Properties and:

(i) Unless Seller shall have previously given a Remediation Notice pursuant to Section 6.3(c) of the Redemption Agreement which applied to such Property, Seller shall have the right to give a written notice to Purchaser (the "Individual Property Remediation Notice") within 10 days after Seller's receipt of any MAC Removal Notice stating that Seller intends to attempt to remedy such Material Adverse Condition, provided Seller shall have no obligation to deliver the Individual Property Remediation Notice or to remedy any such condition regardless of whether+ the Remediation Notice is given by Seller; and

(ii) if the Individual Property Remediation Notice shall be given to Purchaser, then, if the Material Adverse Condition shall no longer exist on the date that is 30 days after the relevant Individual Property Remediation Notice was given by Seller (the "Remediation Date") then such Property shall once again be deemed a part of the Properties under this Agreement and the parties shall proceed to Closing on such Property on such date (the "Remediation Closing Date") as Purchaser shall select and

shall notify Seller, but not later than the later of the date thirty days after (x) the Remediation Date or (y) the initial Closing Date.

(c) A "Material Adverse Condition" shall be deemed to exist with respect to a property if (i) there shall be Hazardous Substances present or alleged to be present on such property or liability exists or is alleged to exist under any Environmental Law with respect to such property; (ii) such property is subject to any orders, decrees, injunctions or any other proceedings or requirements imposed by any Governmental Authority or Third Party relating to Hazardous Substances or Environmental Law; (iii) a material structural defect shall exist with respect to such property; (iv) a matter which affects title to such property shall exist, whether or not such matter constitutes a Permitted Exception; (v) the property shall not be in compliance in any material respect with Applicable Laws; (vi) all or any part of such property shall be damaged by fire or other casualty occurring following the date of this Agreement and prior to Closing; or (vii) such property shall be a Property in respect of which a Closing does not occur pursuant to Section 6.3(c); and, in the case of clauses (i) through (vii), Purchaser's proposed lender shall be unwilling to finance such property, shall require substantial reserves or recourse indemnities as a condition to financing such property, or shall otherwise impose other material requirements substantially adverse to Purchaser a condition to financing such property as result of any such matter.

Section 12.4 ADJUSTMENT; REMOVAL. In the event one or more of the Properties is removed from this Agreement as provided in Section 12.3, then the Purchase Price shall be reduced by an amount equal to the Allocated Purchase Price with respect to such Property or Properties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

SELLER:

RECKSON OPERATING PARTNERSHIP, L.P., a Delaware limited partnership

By: RECKSON ASSOCIATES REALTY CORP., a Maryland corporation, its general partner

By: /s/ JASON M. BARNETT

Name: Jason M. Barnett
Title: Executive Vice President

RECKSON FS LIMITED PARTNERSHIP, a Delaware limited partnership
By: RECKSON FINANCING LLC, its general partner
By: RECKSON OPERATING PARTNERSHIP, L.P., its managing member
By: RECKSON ASSOCIATES REALTY CORP., a Maryland corporation, its general partner

By: /s/ JASON M. BARNETT

Name: Jason M. Barnett
Title: Executive Vice President

RCG KENNEDY DRIVE, LLC, a Delaware limited liability company

BY: RECKSON CONSTRUCTION GROUP, INC., a member

By: /s/ JASON M. BARNETT

Name: Jason M. Barnett
Title: Executive Vice President

PURCHASER:

RECHLER EQUITY PARTNERS II LLC, a
Delaware limited liability Company

By: RECHLER EQUITY PARTNERS II
GENERAL PARTNERS LLC, a Delaware
limited liability company, its managing
member

By: /s/ GREGG RECHLER

Name: Gregg Rechler
Title: Managing Member

EXHIBIT 10.3

TRANSITION AGREEMENT

This TRANSITION AGREEMENT, dated as of September 10, 2003 (this "Agreement"), by and between Reckson Associates Realty Corp., a Maryland corporation (the "Company"), Reckson Operating Partnership, L.P., a Delaware limited partnership ("ROP") and Donald Rechler (the "Executive").

WHEREAS, pursuant to (i) the Redemption Agreement (the "Redemption Agreement"), dated September 10, 2003, by and between ROP and Reckson FS Limited Partnership ("Reckson FS") as transferor and Rechler Equity Partners I LLC ("RALI I") as transferee, and (ii) the Property Sale Agreement (the "Property Sale Agreement," and together with the Redemption Agreement, the "Purchase Agreements"), dated September 10, 2003, by and between ROP and Reckson FS as seller and Rechler Equity Partners II LLC ("RALI II," and together with RALI I, the "RALI Entities") as purchaser, the RALI Entities will acquire certain properties currently owned by ROP and/or its subsidiaries (the "Properties");

WHEREAS, in connection with the transactions contemplated by the Purchase Agreements, ROP, Reckson FS and the RALI Entities will also effect certain other transactions pursuant to the agreements (the "Related Agreements") listed on Schedule A hereto;

WHEREAS, in connection with the transactions contemplated by the Purchase Agreements and the Related Agreements, the Executive's employment with the Company will cease as of the Closing Date (as such term is defined in the Redemption Agreement);

WHEREAS, the Company and the Executive are currently parties to the following agreements (collectively referred to as the "Employment-Related Agreements"): (i) an amended and restated Employment Agreement and Noncompetition Agreement, dated August 15, 2000 (the "Employment Agreement"), (ii) an amended and restated Severance Agreement, dated August 15, 2000 (the "Severance Agreement"), (iii) a Long-Term Incentive Award Agreement, dated March 13, 2003 (the "LTI Agreement"), (iv) an Award Agreement, dated November 14, 2002 (the "2002 Award Agreement"), (v) an Award Agreement, dated March 13, 2003 (the "2003 Award Agreement"), (vi) a split dollar life insurance agreement (the "Split Dollar Agreement"), and (vii) all stock option agreements covering outstanding options (the "Options") to acquire common stock of the Company held by the Executive as of the Termination Date (the "Stock Option Agreements"); and

WHEREAS, the Company has required, as a condition to consummating the Purchase Agreements, that the Executive enter into this Agreement, and the Executive is willing to enter into this Agreement.

NOW, THEREFORE, in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged by the Executive, the Company and the Executive hereby covenant and agree as follows:

SECTION 1. TERMINATION OF EMPLOYMENT. It is hereby agreed that the Executive's employment with the Company and ROP as an officer and employee will terminate immediately prior to the Closing (as such term is defined in the Redemption Agreement), and effective as of immediately prior to the Closing, the Executive hereby resigns from all of his positions as an employee and officer, as applicable, of the Company, ROP and each of their respective subsidiaries; provided, however, that the Executive will continue to serve as non-executive chairman of the board of directors of the Company and/or ROP following the Closing. The date of the termination of employment pursuant to this Section 1 is referred to herein as the "Termination Date." Subject to the ultimate occurrence of the Closing Date, the Executive waives, as of the date hereof, any rights to or benefits resulting from any Change of Control or similar provisions in any plan, program, policy or agreement of the Company or its affiliates to which the Executive is a party.

SECTION 2. COMPENSATION MATTERS.

2.1. ACCRUED COMPENSATION. On the Termination Date the Company shall pay to the Executive a lump sum cash payment equal to the sum of (i) any salary or other wages earned by the Executive, but unpaid as of the Termination Date, (ii) compensation for the Executive's accrued, but unused vacation time as of the Termination Date, if any, and (iii) any unreimbursed business expenditures incurred by the Executive on or prior to the Termination Date.

2.2. 2003 ANNUAL BONUS. As a full and complete settlement of the Company's obligations with respect to the Executive's annual bonus for the year 2003, (i) on the Termination Date the Company shall pay to the Executive a lump sum cash payment in an amount equal to 100% (or, if greater, a percentage equal to the highest percentage of base salary paid as an annual bonus for 2003 to any executive officer of the Company) of the Executive's base salary as of the date hereof, reduced by any annual bonus for 2003 previously paid to the Executive, and (ii) if annual bonuses for 2003 have not been paid to other executive officers of the Company and ROP as of the Termination Date, at such time as such annual bonuses are paid to such other executive officers, the Company shall pay to the Executive an amount equal to a percentage of the Executive's base salary (as of the date hereof) equal to the amount, if any, by which the highest percentage of base salary paid as an annual bonus for 2003 to any executive officer of the Company or ROP exceeds the percentage of the Executive's base salary used to calculate the payment in clause (i) of this Section 2.2.

2.3. LONG-TERM INCENTIVE AWARDS.

(a) Effective as of the Termination Date, the Executive shall become vested with respect to, and the restrictions shall lapse on, 6.25% of the 138,889 shares of restricted stock (the "Core Shares") granted to the Executive pursuant to the LTI Agreement. On March 13, 2004, the Executive shall become vested with respect to, and the restrictions shall lapse on, 18.75% of the Core Shares, so long as the Executive would have become vested with respect to such Core Shares had the Executive remained continuously employed with the Company through that date. In the event the Executive is not entitled to any vesting on March 13, 2004 with respect to the Core Shares referred to in the preceding sentence, the Executive will be entitled receive such compensation (in whatever form, including vesting of the non-vested Core Shares) provided by the Company to other executive officers of the Company as compensation for the non-vesting of their Core Shares on that date (or, if applicable, to the executive officer receiving the highest compensation in respect of non-vested Core Shares). As and when the Executive becomes vested with respect to the Core Shares, the Company shall

cause certificates representing the vested Core Shares, without any legend or other restrictions noted thereon, to be delivered to the Executive promptly after the Termination Date. 104,167 of the unvested Core Shares shall be forfeited as of the Termination Date, and if the Executive is not entitled to vesting with respect to the 18.75% of the Core Shares on March 13, 2004 pursuant to this Section 2.3(a), those shares shall be forfeited as of that date. In addition, on the Termination Date, the Company shall pay to the Executive any dividends that have accrued with respect to the Executive's vested Core Shares.

(b) Effective as of the Termination Date, the Special Outperformance Award (as such term is defined under the LTI Agreement) granted to the Executive pursuant to the LTI Agreement shall be forfeited in its entirety.

2.4. STOCK OPTIONS. Effective as of the Termination Date, all of the Options and the applicable Stock Option Agreements are hereby by amended such that the expiration date of the Options will be the date on which the Restriction Period (as defined below) ends. Notwithstanding anything to the contrary contained in either (i) any agreement between the Company and the Executive or (ii) any of the Company's stock option plans, but subject to the Executive's continued compliance with Section 3 of this Agreement, the Options shall remain outstanding and continue to become vested according to the vesting schedule applicable to each Option until the end of the Restriction Period, at which time the Options, to the extent then unexercised, shall expire.

2.5. COMMON STOCK RIGHTS. On the Termination Date the Company shall pay to the Executive a lump sum cash payment equal to $1,080,609, plus an amount equal to all of the dividends that have accrued and are payable, as of the Termination Date, pursuant to the terms of the 2002 Award Agreement, in full satisfaction of the Company's obligations under the 2002 Award Agreement. The Executive hereby waives any rights he may have to the Tax Payments (as such term is defined in the 2002 Award Agreement) and to the Rights granted pursuant to the 2003 Award Agreement and any Tax Payments related thereto.

2.6. SPLIT-DOLLAR LIFE INSURANCE POLICY. The Company shall take all reasonable and necessary actions to terminate, as of the Termination Date, any collateral assignment in favor of the Company with respect to the life insurance policy or policies on the life of the Executive and to cancel any obligation on the part of the Executive to repay any amount to the Company pursuant to the Split Dollar Agreement and to transfer to the Executive or his designee such life insurance policy or policies free of any encumbrances.

SECTION 3. COVENANTS.

3.1. NON-COMPETITION. The Executive shall not, for a period commencing on the Termination Date and ending on December 31, 2005 (the "Restriction Period"); provided that solely as it relates, for the purposes of this Section 3.1 (and not any other provision of this Agreement), to activities in Nassau or Suffolk County, New York, the Restriction Period shall end on December 31, 2006, engage in any Competitive Activity. For the purposes of this Agreement, the term "Competitive Activity" means directly or indirectly, engaging, participating or assisting, as an owner, partner, member, manager, employee, consultant, director, officer, trustee or agent, in any business that is engaged in developing,

owning, operating, constructing or leasing multi-story commercial office buildings in (i) the counties of New York, New Jersey and Connecticut in which ROP is operating as of the date hereof and/or (ii) Kings or Queens County, New York. Notwithstanding the foregoing, the Executive shall not be deemed to have engaged in Competitive Activity (i) with respect to the development, operation or ownership of (w) any of the Properties, (x) any of the properties subject to any of the Related Agreements, (y) any properties with respect to which, as of the date hereof or as a result of the transactions contemplated in the Purchase Agreements or the Related Agreements, either of the RALI Entities, the Executive or any other partner in either of the RALI Entities, directly or indirectly, holds an option or obligation to acquire such property, or (z) any of the properties that, as of the date hereof, the Executive or any other partner in either of the RALI Entities, directly or indirectly, have an equity ownership interest in; provided, however, that this provision shall not be considered to permit, during the Restriction Period, the commencement of construction of any multi-story commercial office buildings on any vacant land acquired from ROP or its subsidiaries pursuant to the Related Agreements, (ii) solely by reason of acquiring an existing multi-story commercial office building for the purpose of converting such building to another use, so long as none of the units of such building are marketed for occupancy as office space from and after such acquisition and during the Restriction Period, (iii) solely by reason of ownership, in any form, directly or indirectly, of five percent (5%) or less of the outstanding equity interests of any class of any entity, so long as the Executive does not exercise any rights to actively manage or actively operate the business of such entity, (iv) solely by reason of ownership, in any form, directly or indirectly, of any debt interests of any entity, or (v) by reason of his continued service as a member of the board of directors of the Company and/or ROP. In addition, subject to the restrictions set forth in this Section 3.1, the Company and ROP hereby waive any policy that would in any way restrict the Executive's ability to hold an ownership interest in, and participate in the management of, either of the RALI Entities, any of their respective affiliates, or any other entity in which any other partner in either of the RALI Entities, directly or indirectly, holds an ownership interest, but only to the extent that any such entity holds equity interests in industrial properties; provided, however, that nothing herein shall modify the Executive's fiduciary duties as a director of the Company and/or ROP.

3.2. MUTUAL NON-DISPARAGEMENT.

(a) The Executive agrees that, other than as required by law or by order of a court or other competent authority, he will not make or publish, during the Restriction Period, any statement, comments or remarks either written or oral, nor will Executive convey any information about the Company Released Parties (as defined below), which statement, comment, remark or information is defamatory or disparaging or which reflects negatively upon the character, personality, integrity or performance of any of the Company Released Parties, or which is or reasonably could be expected to be damaging to the reputation of any of the Company Released Parties.

(b) The Company and ROP agree that, other than as required by law or by order of a court or other competent authority, they will not and will cause the Company Released Parties not to make or publish, during the Restriction Period, any statement, comments or remarks either written or oral, nor convey any information about the Executive, which statement, comment, remark or information is defamatory or disparaging or which reflects

negatively upon the character, personality, integrity or performance of the Executive, or which is or reasonably could be expected to be damaging to the reputation of the Executive.

3.3. MUTUAL NON-SOLICITATION OF EMPLOYEES.

(a) During the Restriction Period, the Executive, the RALI Entities and their respective affiliates shall not, directly or indirectly, contact, induce or solicit (or assist any person to contact, induce or solicit) for employment any person who (i) is, as of the Termination Date, an employee of the Company, ROP or any of their respective affiliates, or (ii) becomes an employee of the Company, ROP or any of their respective affiliates following the Termination Date, in each case, other than the individuals listed on Schedule B hereto. Notwithstanding the forgoing, a public solicitation not directed to employees of the Company, ROP or any of their respective affiliates shall not constitute a violation of this Section 3.3(a).

(b) During the Restriction Period, the Company, ROP and their respective affiliates shall not, directly or indirectly, contact, induce or solicit (or assist any person to contact, induce or solicit) for employment any person who (i) is, as of the Termination Date, an employee of either of the RALI Entities or any of their respective affiliates, or (ii) becomes an employee of either of the RALI Entities or any of their respective affiliates following the Termination Date, including, without limitation, the employees listed on Schedule B hereto. Notwithstanding the forgoing, a public solicitation not directed to employees of either of the RALI Entities or any of their respective affiliates shall not constitute a violation of this Section 3.3(b).

3.4. EXTENSION OF RESTRICTION PERIOD. In the event that the Closing Date does not occur on or prior to December 31, 2003, the Restriction Period shall be extended for a number of days equal to the number of days between December 31, 2003, and the Closing Date.

3.5. REMEDIES.

(a) The Executive agrees that any breach of the terms of this Section 3 would result in irreparable injury and damage to the Company and/or ROP for which the Company and/or ROP would have no adequate remedy at law; the Executive therefore agrees that in the event of said breach or any threat of breach, the Company and/or ROP shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all persons acting for and/or with the Executive without having to prove damages, in addition to any other remedies to which the Company and/or ROP may be entitled at law or in equity. The terms of this paragraph shall not prevent the Company and/or ROP from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Executive. The Company, ROP and the Executive further agree that the provisions of the covenants contained in this Section 3 are reasonable and necessary to protect the business of the Company, ROP and their respective affiliates.

(b) The Company and ROP agree that any breach of the terms of this Section 3 would result in irreparable injury and damage to the Executive and/or either or both of the RALI Entities for which the Executive and/or either or both of the RALI Entities

would have no adequate remedy at law; the Company and ROP therefore agree that in the event of said breach or any threat of breach, the Executive and/or either or both of the RALI Entities shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Company and/or ROP and/or any and all persons acting for and/or with the Company and/or ROP without having to prove damages, in addition to any other remedies to which the Executive and/or either or both of the RALI Entities may be entitled at law or in equity. The terms of this paragraph shall not prevent the Executive and/or either or both of the RALI Entities from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Company and/or ROP. The Company, ROP and the Executive further agree that the provisions of the covenants contained in this Section 3 are reasonable and necessary to protect the business interests of the Executive, the RALI Entities and their respective affiliates.

SECTION 4. MUTUAL RELEASES.

4.1. RELEASE OF CLAIMS BY THE EXECUTIVE.

(a) In consideration of the payments to the Executive hereunder, the sufficiency of which the Executive acknowledges, the Executive, with the intention of binding himself and his heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge the Company, ROP and each of their respective subsidiaries and affiliates (the "Company Affiliated Group"), their present and former officers, directors, executives, agents, attorneys and employees, and the successors, predecessors and assigns of each of the foregoing (collectively, the "Company Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which the Executive, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, against any Company Released Party in any capacity, including, without limitation, any and all claims (i) arising out of or in any way connected with the Executive's service to any member of the Company Affiliated Group (or the predecessors thereof) in any capacity, or the termination of such service in any such capacity, (ii) for severance or vacation benefits, unpaid wages, salary or incentive payments, (iii) for breach of contract, wrongful discharge, impairment of economic opportunity, defamation, intentional infliction of emotional harm or other tort, (iv) for any violation of applicable state and local labor and employment laws (including, without limitation, all laws concerning unlawful and unfair labor and employment practices) and (v) for employment discrimination under any applicable federal, state or local statute, provision, order or regulation, excepting only:

(1) the rights of the Executive under this Agreement, the Purchase Agreements and the Related Agreements;

(2) the rights of the Executive as an equity holder of the Company, ROP or any of their respective subsidiaries;

(3) the right of the Executive to receive COBRA continuation coverage in accordance with applicable law;

(4) the rights to indemnification the Executive may have under (i) this Agreement, (ii) applicable corporate law or (iii) the by-laws or certificate of incorporation of any Company Released Party, or as an insured under any director's and officer's liability insurance policy now or previously in force;

(5) the rights the Executive may have as an insured under any other insurance policy that covers claims incurred by the Executive while employed by the Company, ROP or any of their respective subsidiaries or as a result of such employment;

(6) claims for benefits under any health, disability, retirement, life insurance or other, similar employee benefit plan (within the meaning of Section 3(3) of ERISA) of the Company Affiliated Group (the "Company Benefit Plans");

(7) the rights under any leases (the "Leases") between (i) the Company, ROP or any of their respective subsidiaries and (ii) the Executive or any other partner in either of the RALI Entities, or any entity in which the Executive or any other partner in either of the RALI Entities has a direct or indirect ownership interest;

(8) the rights under (i) the management agreement, dated January 1, 2001, between the Owners (as such term is defined therein) and Reckson Management Group, Inc., (ii) the letter agreement, dated May 6, 2002, between Reckson Construction Group, Inc. and EDGE Development Partners LLC, and (iii) the agreement for construction services, dated January 1, 2001 between Reckson Management Group, Inc. and Reckson Construction Group, Inc. (collectively, the "Management and Construction Agreements"); and

(9) the rights, if any, of the Executive by reason of his membership on the board of directors of the Company and/or ROP.

(b) The Executive acknowledges and agrees that the release of claims set forth in this Section 4.1 is not to be construed in any way as an admission of any liability whatsoever by any Company Released Party, any such liability being expressly denied.

(c) The release of claims set forth in this Section 4.1 applies to any relief no matter how called, including, without limitation, wages, back pay, compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, costs, and attorney's fees and expenses.

(d) The Executive acknowledges and agrees that he has not, with respect to any transaction or state of facts existing prior to the Termination Date, filed any complaints, charges or lawsuits against any Company Released Party with any governmental agency, court or tribunal.

4.2. RELEASE OF CLAIMS BY THE COMPANY AND ROP.

(a) The Company and ROP, with the intention of binding themselves and each of the Company Released Parties, do hereby release, remise, acquit and forever discharge the Executive and his heirs, executors, administrators and assigns (collectively, the "Executive Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which any of the Company Released Parties, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, against any Executive Released Party, excepting only:

(1) the rights of the Company and ROP under this Agreement, the Purchase Agreements, and the Related Agreements;

(2) the rights of the Company, ROP and their respective affiliates under the Company Benefit Plans;

(3) the rights under any of the Leases and the Management and Construction Agreements; and

(4) the rights under that certain environmental indemnity, dated May 24, 1995, by Walter Gross, Vanderbilt Generation, L.P., Howard Rose and Wildoro Associates in favor of the Company and ROP, relating to 100 Oser Avenue Hauppauge, New York.

(b) The Company and ROP acknowledge and agree that the release of claims set forth in this Section 4.2 is not to be construed in any way as an admission of any liability whatsoever by any Executive Released Party, any such liability being expressly denied.

(c) The release of claims set forth in this Section 4.2 applies to any relief no matter how called, including, without limitation, compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, costs, and attorney's fees and expenses.

(d) The Company and ROP acknowledge and agree that none of the Company Released Parties have, with respect to any transaction or state of facts existing prior to the Termination Date, filed any complaints, charges or lawsuits against any Executive Released Party with any governmental agency, court or tribunal.

SECTION 5. INDEMNIFICATION; DIRECTOR'S AND OFFICER'S INSURANCE. The Company hereby agrees to continue to indemnify the Executive, on a basis no less favorable than that provided to the Executive as of the date hereof (including, without limitation, by providing advance payment of indemnification expenses), for his activities as an officer, director and/or employee of the Company and/or its subsidiaries to the fullest extent permitted by law. The

Company agrees that for six years following the Termination Date, the Company shall include the Executive as an insured on any director's and officer's insurance policy, and such other liability insurance policies covering officers and/or directors of the Company, in each case, maintained by the Company during such period.

SECTION 6. CONSULTATION. The Executive hereby agrees that during the Restriction Period he shall provide consulting services (the "Consulting Services") to the Company and/or ROP as shall be reasonably requested from time-to-time by the Company and/or ROP upon reasonable notice; provided that the Consulting Services shall consist of services within the Executive's areas of expertise and shall not require the Executive to perform such services at times or in such manner as may significantly interfere with his duties and responsibilities to either or both of the RALI Entities.

SECTION 7. WITHHOLDING. The Company shall have the right to deduct from any amount payable under this Agreement any taxes or other amounts required by applicable law to be withheld.

SECTION 8. MISCELLANEOUS.

8.1. ENTIRE AGREEMENT. This Agreement, the Purchase Agreements and the Related Agreements constitute the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, written or oral, between them as to such subject matter, including, without limitation, each of the Employment-Related Agreements other than the Split Dollar Agreement and the Stock Option Agreements.

8.2. AMENDMENTS AND WAIVERS. This Agreement and any of the provisions hereof may be amended or waived, in whole or in part, only by written agreement signed by the parties hereto. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.3. NOTICES. Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) reputable commercial overnight delivery service courier or (iii) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company or ROP:

Reckson Associates Realty Corp.

Attention: General Counsel

If to the Executive:

All such notices, requests, consents and other communications shall be deemed to have been given when received. Any party may change its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

8.4. GOVERNING LAW. This Agreement shall be construed and enforced in accordance with, and the rights and obligations of the parties hereto shall be governed by, the laws of the State of New York, without giving effect to the conflicts of law principles thereof.

8.5. SEVERABILITY. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Agreement is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

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

8.7. BINDING EFFECT. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of each of the parties, including, without limitation, the Executive's heirs and the personal representatives of the Executive's estate and any successor to all or substantially all of the business and/or assets of the Company.

8.8. HEADINGS. The name assigned this Agreement and headings of the sections, paragraphs, subparagraphs, clauses and subclauses of this Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof.

8.9. TERMINATION OF AGREEMENT. In the event that the Purchase Agreements are terminated prior to the occurrence of the Closing Date for any reason, including, without limitation, a breach of either of the Purchase Agreements by the applicable RALI Entity, this Agreement shall terminate on the date on which the Purchase Agreements terminate, and from and after that date, this Agreement will have no force or effect. The parties hereto agree that the sole remedy for a breach of either of the Purchase Agreements shall be as set forth therein.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

RECKSON ASSOCIATES REALTY CORP.

By: /s/ JASON M. BARNETT

Name: Jason M. Barnett
Title: Executive Vice President

RECKSON OPERATING PARTNERSHIP, L.P.

By: Reckson Associates Realty Corp., its general partner

By: /s/ JASON M. BARNETT

Name: Jason M. Barnett
Title: Executive Vice President

EXECUTIVE

/s/ DONALD RECHLER

Donald Rechler

For the purposes of Section 3.3(a) only:

RECHLER EQUITY PARTNERS I LLC

By: /s/ GREGG RECHLER

Name: Gregg Rechler
Title: Managing Member

RECHLER EQUITY PARTNERS II LLC

By: /s/ GREGG RECHLER

Name: Gregg Rechler
Title: Managing Member

SCHEDULE A

1. Option Termination Agreements
2. Option Termination Agreement
3. Artwork License
4. Assignment and Assumption of Existing Debt
5. License Agreement (Intangibles)
6. Surrender Agreement
7. Acorn Option Termination Agreement
8. Option Modification Agreement
9. Right of First Refusal Agreement
10. Stock Loan Agreement
11. Environmental Indemnity

EXHIBIT 10.4

TRANSITION AGREEMENT

This TRANSITION AGREEMENT, dated as of September 10, 2003 (this "Agreement"), by and between Reckson Associates Realty Corp., a Maryland corporation (the "Company"), Reckson Operating Partnership, L.P., a Delaware limited partnership ("ROP") and Roger Rechler (the "Executive").

WHEREAS, pursuant to (i) the Redemption Agreement (the "Redemption Agreement"), dated September 10, 2003, by and between ROP and Reckson FS Limited Partnership ("Reckson FS") as transferor and Rechler Equity Partners I LLC ("RALI I") as transferee, and (ii) the Property Sale Agreement (the "Property Sale Agreement," and together with the Redemption Agreement, the "Purchase Agreements"), dated September 10, 2003, by and between ROP and Reckson FS as seller and Rechler Equity Partners II LLC ("RALI II," and together with RALI I, the "RALI Entities") as purchaser, the RALI Entities will acquire certain properties currently owned by ROP and/or its subsidiaries (the "Properties");

WHEREAS, in connection with the transactions contemplated by the Purchase Agreements, ROP, Reckson FS and the RALI Entities will also effect certain other transactions pursuant to the agreements (the "Related Agreements") listed on Schedule A hereto;

WHEREAS, in connection with the transactions contemplated by the Purchase Agreements and the Related Agreements, the Executive's employment with the Company will cease as of the Closing Date (as such term is defined in the Redemption Agreement);

WHEREAS, the Company and the Executive are currently parties to the following agreements (collectively referred to as the "Employment-Related Agreements"): (i) an amended and restated Employment Agreement and Noncompetition Agreement, dated August 15, 2000 (the "Employment Agreement"), (ii) an amended and restated Severance Agreement, dated August 15, 2000 (the "Severance Agreement"), (iii) a Long-Term Incentive Award Agreement, dated March 13, 2003 (the "LTI Agreement"), (iv) an Award Agreement, dated November 14, 2002 (the "2002 Award Agreement"), (v) an Award Agreement, dated March 13, 2003 (the "2003 Award Agreement"), (vi) a split dollar life insurance agreement (the "Split Dollar Agreement"), and (vii) all stock option agreements covering outstanding options (the "Options") to acquire common stock of the Company held by the Executive as of the Termination Date (the "Stock Option Agreements"); and

WHEREAS, the Company has required, as a condition to consummating the Purchase Agreements, that the Executive enter into this Agreement, and the Executive is willing to enter into this Agreement.

NOW, THEREFORE, in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged by the Executive, the Company and the Executive hereby covenant and agree as follows:

SECTION 1. TERMINATION OF EMPLOYMENT. It is hereby agreed that the Executive's employment with the Company and ROP will terminate immediately prior to the Closing (as such term is defined in the Redemption Agreement), and effective as of immediately prior to the Closing, the Executive hereby resigns from all of his positions as an employee, officer and

director, as applicable, of the Company, ROP and each of their respective subsidiaries. The date of the termination of employment pursuant to this Section 1 is referred to herein as the "Termination Date." Subject to the ultimate occurrence of the Closing Date, the Executive waives, as of the date hereof, any rights to or benefits resulting from any Change of Control or similar provisions in any plan, program, policy or agreement of the Company or its affiliates to which the Executive is a party.

SECTION 2. COMPENSATION MATTERS.

2.1. ACCRUED COMPENSATION. On the Termination Date the Company shall pay to the Executive a lump sum cash payment equal to the sum of (i) any salary or other wages earned by the Executive, but unpaid as of the Termination Date, (ii) compensation for the Executive's accrued, but unused vacation time as of the Termination Date, if any, and (iii) any unreimbursed business expenditures incurred by the Executive on or prior to the Termination Date.

2.2. 2003 ANNUAL BONUS. As a full and complete settlement of the Company's obligations with respect to the Executive's annual bonus for the year 2003, (i) on the Termination Date the Company shall pay to the Executive a lump sum cash payment in an amount equal to 100% (or, if greater, a percentage equal to the highest percentage of base salary paid as an annual bonus for 2003 to any

executive officer of the Company) of the Executive's base salary as of the date hereof, reduced by any annual bonus for 2003 previously paid to the Executive, and (ii) if annual bonuses for 2003 have not been paid to other executive officers of the Company and ROP as of the Termination Date, at such time as such annual bonuses are paid to such other executive officers, the Company shall pay to the Executive an amount equal to a percentage of the Executive's base salary (as of the date hereof) equal to the amount, if any, by which the highest percentage of base salary paid as an annual bonus for 2003 to any executive officer of the Company or ROP exceeds the percentage of the Executive's base salary used to calculate the payment in clause (i) of this Section 2.2.

2.3. LONG-TERM INCENTIVE AWARDS.

(a) Effective as of the Termination Date, the Executive shall become vested with respect to, and the restrictions shall lapse on, 6.25% of the 138,889 shares of restricted stock (the "Core Shares") granted to the Executive pursuant to the LTI Agreement. On March 13, 2004, the Executive shall become vested with respect to, and the restrictions shall lapse on, 18.75% of the Core Shares, so long as the Executive would have become vested with respect to such Core Shares had the Executive remained continuously employed with the Company through that date. In the event the Executive is not entitled to any vesting on March 13, 2004 with respect to the Core Shares referred to in the preceding sentence, the Executive will be entitled receive such compensation (in whatever form, including vesting of the non-vested Core Shares) provided by the Company to other executive officers of the Company as compensation for the non-vesting of their Core Shares on that date (or, if applicable, to the executive officer receiving the highest compensation in respect of non-vested Core Shares). As and when the Executive becomes vested with respect to the Core Shares, the Company shall cause certificates representing the vested Core Shares, without any legend or other restrictions noted thereon, to be delivered to the Executive promptly after the Termination Date. 104,167 of

the unvested Core Shares shall be forfeited as of the Termination Date, and if the Executive is not entitled to vesting with respect to the 18.75% of the Core Shares on March 13, 2004 pursuant to this Section 2.3(a), those shares shall be forfeited as of that date. In addition, on the Termination Date, the Company shall pay to the Executive any dividends that have accrued with respect to the Executive's vested Core Shares.

(b) Effective as of the Termination Date, the Special Outperformance Award (as such term is defined under the LTI Agreement) granted to the Executive pursuant to the LTI Agreement shall be forfeited in its entirety.

2.4. STOCK OPTIONS. Effective as of the Termination Date, all of the Options and the applicable Stock Option Agreements are hereby by amended such that the expiration date of the Options will be the date on which the Restriction Period (as defined below) ends. Notwithstanding anything to the contrary contained in either (i) any agreement between the Company and the Executive or (ii) any of the Company's stock option plans, but subject to the Executive's continued compliance with Section 3 of this Agreement, the Options shall remain outstanding and continue to become vested according to the vesting schedule applicable to each Option until the end of the Restriction Period, at which time the Options, to the extent then unexercised, shall expire.

2.5. COMMON STOCK RIGHTS. On the Termination Date the Company shall pay to the Executive a lump sum cash payment equal to $587,190, plus an amount equal to all of the dividends that have accrued and are payable, as of the Termination Date, pursuant to the terms of the 2002 Award Agreement, in full satisfaction of the Company's obligations under the 2002 Award Agreement. The Executive hereby waives any rights he may have to the Tax Payments (as such term is defined in the 2002 Award Agreement) and to the Rights granted pursuant to the 2003 Award Agreement and any Tax Payments related thereto.

2.6. SPLIT-DOLLAR LIFE INSURANCE POLICY. The Company shall take all reasonable and necessary actions to terminate, as of the Termination Date, any collateral assignment in favor of the Company with respect to the life insurance policy or policies on the life of the Executive and to cancel any obligation on the part of the Executive to repay any amount to the Company pursuant to the Split Dollar Agreement and to transfer to the Executive or his designee such life insurance policy or policies free of any encumbrances.

SECTION 3. COVENANTS.

3.1. NON-COMPETITION. The Executive shall not, for a period commencing on the Termination Date and ending on December 31, 2005 (the "Restriction Period"); provided that solely as it relates, for the purposes of this Section 3.1 (and not any other provision of this Agreement), to activities in Nassau or Suffolk County, New York, the Restriction Period shall end on December 31, 2006, engage in any Competitive Activity. For the purposes of this Agreement, the term "Competitive Activity" means directly or indirectly, engaging, participating or assisting, as an owner, partner, member, manager, employee, consultant, director, officer, trustee or agent, in any business that is engaged in developing, owning, operating, constructing or leasing multi-story commercial office buildings in (i) the counties of New York, New Jersey and Connecticut in which ROP is operating as of the date

hereof and/or (ii) Kings or Queens County, New York. Notwithstanding the foregoing, the Executive shall not be deemed to have engaged in Competitive Activity (i) with respect to the development, operation or ownership of (w) any of the Properties, (x) any of the properties subject to any of the Related Agreements, (y) any properties with respect to which, as of the date hereof or as a result of the transactions contemplated in the Purchase Agreements or the Related Agreements, either of the RALI Entities, the Executive or any other partner in either of the RALI Entities, directly or indirectly, holds an option or obligation to acquire such property, or (z) any of the properties that, as of the date hereof, the Executive or any other partner in either of the RALI Entities, directly or indirectly, have an equity ownership interest in; provided, however, that this provision shall not be considered to permit, during the Restriction Period, the commencement of construction of any multi-story commercial office buildings on any vacant land acquired from ROP or its subsidiaries pursuant to the Related Agreements, (ii) solely by reason of acquiring an existing multi-story commercial office building for the purpose of converting such building to another use, so long as none of the units of such building are marketed for occupancy as office space from and after such acquisition and during the Restriction Period, (iii) solely by reason of ownership, in any form, directly or indirectly, of five percent (5%) or less of the outstanding equity interests of any class of any entity, so long as the Executive does not exercise any rights to actively manage or actively operate the business of such entity, or (iv) solely by reason of ownership, in any form, directly or indirectly, of any debt interests of any entity.

3.2. MUTUAL NON-DISPARAGEMENT.

(a) The Executive agrees that, other than as required by law or by order of a court or other competent authority, he will not make or publish, during the Restriction Period, any statement, comments or remarks either written or oral, nor will Executive convey any information about the Company Released Parties (as defined below), which statement, comment, remark or information is defamatory or disparaging or which reflects negatively upon the character, personality, integrity or performance of any of the Company Released Parties, or which is or reasonably could be expected to be damaging to the reputation of any of the Company Released Parties.

(b) The Company and ROP agree that, other than as required by law or by order of a court or other competent authority, they will not and will cause the Company Released Parties not to make or publish, during the Restriction Period, any statement, comments or remarks either written or oral, nor convey any information about the Executive, which statement, comment, remark or information is defamatory or disparaging or which reflects negatively upon the character, personality, integrity or performance of the Executive, or which is or reasonably could be expected to be damaging to the reputation of the Executive.

3.3. MUTUAL NON-SOLICITATION OF EMPLOYEES.

(a) During the Restriction Period, the Executive, the RALI Entities and their respective affiliates shall not, directly or indirectly, contact, induce or solicit (or assist any person to contact, induce or solicit) for employment any person who (i) is, as of the Termination Date, an employee of the Company, ROP or any of their respective affiliates, or (ii) becomes an employee of the Company, ROP or any of their respective affiliates following

the Termination Date, in each case, other than the individuals listed on Schedule B hereto. Notwithstanding the forgoing, a public solicitation not directed to employees of the Company, ROP or any of their respective affiliates shall not constitute a violation of this Section 3.3(a).

(b) During the Restriction Period, the Company, ROP and their respective affiliates shall not, directly or indirectly, contact, induce or solicit (or assist any person to contact, induce or solicit) for employment any person who (i) is, as of the Termination Date, an employee of either of the RALI Entities or any of their respective affiliates, or (ii) becomes an employee of either of the RALI Entities or any of their respective affiliates following the Termination Date, including, without limitation, the employees listed on Schedule B hereto. Notwithstanding the forgoing, a public solicitation not directed to employees of either of the RALI Entities or any of their respective affiliates shall not constitute a violation of this Section 3.3(b).

3.4. EXTENSION OF RESTRICTION PERIOD. In the event that the Closing Date does not occur on or prior to December 31, 2003, the Restriction Period shall be extended for a number of days equal to the number of days between December 31, 2003, and the Closing Date.

3.5. REMEDIES.

(a) The Executive agrees that any breach of the terms of this Section 3 would result in irreparable injury and damage to the Company and/or ROP for which the Company and/or ROP would have no adequate remedy at law; the Executive therefore agrees that in the event of said breach or any threat of breach, the Company and/or ROP shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all persons acting for and/or with the Executive without having to prove damages, in addition to any other remedies to which the Company and/or ROP may be entitled at law or in equity. The terms of this paragraph shall not prevent the Company and/or ROP from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Executive. The Company, ROP and the Executive further agree that the provisions of the covenants contained in this Section 3 are reasonable and necessary to protect the business of the Company, ROP and their respective affiliates.

(b) The Company and ROP agree that any breach of the terms of this Section 3 would result in irreparable injury and damage to the Executive and/or either or both of the RALI Entities for which the Executive and/or either or both of the RALI Entities would have no adequate remedy at law; the Company and ROP therefore agree that in the event of said breach or any threat of breach, the Executive and/or either or both of the RALI Entities shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Company and/or ROP and/or any and all persons acting for and/or with the Company and/or ROP without having to prove damages, in addition to any other remedies to which the Executive and/or either or both of the RALI Entities may be entitled at law or in equity. The terms of this paragraph shall not prevent the Executive and/or either or both of the RALI Entities from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Company and/or ROP. The Company, ROP and the Executive further agree that the

provisions of the covenants contained in this Section 3 are reasonable and necessary to protect the business interests of the Executive, the RALI Entities and their respective affiliates.

SECTION 4. MUTUAL RELEASES.

4.1. RELEASE OF CLAIMS BY THE EXECUTIVE.

(a) In consideration of the payments to the Executive hereunder, the sufficiency of which the Executive acknowledges, the Executive, with the intention of binding himself and his heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge the Company, ROP and each of their respective subsidiaries and affiliates (the "Company Affiliated Group"), their present and former officers, directors, executives, agents, attorneys and employees, and the successors, predecessors and assigns of each of the foregoing (collectively, the "Company Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which the Executive, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, against any Company Released Party in any capacity, including, without limitation, any and all claims (i) arising out of or in any way connected with the Executive's service to any member of the Company Affiliated Group (or the predecessors thereof) in any capacity, or the termination of such service in any such capacity, (ii) for severance or vacation benefits, unpaid wages, salary or incentive payments, (iii) for breach of contract, wrongful discharge, impairment of economic opportunity, defamation, intentional infliction of emotional harm or other tort, (iv) for any violation of applicable state and local labor and employment laws (including, without limitation, all laws concerning unlawful and unfair labor and employment practices) and (v) for employment discrimination under any applicable federal, state or local statute, provision, order or regulation, excepting only:

(1) the rights of the Executive under this Agreement, the Purchase Agreements and the Related Agreements;

(2) the rights of the Executive as an equity holder of the Company, ROP or any of their respective subsidiaries;

(3) the right of the Executive to receive COBRA continuation coverage in accordance with applicable law;

(4) the rights to indemnification the Executive may have under (i) this Agreement, (ii) applicable corporate law or (iii) the by-laws or certificate of incorporation of any Company Released Party, or as an insured under any director's and officer's liability insurance policy now or previously in force;

(5) the rights the Executive may have as an insured under any other insurance policy that covers claims incurred by the Executive while employed by the Company, ROP or any of their respective subsidiaries or as a result of such employment;

(6) claims for benefits under any health, disability, retirement, life insurance or other, similar employee benefit plan (within the meaning of Section 3(3) of ERISA) of the Company Affiliated Group (the "Company Benefit Plans");

(7) the rights under any leases (the "Leases") between (i) the Company, ROP or any of their respective subsidiaries and (ii) the Executive or any other partner in either of the RALI Entities, or any entity in which the Executive or any other partner in either of the RALI Entities has a direct or indirect ownership interest; and

(8) the rights under (i) the management agreement, dated January 1, 2001, between the Owners (as such term is defined therein) and Reckson Management Group, Inc., (ii) the letter agreement, dated May 6, 2002, between Reckson Construction Group, Inc. and EDGE Development Partners LLC, and (iii) the agreement for construction services, dated January 1, 2001 between Reckson Management Group, Inc. and Reckson Construction Group, Inc. (collectively, the "Management and Construction Agreements").

(b) The Executive acknowledges and agrees that the release of claims set forth in this Section 4.1 is not to be construed in any way as an admission of any liability whatsoever by any Company Released Party, any such liability being expressly denied.

(c) The release of claims set forth in this Section 4.1 applies to any relief no matter how called, including, without limitation, wages, back pay, compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, costs, and attorney's fees and expenses.

(d) The Executive acknowledges and agrees that he has not, with respect to any transaction or state of facts existing prior to the Termination Date, filed any complaints, charges or lawsuits against any Company Released Party with any governmental agency, court or tribunal.

4.2. RELEASE OF CLAIMS BY THE COMPANY AND ROP.

(a) The Company and ROP, with the intention of binding themselves and each of the Company Released Parties, do hereby release, remise, acquit and forever discharge the Executive and his heirs, executors, administrators and assigns (collectively, the "Executive Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which any of the Company Released Parties, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, against any Executive Released Party, excepting only:

(1) the rights of the Company and ROP under this Agreement, the Purchase Agreements, and the Related Agreements;

(2) the rights of the Company, ROP and their respective affiliates under the Company Benefit Plans;

(3) the rights under any of the Leases and the Management and Construction Agreements; and

(4) the rights under that certain environmental indemnity, dated May 24, 1995, by Walter Gross, Vanderbilt Generation, L.P., Howard Rose and Wildoro Associates in favor of the Company and ROP, relating to 100 Oser Avenue Hauppauge, New York.

(b) The Company and ROP acknowledge and agree that the release of claims set forth in this Section 4.2 is not to be construed in any way as an admission of any liability whatsoever by any Executive Released Party, any such liability being expressly denied.

(c) The release of claims set forth in this Section 4.2 applies to any relief no matter how called, including, without limitation, compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, costs, and attorney's fees and expenses.

(d) The Company and ROP acknowledge and agree that none of the Company Released Parties have, with respect to any transaction or state of facts existing prior to the Termination Date, filed any complaints, charges or lawsuits against any Executive Released Party with any governmental agency, court or tribunal.

SECTION 5. INDEMNIFICATION; DIRECTOR'S AND OFFICER'S INSURANCE. The Company hereby agrees to continue to indemnify the Executive, on a basis no less favorable than that provided to the Executive as of the date hereof (including, without limitation, by providing advance payment of indemnification expenses), for his activities as an officer, director and/or employee of the Company and/or its subsidiaries to the fullest extent permitted by law. The Company agrees that for six years following the Termination Date, the Company shall include the Executive as an insured on any director's and officer's insurance policy, and such other liability insurance policies covering officers and/or directors of the Company, in each case, maintained by the Company during such period.

SECTION 6. CONSULTATION. The Executive hereby agrees that during the Restriction Period he shall provide consulting services (the "Consulting Services") to the Company and/or ROP as shall be reasonably requested from time-to-time by the Company and/or ROP upon reasonable notice; provided that the Consulting Services shall consist of services within the Executive's areas of expertise and shall not require the Executive to perform such services at times or in such manner as may significantly interfere with his duties and responsibilities to either or both of the RALI Entities.

SECTION 7. WITHHOLDING. The Company shall have the right to deduct from any amount payable under this Agreement any taxes or other amounts required by applicable law to be withheld.

SECTION 8. MISCELLANEOUS.

8.1. ENTIRE AGREEMENT. This Agreement, the Purchase Agreements and the Related Agreements constitute the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, written or oral, between them as to such subject matter, including, without limitation, each of the Employment-Related Agreements other than the Split Dollar Agreement and the Stock Option Agreements.

8.2. AMENDMENTS AND WAIVERS. This Agreement and any of the provisions hereof may be amended or waived, in whole or in part, only by written agreement signed by the parties hereto. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.3. NOTICES. Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) reputable commercial overnight delivery service courier or (iii) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company or ROP:

Reckson Associates Realty Corp.

Attention: General Counsel

If to the Executive:

All such notices, requests, consents and other communications shall be deemed to have been given when received. Any party may change its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

8.4. GOVERNING LAW. This Agreement shall be construed and enforced in accordance with, and the rights and obligations of the parties hereto shall be governed by, the laws of the State of New York, without giving effect to the conflicts of law principles thereof.

8.5. SEVERABILITY. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Agreement is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

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

8.7. BINDING EFFECT. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of each of the parties, including, without limitation, the Executive's heirs and the personal representatives of the Executive's estate and any successor to all or substantially all of the business and/or assets of the Company.

8.8. HEADINGS. The name assigned this Agreement and headings of the sections, paragraphs, subparagraphs, clauses and subclauses of this Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof.

8.9. TERMINATION OF AGREEMENT. In the event that the Purchase Agreements are terminated prior to the occurrence of the Closing Date for any reason, including, without limitation, a breach of either of the Purchase Agreements by the applicable RALI Entity, this Agreement shall terminate on the date on which the Purchase Agreements terminate, and from and after that date, this Agreement will have no force or effect. The parties hereto agree that the sole remedy for a breach of either of the Purchase Agreements shall be as set forth therein.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

RECKSON ASSOCIATES REALTY CORP.

By: /s/ JASON M. BARNETT

Name: Jason M. Barnett
Title: Executive Vice President

RECKSON OPERATING PARTNERSHIP, L.P.

By: Reckson Associates Realty Corp., its general partner

By: /s/ JASON M. BARNETT

Name: Jason M. Barnett
Title: Executive Vice President

EXECUTIVE

/s/ ROGER RECHLER

Roger Rechler

For the purposes of Section 3.3(a) only:

RECHLER EQUITY PARTNERS I LLC

By: /s/ GREGG RECHLER

Name: Gregg Rechler
Title: Managing Member

RECHLER EQUITY PARTNERS II LLC

By: /s/ GREGG RECHLER

Name: Gregg Rechler
Title: Managing Member

SCHEDULE A

1. Option Termination Agreements
2. Option Termination Agreement
3. Artwork License
4. Assignment and Assumption of Existing Debt
5. License Agreement (Intangibles)
6. Surrender Agreement
7. Acorn Option Termination Agreement
8. Option Modification Agreement
9. Right of First Refusal Agreement
10. Stock Loan Agreement
11. Environmental Indemnity

EXHIBIT 10.5

TRANSITION AGREEMENT

This TRANSITION AGREEMENT, dated as of September 10, 2003 (this "Agreement"), by and between Reckson Associates Realty Corp., a Maryland corporation (the "Company"), Reckson Operating Partnership, L.P., a Delaware limited partnership ("ROP") and Mitchell Rechler (the "Executive").

WHEREAS, pursuant to (i) the Redemption Agreement (the "Redemption Agreement"), dated September 10, 2003, by and between ROP and Reckson FS Limited Partnership ("Reckson FS") as transferor and Rechler Equity Partners I LLC ("RALI I") as transferee, and (ii) the Property Sale Agreement (the "Property Sale Agreement," and together with the Redemption Agreement, the "Purchase Agreements"), dated September 10, 2003, by and between ROP and Reckson FS as seller and Rechler Equity Partners II LLC ("RALI II," and together with RALI I, the "RALI Entities") as purchaser, the RALI Entities will acquire certain properties currently owned by ROP and/or its subsidiaries (the "Properties");

WHEREAS, in connection with the transactions contemplated by the Purchase Agreements, ROP, Reckson FS and the RALI Entities will also effect certain other transactions pursuant to the agreements (the "Related Agreements") listed on Schedule A hereto;

WHEREAS, in connection with the transactions contemplated by the Purchase Agreements and the Related Agreements, the Executive's employment with the Company will cease as of the Closing Date (as such term is defined in the Redemption Agreement);

WHEREAS, the Company and the Executive are currently parties to the following agreements (collectively referred to as the "Employment-Related Agreements"): (i) an amended and restated Employment Agreement and Noncompetition Agreement, dated August 15, 2000 (the "Employment Agreement"), (ii) an amended and restated Severance Agreement, dated August 15, 2000 (the "Severance Agreement"), (iii) a Long-Term Incentive Award Agreement, dated March 13, 2003 (the "LTI Agreement"), (iv) an Award Agreement, dated November 14, 2002 (the "2002 Award Agreement"), (v) an Award Agreement, dated March 13, 2003 (the "2003 Award Agreement"), (vi) a split dollar life insurance agreement (the "Split Dollar Agreement"), and (vii) all stock option agreements covering outstanding options (the "Options") to acquire common stock of the Company held by the Executive as of the Termination Date (the "Stock Option Agreements"); and

WHEREAS, the Company has required, as a condition to consummating the Purchase Agreements, that the Executive enter into this Agreement, and the Executive is willing to enter into this Agreement.

NOW, THEREFORE, in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged by the Executive, the Company and the Executive hereby covenant and agree as follows:

SECTION 1. TERMINATION OF EMPLOYMENT. It is hereby agreed that the Executive's employment with the Company and ROP will terminate immediately prior to the Closing (as such term is defined in the Redemption Agreement), and effective as of immediately prior to the Closing, the Executive hereby resigns from all of his positions as an employee, officer and director, as applicable, of the Company, ROP and each of their respective subsidiaries. The date of the termination of employment pursuant to this Section 1 is referred to herein as the "Termination Date." Subject to the ultimate occurrence of the Closing Date, the Executive waives, as of the date hereof, any rights to or benefits resulting from any Change of Control or similar provisions in any plan, program, policy or agreement of the Company or its affiliates to which the Executive is a party.

SECTION 2. COMPENSATION MATTERS.

2.1. ACCRUED COMPENSATION. On the Termination Date the Company shall pay to the Executive a lump sum cash payment equal to the sum of (i) any salary or other wages earned by the Executive, but unpaid as of the Termination Date, (ii) compensation for the Executive's accrued, but unused vacation time as of the Termination Date, if any, and (iii) any unreimbursed business expenditures incurred by the Executive on or prior to the Termination Date.

2.2. 2003 ANNUAL BONUS. As a full and complete settlement of the Company's obligations with respect to the Executive's annual bonus for the

year 2003, (i) on the Termination Date the Company shall pay to the Executive a lump sum cash payment in an amount equal to 100% (or, if greater, a percentage equal to the highest percentage of base salary paid as an annual bonus for 2003 to any executive officer of the Company) of the Executive's base salary as of the date hereof, reduced by any annual bonus for 2003 previously paid to the Executive, and (ii) if annual bonuses for 2003 have not been paid to other executive officers of the Company and ROP as of the Termination Date, at such time as such annual bonuses are paid to such other executive officers, the Company shall pay to the Executive an amount equal to a percentage of the Executive's base salary (as of the date hereof) equal to the amount, if any, by which the highest percentage of base salary paid as an annual bonus for 2003 to any executive officer of the Company or ROP exceeds the percentage of the Executive's base salary used to calculate the payment in clause (i) of this Section 2.2.

2.3. LONG-TERM INCENTIVE AWARDS.

(a) Effective as of the Termination Date, the Executive shall become vested with respect to, and the restrictions shall lapse on, 6.25% of the 138,889 shares of restricted stock (the "Core Shares") granted to the Executive pursuant to the LTI Agreement. On March 13, 2004, the Executive shall become vested with respect to, and the restrictions shall lapse on, 18.75% of the Core Shares, so long as the Executive would have become vested with respect to such Core Shares had the Executive remained continuously employed with the Company through that date. In the event the Executive is not entitled to any vesting on March 13, 2004 with respect to the Core Shares referred to in the preceding sentence, the Executive will be entitled receive such compensation (in whatever form, including vesting of the non-vested Core Shares) provided by the Company to other executive officers of the Company as compensation for the non-vesting of their Core Shares on that date (or, if applicable, to the executive officer receiving the highest compensation in respect of non-vested Core Shares). As and when the Executive becomes vested with respect to the Core Shares, the Company shall cause certificates representing the vested Core Shares, without any legend or other restrictions noted thereon, to be delivered to the Executive promptly after the Termination Date. 104,167 of

the unvested Core Shares shall be forfeited as of the Termination Date, and if the Executive is not entitled to vesting with respect to the 18.75% of the Core Shares on March 13, 2004 pursuant to this Section 2.3(a), those shares shall be forfeited as of that date. In addition, on the Termination Date, the Company shall pay to the Executive any dividends that have accrued with respect to the Executive's vested Core Shares.

(b) Effective as of the Termination Date, the Special Outperformance Award (as such term is defined under the LTI Agreement) granted to the Executive pursuant to the LTI Agreement shall be forfeited in its entirety.

2.4. STOCK OPTIONS. Effective as of the Termination Date, all of the Options and the applicable Stock Option Agreements are hereby by amended such that the expiration date of the Options will be the date on which the Restriction Period (as defined below) ends. Notwithstanding anything to the contrary contained in either (i) any agreement between the Company and the Executive or (ii) any of the Company's stock option plans, but subject to the Executive's continued compliance with Section 3 of this Agreement, the Options shall remain outstanding and continue to become vested according to the vesting schedule applicable to each Option until the end of the Restriction Period, at which time the Options, to the extent then unexercised, shall expire.

2.5. COMMON STOCK RIGHTS. On the Termination Date the Company shall pay to the Executive a lump sum cash payment equal to $634,524, plus an amount equal to all of the dividends that have accrued and are payable, as of the Termination Date, pursuant to the terms of the 2002 Award Agreement, in full satisfaction of the Company's obligations under the 2002 Award Agreement. The Executive hereby waives any rights he may have to the Tax Payments (as such term is defined in the 2002 Award Agreement) and to the Rights granted pursuant to the 2003 Award Agreement and any Tax Payments related thereto.

2.6. SPLIT-DOLLAR LIFE INSURANCE POLICY. The Company shall take all reasonable and necessary actions to terminate, as of the Termination Date, any collateral assignment in favor of the Company with respect to the life insurance policy or policies on the life of the Executive and to cancel any obligation on the part of the Executive to repay any amount to the Company pursuant to the Split Dollar Agreement and to transfer to the Executive or his designee such life insurance policy or policies free of any encumbrances.

SECTION 3. COVENANTS.

3.1. NON-COMPETITION. The Executive shall not, for a period commencing on the Termination Date and ending on December 31, 2005 (the "Restriction Period"); provided that solely as it relates, for the purposes of this Section 3.1 (and not any other provision of this Agreement), to activities in Nassau or Suffolk County, New York, the Restriction Period shall end on December 31, 2006, engage in any Competitive Activity. For the purposes of this Agreement, the term "Competitive Activity" means directly or indirectly, engaging, participating or assisting, as an owner, partner, member, manager, employee, consultant, director, officer, trustee or agent, in any business that is engaged in developing, owning, operating, constructing or leasing multi-story commercial office buildings in (i) the counties of New York, New Jersey and Connecticut in which ROP is operating as of the date

hereof and/or (ii) Kings or Queens County, New York. Notwithstanding the foregoing, the Executive shall not be deemed to have engaged in Competitive Activity (i) with respect to the development, operation or ownership of (w) any of the Properties, (x) any of the properties subject to any of the Related Agreements, (y) any properties with respect to which, as of the date hereof or as a result of the transactions contemplated in the Purchase Agreements or the Related Agreements, either of the RALI Entities, the Executive or any other partner in either of the RALI Entities, directly or indirectly, holds an option or obligation to acquire such property, or (z) any of the properties that, as of the date hereof, the Executive or any other partner in either of the RALI Entities, directly or indirectly, have an equity ownership interest in; provided, however, that this provision shall not be considered to permit, during the Restriction Period, the commencement of construction of any multi-story commercial office buildings on any vacant land acquired from ROP or its subsidiaries pursuant to the Related Agreements, (ii) solely by reason of acquiring an existing multi-story commercial office building for the purpose of converting such building to another use, so long as none of the units of such building are marketed for occupancy as office space from and after such acquisition and during the Restriction Period, (iii) solely by reason of ownership, in any form, directly or indirectly, of five percent (5%) or less of the outstanding equity interests of any class of any entity, so long as the Executive does not exercise any rights to actively manage or actively operate the business of such entity, or (iv) solely by reason of ownership, in any form, directly or indirectly, of any debt interests of any entity.

3.2. MUTUAL NON-DISPARAGEMENT.

(a) The Executive agrees that, other than as required by law or by order of a court or other competent authority, he will not make or publish, during the Restriction Period, any statement, comments or remarks either written or oral, nor will Executive convey any information about the Company Released Parties (as defined below), which statement, comment, remark or information is defamatory or disparaging or which reflects negatively upon the character, personality, integrity or performance of any of the Company Released Parties, or which is or reasonably could be expected to be damaging to the reputation of any of the Company Released Parties.

(b) The Company and ROP agree that, other than as required by law or by order of a court or other competent authority, they will not and will cause the Company Released Parties not to make or publish, during the Restriction Period, any statement, comments or remarks either written or oral, nor convey any information about the Executive, which statement, comment, remark or information is defamatory or disparaging or which reflects negatively upon the character, personality, integrity or performance of the Executive, or which is or reasonably could be expected to be damaging to the reputation of the Executive.

3.3. MUTUAL NON-SOLICITATION OF EMPLOYEES.

(a) During the Restriction Period, the Executive, the RALI Entities and their respective affiliates shall not, directly or indirectly, contact, induce or solicit (or assist any person to contact, induce or solicit) for employment any person who (i) is, as of the Termination Date, an employee of the Company, ROP or any of their respective affiliates, or (ii) becomes an employee of the Company, ROP or any of their respective affiliates following

the Termination Date, in each case, other than the individuals listed on Schedule B hereto. Notwithstanding the forgoing, a public solicitation not directed to employees of the Company, ROP or any of their respective affiliates shall not constitute a violation of this Section 3.3(a).

(b) During the Restriction Period, the Company, ROP and their respective affiliates shall not, directly or indirectly, contact, induce or solicit (or assist any person to contact, induce or solicit) for employment any person who (i) is, as of the Termination Date, an employee of either of the RALI Entities or any of their respective affiliates, or (ii) becomes an employee of either of the RALI Entities or any of their respective affiliates following the Termination Date, including, without limitation, the employees listed on Schedule B hereto. Notwithstanding the forgoing, a public solicitation not directed to employees of either of the RALI Entities or any of their respective affiliates shall not constitute a violation of this Section 3.3(b).

3.4. EXTENSION OF RESTRICTION PERIOD. In the event that the Closing Date does not occur on or prior to December 31, 2003, the Restriction Period shall be extended for a number of days equal to the number of days between December 31, 2003, and the Closing Date.

3.5. REMEDIES.

(a) The Executive agrees that any breach of the terms of this Section 3 would result in irreparable injury and damage to the Company and/or ROP for which the Company and/or ROP would have no adequate remedy at law; the Executive therefore agrees that in the event of said breach or any threat of breach, the Company and/or ROP shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all persons acting for and/or with the Executive without having to prove damages, in addition to any other remedies to which the Company and/or ROP may be entitled at law or in equity. The terms of this paragraph shall not prevent the Company and/or ROP from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Executive. The Company, ROP and the Executive further agree that the provisions of the covenants contained in this Section 3 are reasonable and necessary to protect the business of the Company, ROP and their respective affiliates.

(b) The Company and ROP agree that any breach of the terms of this Section 3 would result in irreparable injury and damage to the Executive and/or either or both of the RALI Entities for which the Executive and/or either or both of the RALI Entities would have no adequate remedy at law; the Company and ROP therefore agree that in the event of said breach or any threat of breach, the Executive and/or either or both of the RALI Entities shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Company and/or ROP and/or any and all persons acting for and/or with the Company and/or ROP without having to prove damages, in addition to any other remedies to which the Executive and/or either or both of the RALI Entities may be entitled at law or in equity. The terms of this paragraph shall not prevent the Executive and/or either or both of the RALI Entities from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Company and/or ROP. The Company, ROP and the Executive further agree that the

provisions of the covenants contained in this Section 3 are reasonable and necessary to protect the business interests of the Executive, the RALI Entities and their respective affiliates.

SECTION 4. MUTUAL RELEASES.

4.1. RELEASE OF CLAIMS BY THE EXECUTIVE.

(a) In consideration of the payments to the Executive hereunder, the sufficiency of which the Executive acknowledges, the Executive, with the intention of binding himself and his heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge the Company, ROP and each of their respective subsidiaries and affiliates (the "Company Affiliated Group"), their present and former officers, directors, executives, agents, attorneys and employees, and the successors, predecessors and assigns of each of the foregoing (collectively, the "Company Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which the Executive, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, against any Company Released Party in any capacity, including, without limitation, any and all claims (i) arising out of or in any way connected with the Executive's service to any member of the Company Affiliated Group (or the predecessors thereof) in any capacity, or the termination of such service in any such capacity, (ii) for severance or vacation benefits, unpaid wages, salary or incentive payments, (iii) for breach of contract, wrongful discharge, impairment of economic opportunity, defamation, intentional infliction of emotional harm or other tort, (iv) for any violation of applicable state and local labor and employment laws (including, without limitation, all laws concerning unlawful and unfair labor and employment practices) and (v) for employment discrimination under any applicable federal, state or local statute, provision, order or regulation, excepting only:

(1) the rights of the Executive under this Agreement, the Purchase Agreements and the Related Agreements;

(2) the rights of the Executive as an equity holder of the Company, ROP or any of their respective subsidiaries;

(3) the right of the Executive to receive COBRA continuation coverage in accordance with applicable law;

(4) the rights to indemnification the Executive may have under (i) this Agreement, (ii) applicable corporate law or (iii) the by-laws or certificate of incorporation of any Company Released Party, or as an insured under any director's and officer's liability insurance policy now or previously in force;

(5) the rights the Executive may have as an insured under any other insurance policy that covers claims incurred by the Executive while employed by the Company, ROP or any of their respective subsidiaries or as a result of such employment;

(6) claims for benefits under any health, disability, retirement, life insurance or other, similar employee benefit plan (within the meaning of Section 3(3) of ERISA) of the Company Affiliated Group (the "Company Benefit Plans");

(7) the rights under any leases (the "Leases") between (i) the Company, ROP or any of their respective subsidiaries and (ii) the Executive or any other partner in either of the RALI Entities, or any entity in which the Executive or any other partner in either of the RALI Entities has a direct or indirect ownership interest; and

(8) the rights under (i) the management agreement, dated January 1, 2001, between the Owners (as such term is defined therein) and Reckson Management Group, Inc., (ii) the letter agreement, dated May 6, 2002, between Reckson Construction Group, Inc. and EDGE Development Partners LLC, and (iii) the agreement for construction services, dated January 1, 2001 between Reckson Management Group, Inc. and Reckson Construction Group, Inc. (collectively, the "Management and Construction Agreements").

(b) The Executive acknowledges and agrees that the release of claims set forth in this Section 4.1 is not to be construed in any way as an admission of any liability whatsoever by any Company Released Party, any such liability being expressly denied.

(c) The release of claims set forth in this Section 4.1 applies to any relief no matter how called, including, without limitation, wages, back pay, compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, costs, and attorney's fees and expenses.

(d) The Executive acknowledges and agrees that he has not, with respect to any transaction or state of facts existing prior to the Termination Date, filed any complaints, charges or lawsuits against any Company Released Party with any governmental agency, court or tribunal.

4.2. RELEASE OF CLAIMS BY THE COMPANY AND ROP.

(a) The Company and ROP, with the intention of binding themselves and each of the Company Released Parties, do hereby release, remise, acquit and forever discharge the Executive and his heirs, executors, administrators and assigns (collectively, the "Executive Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which any of the Company Released Parties, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, against any Executive Released Party, excepting only:

(1) the rights of the Company and ROP under this Agreement, the Purchase Agreements, and the Related Agreements;

(2) the rights of the Company, ROP and their respective affiliates under the Company Benefit Plans;

(3) the rights under any of the Leases and the Management and Construction Agreements; and

(4) the rights under that certain environmental indemnity, dated May 24, 1995, by Walter Gross, Vanderbilt Generation, L.P., Howard Rose and Wildoro Associates in favor of the Company and ROP, relating to 100 Oser Avenue Hauppauge, New York.

(b) The Company and ROP acknowledge and agree that the release of claims set forth in this Section 4.2 is not to be construed in any way as an admission of any liability whatsoever by any Executive Released Party, any such liability being expressly denied.

(c) The release of claims set forth in this Section 4.2 applies to any relief no matter how called, including, without limitation, compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, costs, and attorney's fees and expenses.

(d) The Company and ROP acknowledge and agree that none of the Company Released Parties have, with respect to any transaction or state of facts existing prior to the Termination Date, filed any complaints, charges or lawsuits against any Executive Released Party with any governmental agency, court or tribunal.

SECTION 5. INDEMNIFICATION; DIRECTOR'S AND OFFICER'S INSURANCE. The Company hereby agrees to continue to indemnify the Executive, on a basis no less favorable than that provided to the Executive as of the date hereof (including, without limitation, by providing advance payment of indemnification expenses), for his activities as an officer, director and/or employee of the Company and/or its subsidiaries to the fullest extent permitted by law. The Company agrees that for six years following the Termination Date, the Company shall include the Executive as an insured on any director's and officer's insurance policy, and such other liability insurance policies covering officers and/or directors of the Company, in each case, maintained by the Company during such period.

SECTION 6. CONSULTATION. The Executive hereby agrees that during the Restriction Period he shall provide consulting services (the "Consulting Services") to the Company and/or ROP as shall be reasonably requested from time-to-time by the Company and/or ROP upon reasonable notice; provided that the Consulting Services shall consist of services within the Executive's areas of expertise and shall not require the Executive to perform such services at times or in such manner as may significantly interfere with his duties and responsibilities to either or both of the RALI Entities.

SECTION 7. WITHHOLDING. The Company shall have the right to deduct from any amount payable under this Agreement any taxes or other amounts required by applicable law to be withheld.

SECTION 8. MISCELLANEOUS.

8.1. ENTIRE AGREEMENT. This Agreement, the Purchase Agreements and the Related Agreements constitute the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, written or oral, between them as to such subject matter, including, without limitation, each of the Employment-Related Agreements other than the Split Dollar Agreement and the Stock Option Agreements.

8.2. AMENDMENTS AND WAIVERS. This Agreement and any of the provisions hereof may be amended or waived, in whole or in part, only by written agreement signed by the parties hereto. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.3. NOTICES. Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) reputable commercial overnight delivery service courier or (iii) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company or ROP:

Reckson Associates Realty Corp.

Attention: General Counsel

If to the Executive:

All such notices, requests, consents and other communications shall be deemed to have been given when received. Any party may change its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

8.4. GOVERNING LAW. This Agreement shall be construed and enforced in accordance with, and the rights and obligations of the parties hereto shall be governed by, the laws of the State of New York, without giving effect to the conflicts of law principles thereof.

8.5. SEVERABILITY. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Agreement is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

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

8.7. BINDING EFFECT. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of each of the parties, including, without limitation, the Executive's heirs and the personal representatives of the Executive's estate and any successor to all or substantially all of the business and/or assets of the Company.

8.8. HEADINGS. The name assigned this Agreement and headings of the sections, paragraphs, subparagraphs, clauses and subclauses of this Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof.

8.9. TERMINATION OF AGREEMENT. In the event that the Purchase Agreements are terminated prior to the occurrence of the Closing Date for any reason, including, without limitation, a breach of either of the Purchase Agreements by the applicable RALI Entity, this Agreement shall terminate on the date on which the Purchase Agreements terminate, and from and after that date, this Agreement will have no force or effect. The parties hereto agree that the sole remedy for a breach of either of the Purchase Agreements shall be as set forth therein.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

RECKSON ASSOCIATES REALTY CORP.

By: /s/ JASON M. BARNETT

Name: Jason M. Barnett
Title: Executive Vice President

RECKSON OPERATING PARTNERSHIP, L.P.

By: Reckson Associates Realty Corp., its general partner

By: /s/ JASON M. BARNETT

Name: Jason M. Barnett
Title: Executive Vice President

EXECUTIVE

/s/ MITCHELL RECHLER

Mitchell Rechler

For the purposes of Section 3.3(a) only:

RECHLER EQUITY PARTNERS I LLC

By: /s/ GREGG RECHLER

Name: Gregg Rechler
Title: Managing Member

RECHLER EQUITY PARTNERS II LLC

By: /s/ GREGG RECHLER

Name: Gregg Rechler
Title: Managing Member

SCHEDULE A

1. Option Termination Agreements
2. Option Termination Agreement
3. Artwork License
4. Assignment and Assumption of Existing Debt
5. License Agreement (Intangibles)
6. Surrender Agreement
7. Acorn Option Termination Agreement
8. Option Modification Agreement
9. Right of First Refusal Agreement
10. Stock Loan Agreement
11. Environmental Indemnity

EXHIBIT 10.6

TRANSITION AGREEMENT

This TRANSITION AGREEMENT, dated as of September 10, 2003 (this "Agreement"), by and between Reckson Associates Realty Corp., a Maryland corporation (the "Company"), Reckson Operating Partnership, L.P., a Delaware limited partnership ("ROP") and Gregg Rechler (the "Executive").

WHEREAS, pursuant to (i) the Redemption Agreement (the "Redemption Agreement"), dated September 10, 2003, by and between ROP and Reckson FS Limited Partnership ("Reckson FS") as transferor and Rechler Equity Partners I LLC ("RALI I") as transferee, and (ii) the Property Sale Agreement (the "Property Sale Agreement," and together with the Redemption Agreement, the "Purchase Agreements"), dated September 10, 2003, by and between ROP and Reckson FS as seller and Rechler Equity Partners II LLC ("RALI II," and together with RALI I, the "RALI Entities") as purchaser, the RALI Entities will acquire certain properties currently owned by ROP and/or its subsidiaries (the "Properties");

WHEREAS, in connection with the transactions contemplated by the Purchase Agreements, ROP, Reckson FS and the RALI Entities will also effect certain other transactions pursuant to the agreements (the "Related Agreements") listed on Schedule A hereto;

WHEREAS, in connection with the transactions contemplated by the Purchase Agreements and the Related Agreements, the Executive's employment with the Company will cease as of the Closing Date (as such term is defined in the Redemption Agreement);

WHEREAS, the Company and the Executive are currently parties to the following agreements (collectively referred to as the "Employment-Related Agreements"): (i) an amended and restated Employment Agreement and Noncompetition Agreement, dated August 15, 2000 (the "Employment Agreement"), (ii) an amended and restated Severance Agreement, dated August 15, 2000 (the "Severance Agreement"), (iii) a Long-Term Incentive Award Agreement, dated March 13, 2003 (the "LTI Agreement"), (iv) an Award Agreement, dated November 14, 2002 (the "2002 Award Agreement"), (v) an Award Agreement, dated March 13, 2003 (the "2003 Award Agreement"), (vi) a split dollar life insurance agreement (the "Split Dollar Agreement"), and (vii) all stock option agreements covering outstanding options (the "Options") to acquire common stock of the Company held by the Executive as of the Termination Date (the "Stock Option Agreements"); and

WHEREAS, the Company has required, as a condition to consummating the Purchase Agreements, that the Executive enter into this Agreement, and the Executive is willing to enter into this Agreement.

NOW, THEREFORE, in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged by the Executive, the Company and the Executive hereby covenant and agree as follows:

SECTION 1. TERMINATION OF EMPLOYMENT. It is hereby agreed that the Executive's employment with the Company and ROP will terminate immediately prior to the Closing (as such term is defined in the Redemption Agreement), and effective as of immediately prior to the Closing, the Executive hereby resigns from all of his positions as an employee, officer and director, as applicable, of the Company, ROP and each of their respective subsidiaries. The date of the termination of employment pursuant to this Section 1 is referred to herein as the "Termination Date." Subject to the ultimate occurrence of the Closing Date, the Executive waives, as of the date hereof, any rights to or benefits resulting from any Change of Control or similar provisions in any plan, program, policy or agreement of the Company or its affiliates to which the Executive is a party.

SECTION 2. COMPENSATION MATTERS.

2.1. ACCRUED COMPENSATION. On the Termination Date the Company shall pay to the Executive a lump sum cash payment equal to the sum of (i) any salary or other wages earned by the Executive, but unpaid as of the Termination Date, (ii) compensation for the Executive's accrued, but unused vacation time as of the Termination Date, if any, and (iii) any unreimbursed business expenditures incurred by the Executive on or prior to the Termination Date.

2.2. 2003 ANNUAL BONUS. As a full and complete settlement of the Company's obligations with respect to the Executive's annual bonus for the year 2003, (i) on the Termination Date the Company shall pay to the

Executive a lump sum cash payment in an amount equal to 100% (or, if greater, a percentage equal to the highest percentage of base salary paid as an annual bonus for 2003 to any executive officer of the Company) of the Executive's base salary as of the date hereof, reduced by any annual bonus for 2003 previously paid to the Executive, and (ii) if annual bonuses for 2003 have not been paid to other executive officers of the Company and ROP as of the Termination Date, at such time as such annual bonuses are paid to such other executive officers, the Company shall pay to the Executive an amount equal to a percentage of the Executive's base salary (as of the date hereof) equal to the amount, if any, by which the highest percentage of base salary paid as an annual bonus for 2003 to any executive officer of the Company or ROP exceeds the percentage of the Executive's base salary used to calculate the payment in clause (i) of this Section 2.2.

2.3. LONG-TERM INCENTIVE AWARDS.

(a) Effective as of the Termination Date, the Executive shall become vested with respect to, and the restrictions shall lapse on, 6.25% of the 138,889 shares of restricted stock (the "Core Shares") granted to the Executive pursuant to the LTI Agreement. On March 13, 2004, the Executive shall become vested with respect to, and the restrictions shall lapse on, 18.75% of the Core Shares, so long as the Executive would have become vested with respect to such Core Shares had the Executive remained continuously employed with the Company through that date. In the event the Executive is not entitled to any vesting on March 13, 2004 with respect to the Core Shares referred to in the preceding sentence, the Executive will be entitled receive such compensation (in whatever form, including vesting of the non-vested Core Shares) provided by the Company to other executive officers of the Company as compensation for the non-vesting of their Core Shares on that date (or, if applicable, to the executive officer receiving the highest compensation in respect of non-vested Core Shares). As and when the Executive becomes vested with respect to the Core Shares, the Company shall cause certificates representing the vested Core Shares, without any legend or other restrictions noted thereon, to be delivered to the Executive promptly after the Termination Date. 104,167 of

the unvested Core Shares shall be forfeited as of the Termination Date, and if the Executive is not entitled to vesting with respect to the 18.75% of the Core Shares on March 13, 2004 pursuant to this Section 2.3(a), those shares shall be forfeited as of that date. In addition, on the Termination Date, the Company shall pay to the Executive any dividends that have accrued with respect to the Executive's vested Core Shares.

(b) Effective as of the Termination Date, the Special Outperformance Award (as such term is defined under the LTI Agreement) granted to the Executive pursuant to the LTI Agreement shall be forfeited in its entirety.

2.4. STOCK OPTIONS. Effective as of the Termination Date, all of the Options and the applicable Stock Option Agreements are hereby by amended such that the expiration date of the Options will be the date on which the Restriction Period (as defined below) ends. Notwithstanding anything to the contrary contained in either (i) any agreement between the Company and the Executive or (ii) any of the Company's stock option plans, but subject to the Executive's continued compliance with Section 3 of this Agreement, the Options shall remain outstanding and continue to become vested according to the vesting schedule applicable to each Option until the end of the Restriction Period, at which time the Options, to the extent then unexercised, shall expire.

2.5. COMMON STOCK RIGHTS. On the Termination Date the Company shall pay to the Executive a lump sum cash payment equal to $634,524, plus an amount equal to all of the dividends that have accrued and are payable, as of the Termination Date, pursuant to the terms of the 2002 Award Agreement, in full satisfaction of the Company's obligations under the 2002 Award Agreement. The Executive hereby waives any rights he may have to the Tax Payments (as such term is defined in the 2002 Award Agreement) and to the Rights granted pursuant to the 2003 Award Agreement and any Tax Payments related thereto.

2.6. SPLIT-DOLLAR LIFE INSURANCE POLICY. The Company shall take all reasonable and necessary actions to terminate, as of the Termination Date, any collateral assignment in favor of the Company with respect to the life insurance policy or policies on the life of the Executive and to cancel any obligation on the part of the Executive to repay any amount to the Company pursuant to the Split Dollar Agreement and to transfer to the Executive or his designee such life insurance policy or policies free of any encumbrances.

SECTION 3. COVENANTS.

3.1. NON-COMPETITION. The Executive shall not, for a period commencing on the Termination Date and ending on December 31, 2005 (the "Restriction Period"); provided that solely as it relates, for the purposes of this Section 3.1 (and not any other provision of this Agreement), to activities in Nassau or Suffolk County, New York, the Restriction Period shall end on December 31, 2006, engage in any Competitive Activity. For the purposes of this Agreement, the term "Competitive Activity" means directly or indirectly, engaging, participating or assisting, as an owner, partner, member, manager, employee, consultant, director, officer, trustee or agent, in any business that is engaged in developing, owning, operating, constructing or leasing multi-story commercial office buildings in (i) the counties of New York, New Jersey and Connecticut in which ROP is operating as of the date

hereof and/or (ii) Kings or Queens County, New York. Notwithstanding the foregoing, the Executive shall not be deemed to have engaged in Competitive Activity (i) with respect to the development, operation or ownership of (w) any of the Properties, (x) any of the properties subject to any of the Related Agreements, (y) any properties with respect to which, as of the date hereof or as a result of the transactions contemplated in the Purchase Agreements or the Related Agreements, either of the RALI Entities, the Executive or any other partner in either of the RALI Entities, directly or indirectly, holds an option or obligation to acquire such property, or (z) any of the properties that, as of the date hereof, the Executive or any other partner in either of the RALI Entities, directly or indirectly, have an equity ownership interest in; provided, however, that this provision shall not be considered to permit, during the Restriction Period, the commencement of construction of any multi-story commercial office buildings on any vacant land acquired from ROP or its subsidiaries pursuant to the Related Agreements, (ii) solely by reason of acquiring an existing multi-story commercial office building for the purpose of converting such building to another use, so long as none of the units of such building are marketed for occupancy as office space from and after such acquisition and during the Restriction Period, (iii) solely by reason of ownership, in any form, directly or indirectly, of five percent (5%) or less of the outstanding equity interests of any class of any entity, so long as the Executive does not exercise any rights to actively manage or actively operate the business of such entity, or (iv) solely by reason of ownership, in any form, directly or indirectly, of any debt interests of any entity.

3.2. MUTUAL NON-DISPARAGEMENT.

(a) The Executive agrees that, other than as required by law or by order of a court or other competent authority, he will not make or publish, during the Restriction Period, any statement, comments or remarks either written or oral, nor will Executive convey any information about the Company Released Parties (as defined below), which statement, comment, remark or information is defamatory or disparaging or which reflects negatively upon the character, personality, integrity or performance of any of the Company Released Parties, or which is or reasonably could be expected to be damaging to the reputation of any of the Company Released Parties.

(b) The Company and ROP agree that, other than as required by law or by order of a court or other competent authority, they will not and will cause the Company Released Parties not to make or publish, during the Restriction Period, any statement, comments or remarks either written or oral, nor convey any information about the Executive, which statement, comment, remark or information is defamatory or disparaging or which reflects negatively upon the character, personality, integrity or performance of the Executive, or which is or reasonably could be expected to be damaging to the reputation of the Executive.

3.3. MUTUAL NON-SOLICITATION OF EMPLOYEES.

(a) During the Restriction Period, the Executive, the RALI Entities and their respective affiliates shall not, directly or indirectly, contact, induce or solicit (or assist any person to contact, induce or solicit) for employment any person who (i) is, as of the Termination Date, an employee of the Company, ROP or any of their respective affiliates, or (ii) becomes an employee of the Company, ROP or any of their respective affiliates following

the Termination Date, in each case, other than the individuals listed on Schedule B hereto. Notwithstanding the forgoing, a public solicitation not directed to employees of the Company, ROP or any of their respective affiliates shall not constitute a violation of this Section 3.3(a).

(b) During the Restriction Period, the Company, ROP and their respective affiliates shall not, directly or indirectly, contact, induce or solicit (or assist any person to contact, induce or solicit) for employment any person who (i) is, as of the Termination Date, an employee of either of the RALI Entities or any of their respective affiliates, or (ii) becomes an employee of either of the RALI Entities or any of their respective affiliates following the Termination Date, including, without limitation, the employees listed on Schedule B hereto. Notwithstanding the forgoing, a public solicitation not directed to employees of either of the RALI Entities or any of their respective affiliates shall not constitute a violation of this Section 3.3(b).

3.4. EXTENSION OF RESTRICTION PERIOD. In the event that the Closing Date does not occur on or prior to December 31, 2003, the Restriction Period shall be extended for a number of days equal to the number of days between December 31, 2003, and the Closing Date.

3.5. REMEDIES.

(a) The Executive agrees that any breach of the terms of this Section 3 would result in irreparable injury and damage to the Company and/or ROP for which the Company and/or ROP would have no adequate remedy at law; the Executive therefore agrees that in the event of said breach or any threat of breach, the Company and/or ROP shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all persons acting for and/or with the Executive without having to prove damages, in addition to any other remedies to which the Company and/or ROP may be entitled at law or in equity. The terms of this paragraph shall not prevent the Company and/or ROP from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Executive. The Company, ROP and the Executive further agree that the provisions of the covenants contained in this Section 3 are reasonable and necessary to protect the business of the Company, ROP and their respective affiliates.

(b) The Company and ROP agree that any breach of the terms of this Section 3 would result in irreparable injury and damage to the Executive and/or either or both of the RALI Entities for which the Executive and/or either or both of the RALI Entities would have no adequate remedy at law; the Company and ROP therefore agree that in the event of said breach or any threat of breach, the Executive and/or either or both of the RALI Entities shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Company and/or ROP and/or any and all persons acting for and/or with the Company and/or ROP without having to prove damages, in addition to any other remedies to which the Executive and/or either or both of the RALI Entities may be entitled at law or in equity. The terms of this paragraph shall not prevent the Executive and/or either or both of the RALI Entities from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Company and/or ROP. The Company, ROP and the Executive further agree that the

provisions of the covenants contained in this Section 3 are reasonable and necessary to protect the business interests of the Executive, the RALI Entities and their respective affiliates.

SECTION 4. MUTUAL RELEASES.

4.1. RELEASE OF CLAIMS BY THE EXECUTIVE.

(a) In consideration of the payments to the Executive hereunder, the sufficiency of which the Executive acknowledges, the Executive, with the intention of binding himself and his heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge the Company, ROP and each of their respective subsidiaries and affiliates (the "Company Affiliated Group"), their present and former officers, directors, executives, agents, attorneys and employees, and the successors, predecessors and assigns of each of the foregoing (collectively, the "Company Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which the Executive, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, against any Company Released Party in any capacity, including, without limitation, any and all claims (i) arising out of or in any way connected with the Executive's service to any member of the Company Affiliated Group (or the predecessors thereof) in any capacity, or the termination of such service in any such capacity, (ii) for severance or vacation benefits, unpaid wages, salary or incentive payments, (iii) for breach of contract, wrongful discharge, impairment of economic opportunity, defamation, intentional infliction of emotional harm or other tort, (iv) for any violation of applicable state and local labor and employment laws (including, without limitation, all laws concerning unlawful and unfair labor and employment practices) and (v) for employment discrimination under any applicable federal, state or local statute, provision, order or regulation, excepting only:

(1) the rights of the Executive under this Agreement, the Purchase Agreements and the Related Agreements;

(2) the rights of the Executive as an equity holder of the Company, ROP or any of their respective subsidiaries;

(3) the right of the Executive to receive COBRA continuation coverage in accordance with applicable law;

(4) the rights to indemnification the Executive may have under (i) this Agreement, (ii) applicable corporate law or (iii) the by-laws or certificate of incorporation of any Company Released Party, or as an insured under any director's and officer's liability insurance policy now or previously in force;

(5) the rights the Executive may have as an insured under any other insurance policy that covers claims incurred by the Executive while employed by the Company, ROP or any of their respective subsidiaries or as a result of such employment;

(6) claims for benefits under any health, disability, retirement, life insurance or other, similar employee benefit plan (within the meaning of Section 3(3) of ERISA) of the Company Affiliated Group (the "Company Benefit Plans");

(7) the rights under any leases (the "Leases") between (i) the Company, ROP or any of their respective subsidiaries and (ii) the Executive or any other partner in either of the RALI Entities, or any entity in which the Executive or any other partner in either of the RALI Entities has a direct or indirect ownership interest; and

(8) the rights under (i) the management agreement, dated January 1, 2001, between the Owners (as such term is defined therein) and Reckson Management Group, Inc., (ii) the letter agreement, dated May 6, 2002, between Reckson Construction Group, Inc. and EDGE Development Partners LLC, and (iii) the agreement for construction services, dated January 1, 2001 between Reckson Management Group, Inc. and Reckson Construction Group, Inc. (collectively, the "Management and Construction Agreements").

(b) The Executive acknowledges and agrees that the release of claims set forth in this Section 4.1 is not to be construed in any way as an admission of any liability whatsoever by any Company Released Party, any such liability being expressly denied.

(c) The release of claims set forth in this Section 4.1 applies to any relief no matter how called, including, without limitation, wages, back pay, compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, costs, and attorney's fees and expenses.

(d) The Executive acknowledges and agrees that he has not, with respect to any transaction or state of facts existing prior to the Termination Date, filed any complaints, charges or lawsuits against any Company Released Party with any governmental agency, court or tribunal.

4.2. RELEASE OF CLAIMS BY THE COMPANY AND ROP.

(a) The Company and ROP, with the intention of binding themselves and each of the Company Released Parties, do hereby release, remise, acquit and forever discharge the Executive and his heirs, executors, administrators and assigns (collectively, the "Executive Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which any of the Company Released Parties, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, against any Executive Released Party, excepting only:

(1) the rights of the Company and ROP under this Agreement, the Purchase Agreements, and the Related Agreements;

(2) the rights of the Company, ROP and their respective affiliates under the Company Benefit Plans;

(3) the rights under any of the Leases and the Management and Construction Agreements; and

(4) the rights under that certain environmental indemnity, dated May 24, 1995, by Walter Gross, Vanderbilt Generation, L.P., Howard Rose and Wildoro Associates in favor of the Company and ROP, relating to 100 Oser Avenue Hauppauge, New York.

(b) The Company and ROP acknowledge and agree that the release of claims set forth in this Section 4.2 is not to be construed in any way as an admission of any liability whatsoever by any Executive Released Party, any such liability being expressly denied.

(c) The release of claims set forth in this Section 4.2 applies to any relief no matter how called, including, without limitation, compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, costs, and attorney's fees and expenses.

(d) The Company and ROP acknowledge and agree that none of the Company Released Parties have, with respect to any transaction or state of facts existing prior to the Termination Date, filed any complaints, charges or lawsuits against any Executive Released Party with any governmental agency, court or tribunal.

SECTION 5. INDEMNIFICATION; DIRECTOR'S AND OFFICER'S INSURANCE. The Company hereby agrees to continue to indemnify the Executive, on a basis no less favorable than that provided to the Executive as of the date hereof (including, without limitation, by providing advance payment of indemnification expenses), for his activities as an officer, director and/or employee of the Company and/or its subsidiaries to the fullest extent permitted by law. The Company agrees that for six years following the Termination Date, the Company shall include the Executive as an insured on any director's and officer's insurance policy, and such other liability insurance policies covering officers and/or directors of the Company, in each case, maintained by the Company during such period.

SECTION 6. CONSULTATION. The Executive hereby agrees that during the Restriction Period he shall provide consulting services (the "Consulting Services") to the Company and/or ROP as shall be reasonably requested from time-to-time by the Company and/or ROP upon reasonable notice; provided that the Consulting Services shall consist of services within the Executive's areas of expertise and shall not require the Executive to perform such services at times or in such manner as may significantly interfere with his duties and responsibilities to either or both of the RALI Entities.

SECTION 7. WITHHOLDING. The Company shall have the right to deduct from any amount payable under this Agreement any taxes or other amounts required by applicable law to be withheld.

SECTION 8. MISCELLANEOUS.

8.1. ENTIRE AGREEMENT. This Agreement, the Purchase Agreements and the Related Agreements constitute the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, written or oral, between them as to such subject matter, including, without limitation, each of the Employment-Related Agreements other than the Split Dollar Agreement and the Stock Option Agreements.

8.2. AMENDMENTS AND WAIVERS. This Agreement and any of the provisions hereof may be amended or waived, in whole or in part, only by written agreement signed by the parties hereto. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.3. NOTICES. Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) reputable commercial overnight delivery service courier or (iii) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company or ROP:

Reckson Associates Realty Corp.

Attention: General Counsel

If to the Executive:

All such notices, requests, consents and other communications shall be deemed to have been given when received. Any party may change its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

8.4. GOVERNING LAW. This Agreement shall be construed and enforced in accordance with, and the rights and obligations of the parties hereto shall be governed by, the laws of the State of New York, without giving effect to the conflicts of law principles thereof.

8.5. SEVERABILITY. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Agreement is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

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

8.7. BINDING EFFECT. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of each of the parties, including, without limitation, the Executive's heirs and the personal representatives of the Executive's estate and any successor to all or substantially all of the business and/or assets of the Company.

8.8. HEADINGS. The name assigned this Agreement and headings of the sections, paragraphs, subparagraphs, clauses and subclauses of this Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof.

8.9. TERMINATION OF AGREEMENT. In the event that the Purchase Agreements are terminated prior to the occurrence of the Closing Date for any reason, including, without limitation, a breach of either of the Purchase Agreements by the applicable RALI Entity, this Agreement shall terminate on the date on which the Purchase Agreements terminate, and from and after that date, this Agreement will have no force or effect. The parties hereto agree that the sole remedy for a breach of either of the Purchase Agreements shall be as set forth therein.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

RECKSON ASSOCIATES REALTY CORP.

By: /s/ JASON M. BARNETT

Name: Jason M. Barnett
Title: Executive Vice President

RECKSON OPERATING PARTNERSHIP, L.P.

By: Reckson Associates Realty Corp., its general partner

By: /s/ JASON M. BARNETT

Name: Jason M. Barnett
Title: Executive Vice President

EXECUTIVE

/s/ GREGG RECHLER

Gregg Rechler

For the purposes of Section 3.3(a) only:

RECHLER EQUITY PARTNERS I LLC

By: /s/ GREGG RECHLER

Name: Gregg Rechler
Title: Managing Member

RECHLER EQUITY PARTNERS II LLC

By: /s/ GREGG RECHLER

Name: Gregg Rechler
Title: Managing Member

SCHEDULE A

1. Option Termination Agreements
2. Option Termination Agreement
3. Artwork License
4. Assignment and Assumption of Existing Debt
5. License Agreement (Intangibles)
6. Surrender Agreement
7. Acorn Option Termination Agreement
8. Option Modification Agreement
9. Right of First Refusal Agreement
10. Stock Loan Agreement
11. Environmental Indemnity

EXHIBIT 10.7

AMENDMENT AGREEMENT

This AMENDMENT AGREEMENT (this "Agreement"), dated as of September 10, 2003 (this "Agreement"), by and between Reckson Associates Realty Corp., a Maryland corporation (the "Company"), and Scott Rechler (the "Executive").

WHEREAS, the Company and the Executive are currently parties to an amended and restated Employment Agreement and Noncompetition Agreement, dated August 15, 2000 (the "Employment Agreement");

WHEREAS, pursuant to (i) the Redemption Agreement (the "Redemption Agreement"), dated September 10, 2003, by and between ROP and Reckson FS Limited Partnership ("Reckson FS") as transferor and Rechler Equity Partners I LLC ("RALI I") as transferee, and (ii) the Property Sale Agreement (the "Property Sale Agreement," and together with the Redemption Agreement, the "Purchase Agreements"), dated September 10, 2003, by and between ROP and Reckson FS as seller and Rechler Equity Partners II LLC ("RALI II," and together with RALI I, the "RALI Entities") as purchaser, the RALI Entities will acquire certain properties currently owned by ROP and/or its subsidiaries (the "Properties"); and

WHEREAS, in connection with the transactions contemplated by the Purchase Agreements, the Company and the Executive desire to amend the terms of the noncompetition covenant contain in the Employment Agreement.

NOW, THEREFORE, in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged by the Executive, the Company and the Executive hereby covenant and agree as follows:

1. Section 8(d) of the Employment Agreement is hereby renumbered to Section 8(f) and the following new sections 8(d) and (e) are hereby added to the Employment Agreement:

"(d) Notwithstanding anything contained herein to the contrary, Executive is not prohibited by this Section 8 from holding an ownership interest, in any form, directly or indirectly, in either of the RALI Entities, their respective affiliates or any other entity in which one or more members of the Rechler family, directly or indirectly, in the aggregate, hold a majority ownership interest, in each case, so long as Executive does not exercise any rights to actively manage or actively operate the business of any such entity; provided, however, that this Section 8(d) shall not allow Executive, through any ownership interest permitted by this Section 8(d), to maintain any economic interest in any office property in any of the submarkets throughout the tri-state metropolitan area of New York, New Jersey and Connecticut.

(e) The Company hereby waives any policy that would in any way restrict the Executive's ability to hold an ownership interest in either or the RALI Entities, any of their respective affiliates, or any other entity in which any member of the Rechler family, directly or indirectly, in the aggregate, hold a majority ownership interest, so long as Executive does not exercise any rights to actively manage or actively operate the business of any such entity, so long as Executive, through any ownership interest permitted by this Section 8(e), does not maintain any economic interest in any office property in any of the submarkets throughout the tri-state metropolitan area of New York, New Jersey and Connecticut; provided, however, that nothing herein shall modify the Executive's fiduciary duties as an officer and director of the Company."

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

RECKSON ASSOCIATES REALTY CORP.

By: /s/ JASON M. BARNETT

Name: Jason M. Barnett
Title: Executive Vice President

EXECUTIVE

/s/ Scott Rechler

Scott Rechler

EXHIBIT 99.1

PRESS RELEASE
- -------------

RECKSON ASSOCIATES REALTY CORP.
225 BROADHOLLOW ROAD
MELVILLE, NY 11747
(631) 694-6900 (PHONE)
(631) 622-6790 (FACSIMILE)
CONTACT: SCOTT RECHLER, CO-CEO
MICHAEL MATURO, CFO

- ----------

FOR IMMEDIATE RELEASE
- ---------------------

RECKSON ASSOCIATES ANNOUNCES STRATEGIC PLAN AND SALE OF LONG ISLAND INDUSTRIAL PORTFOLIO

COMPANY TO FOCUS ON CLASS A OFFICE PROPERTIES WITH STREAMLINED MANAGEMENT, REDUCED G&A COSTS AND RECONSTITUTED BOARD COMPRISED OF 75% INDEPENDENT DIRECTORS

(MELVILLE, NEW YORK, SEPTEMBER 10, 2003) - RECKSON ASSOCIATES REALTY CORP. (NYSE: RA) today announced that it is taking the next step in its evolution with a strategic plan to focus on Class A office properties, reduce costs and significantly improve its corporate governance. The Company will sell its Long Island industrial portfolio to the Rechler family for approximately $315.5 million in cash and other consideration. Upon completion of the strategic plan, Reckson will be an owner and manager of primarily Class A office real estate in the New York Tri-State area with a significant presence in Manhattan and each of the New York Tri-State area suburban markets. The Company will have substantially reduced overhead and a reconstituted Board of Directors and management team, to be led by current Co-Chief Executive Officer Scott Rechler.

Under the terms of the transaction, Reckson is disposing of its 95 property, 5.9 million square foot, Long Island industrial portfolio for approximately $225.1 million in cash and debt assumption and approximately $90.4 million in Reckson Operating Partnership Units. In connection with the transaction it is anticipated that approximately $164 million of the Company's unsecured revolving credit facility will be repaid and $50 million of the Company's 8.85% Series B preferred stock will be redeemed.

Commenting on the transaction, Donald Rechler, the Company's current Chairman and one of its co-founders, stated, "This transaction represents a natural next step in the Company's 45-year history. Since becoming a public company in 1995, we have successfully grown the portfolio fourfold and transformed a Long Island based family

partnership into a $3.1 billion New York Stock Exchange listed company establishing the only Class A office portfolio with a significant presence in New York City and each of the surrounding suburban markets. I am extremely proud of what we have accomplished to date and believe that this next step will enable the Company to achieve a higher level of success."

In conjunction with this transaction, Reckson announces its commitment to become a leader in corporate governance by:

- Reconstituting its Board to consist of six independent directors and two inside directors
- Proposing to de-stagger its Board of Directors at its next Annual Shareholders Meeting
- Eliminating Operating Partnership Units conflict - no divergent tax basis of insiders
- Opting out of State Anti-Takeover Provisions
- Authorizing modification of the ownership limit relating to "five or fewer rule"
- Establishing an independent Lead Director and Chairman of the Nominating/Governance Committee
- Maintaining Audit, Compensation and Nominating/Governance Committees made up solely of independent directors

As a result of the transaction, Reckson's Board will consist of Donald Rechler, who will become non-executive Chairman, Scott Rechler, who will serve as Chief Executive Officer and President, and six independent directors. Additionally,

the Company will restructure its current management team with the resignations of Donald Rechler, Co- Chief Executive Officer, Roger Rechler, Executive Vice President of Development, Gregg Rechler, Co-President and Chief Operating Officer, and Mitchell Rechler, Co- President and Chief Administrative Officer. As part of this transaction and in settlement of their employment agreements, these executives will receive accelerated vesting of certain equity based awards and an assignment of certain loans to the Company. Additionally, these exiting executives have agreed to provide two-year commitments to assist the Company in this transition.

The Company intends to promote from within its talented management pool to fill the management vacancies resulting from this transaction and announces the appointment of Michael Maturo to serve as Chairman of the newly created Investment Committee, in addition to his current role as Chief Financial Officer and Executive Vice President; Salvatore Campofranco, currently Managing Director of the Company's Westchester/Connecticut Division, as Chief Operating Officer and Executive Vice President; F.D. Rich III, currently Chief Information Officer, as Chief Administrative Officer and Executive Vice President; and Philip Waterman III ("Tod") as Chief Development Officer and Executive Vice President, in addition to continuing his role as Managing Director of the Company's New York City Division.

Michael Maturo, Reckson's Chief Financial Officer, commented, "The immediate financial impact of this transaction will be to substantially reduce the Company's debt. Over time, the restructuring will better position the Company to further strengthen its balance sheet and provide greater financial flexibility to fund future growth opportunities. In addition, as a result of the reduction in G&A associated with the disposition of the Long Island industrial portfolio, the management restructuring and certain other savings, the Company expects to realize a reduction in its annual corporate G&A and other overhead costs of approximately $9.5 million."

Commenting on this transaction, Scott Rechler, Reckson's Co-Chief Executive Officer, stated, "I am personally excited to lead Reckson into this next phase of its development and am confident we are taking the right steps to best position the Company for the future. This transaction will allow Reckson to focus on building the premier office company in the New York Tri-State area and better align the Company with its shareholders by maintaining the highest corporate governance standards." Mr. Rechler further commented, "We are fortunate to have built a talented team that is capable of filling the key roles in the restructured management of the Company."

As a sign of confidence in the future of the Company, Scott Rechler has committed to purchasing $2.5 million of the Reckson's Class A common stock in the open market.

The Company will provide additional commentary on the impact of this transaction to its earnings during its conference call on September 11, 2003.

The transaction, which is subject to customary closing conditions, is expected to close in the fourth quarter 2003. Reckson's independent directors were advised on the transaction by Citigroup and Wachtell, Lipton, Rosen & Katz, LLP and the Rechler family was advised on the transaction by Fried, Frank, Harris, Shriver, & Jacobson.

Reckson Associates Realty Corp. is a self-administered and self-managed real estate investment trust (REIT) specializing in the acquisition, leasing, financing, management and development of office and industrial properties.

Reckson's core growth strategy is focused on the markets surrounding and including New York City. The Company is one of the largest publicly traded owners, managers and developers of Class A office and industrial properties in the New York Tri-State area, with 182 properties comprised of approximately 20.7 million square feet either owned or controlled. For additional information on Reckson Associates Realty Corp., please visit the Company's web site at WWW.RECKSON.COM.

CONFERENCE CALL AND WEBCAST

The Company will host a conference call on Thursday, September 11, 2003 at 10:45 a.m. EST outlining this strategic plan. The conference call may be accessed by dialing (800) 230-1096 (internationally (612) 332-0226). No passcode is required. The live

conference call will also be webcast in a listen-only mode on the Company's web site at WWW.RECKSON.COM, in the Investor Relations section.

A replay of the conference call will be available telephonically from September 11, 2003 at 4:00 p.m. EST through September 19, 2003 at 11:59 p.m. EST. The telephone number for the replay is (800) 475-6701, passcode 698244. A replay of the webcast of the conference call will also be available via the Company's web site.

A Slide Show Presentation will be made available prior to the Company's conference call on the Company's web site at WWW.RECKSON.COM in the Investor Relations section, by e-mail to those on the Company's distribution list, as well as by mail or fax upon request. To be added to the Company's e-mail distribution list or to receive a copy of the slide show by mail or fax, please contact Susan McGuire, Investor Relations, Reckson Associates Realty Corp., 225 Broadhollow Road, Melville, New York 11747- 4883, INVESTORRELATIONS@RECKSON.COM or telephone number (631) 622-6746.

CERTAIN MATTERS DISCUSSED HEREIN, INCLUDING GUIDANCE CONCERNING THE COMPANY'S FUTURE PERFORMANCE, 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; FINANCIAL CONDITION OF OUR TENANTS; CHANGES IN THE SUPPLY OF AND DEMAND FOR OFFICE AND INDUSTRIAL/R&D properties in the New York Tri-State area; CHANGES IN INTEREST RATE LEVELS; DOWNTURNS IN RENTAL RATE LEVELS IN OUR MARKETS AND OUR ABILITY TO LEASE OR RE-LEASE SPACE IN A TIMELY MANNER AT CURRENT OR ANTICIPATED RENTAL RATE LEVELS; THE AVAILABILITY OF FINANCING TO US OR OUR TENANTS; CHANGES IN OPERATING COSTS, INCLUDING UTILITY, SECURITY AND INSURANCE COSTS; REPAYMENT OF DEBT OWED TO THE COMPANY BY THIRD PARTIES (INCLUDING FRONTLINE CAPITAL GROUP); RISKS ASSOCIATED WITH JOINT VENTURES; LIABILITY FOR UNINSURED LOSSES OR ENVIRONMENTAL MATTERS; AND OTHER RISKS ASSOCIATED WITH THE DEVELOPMENT AND ACQUISITION OF PROPERTIES, INCLUDING RISKS THAT DEVELOPMENT MAY NOT BE COMPLETED ON SCHEDULE, THAT THE TENANTS WILL NOT TAKE OCCUPANCY OR PAY RENT, OR THAT DEVELOPMENT OR OPERATING COSTS MAY BE GREATER THAN ANTICIPATED. 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 PRESS RELEASE.

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[Reckson Associates Logo] ESTIMATED EARNINGS IMPACT/GUIDANCE(a)

2003

o Fourth Quarter Estimated Restructuring Charges	(in millions)
- Settlement of Employment Contracts	$10.3
- Other Restructure Costs	0.7
Total	$11.0

2004

o Overhead Savings	
- Corporate G&A Savings	$7.5(b)
- Other Company Overhead	2.0
Total Anticipated Overhead Savings	$9.5

o Preliminary 2004 Earnings Guidance
- $2.20 - $2.30 FFO per share (c)

o No change to dividend policy expected as a result of this transaction

(a) Forward-looking statements based upon management's estimates. Actual results may differ materially.
(b) Includes cost of equity compensation programs
(c) A reconciliation of FFO to net income allocable to common shareholders, the GAAP measure the Company believes to be the most directly comparable, is in the appendix to this presentation

	Low End of Guidance for 2004 (Per Common Share)	High End of Guidance for 2004 (Per Common Share)
Net income allocable to common shareholders	$ .71	$ .81
Add:		
Real Estate Depreciation and Amortization	1.49	1.49
Funds From Operations	$2.20	$2.30