SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report: August 15, 2000

RECKSON ASSOCIATES REALTY CORP.
and
RECKSON OPERATING PARTNERSHIP, L.P.
(Exact name of each Registrant as specified in its Charter)

Reckson Associates Realty Corp. - Maryland Reckson Operating Partnership, L.P. - Delaware (State or other jurisdiction of incorporation or organization)	Reckson Associates Realty Corp. - 11-3233650 Reckson Operating Partnership, L.P. - 11-3233647 (IRS Employer ID Number)

1-13762
(Commission File Number)

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

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

Item 5. Other Events

Rights Agreement
- ----------

On October 13, 2000, the Board of Directors of Reckson authorized a dividend distribution of one preferred share purchase right (a "Right") for each outstanding share of common stock, par value $.01 per share (the "Common Shares"), of Reckson. The dividend is payable to the stockholders of record on October 27, 2000 (the "Record Date"), and with respect to Common Shares issued thereafter until the Distribution Date (as defined below) and, in certain circumstances, with respect to Common Shares issued after the Distribution Date. Except as set forth below, each Right, when it becomes exercisable, entitles the registered holder to purchase from Reckson one one-thousandth of a share of Series C Junior Participating Preferred Stock, $.01 par value per share (the "Preferred Shares"), of Reckson at a price of $84.44 per one one-thousandth of a Preferred Share (the "Purchase Price"), subject to adjustment. The description and terms of the Rights are set forth in a Rights Agreement (the "Rights Agreement") between Reckson and American Stock Transfer & Trust Company, as Rights Agent (the "Rights Agent"), dated as of October 12, 2000.

Concurrently with Reckson's declaration of a dividend distribution of Rights, Reckson's primary subsidiary, Reckson Operating Partnership, L.P. ("ROP") has declared a dividend distribution to its common unitholders (including Reckson) of preferred unit purchase rights. These preferred unit purchase rights are analogous to the Rights and carry rights and terms entitling ROP's common unitholders to similar benefits as those conveyed to holders of Common Shares upon a "Distribution Date" (as defined below).

Initially, the Rights will be attached to all certificates representing Common Shares then outstanding, and no separate Right Certificates will be distributed. The Rights will separate from the Common Shares upon the earliest to occur of (i) the date of first public announcement that an Acquiring Person (as defined below) has become such; or (ii) 10 days (or such later date as the Board may determine) following the commencement of, or announcement of an intention to make, a tender offer or exchange offer the consummation of which would result in a person or group becoming an Acquiring Person (as defined below) (the earliest of such dates being called the "Distribution Date"). Subject to certain exceptions, an "Acquiring Person" is any person who or which together with all affiliates and associates is the beneficial owner of 15% or more of the outstanding Common Shares (except pursuant to a Permitted Offer (as defined below)). The date of first public announcement that a person or group has become an Acquiring Person is the "Shares Acquisition Date." The Rights Agreement provides that, until the Distribution Date, the Rights will be transferred with and only with the Common Shares. Until the Distribution Date (or earlier redemption or expiration of the Rights) new Common Share certificates issued after the Record Date upon transfer or new issuance of Common Shares will contain a notation incorporating the Rights Agreement by reference. Until the Distribution Date (or earlier redemption or expiration of the Rights), the surrender for transfer of any certificates for Common Shares outstanding as of the Record Date will also constitute the transfer of the Rights associated with the Common Shares represented by such certificate. As soon as practicable following the Distribution Date, separate certificates representing the Rights ("Right Certificates") will be mailed to holders of record of the Common Shares as of the close of business on the Distribution Date (and to each initial record holder of certain Common Shares issued after the Distribution Date), and such separate Right Certificates alone will represent the Rights.

The Rights are not exercisable until the Distribution Date and will expire at the close of business on October 13, 2010, unless earlier redeemed by Reckson as described below.

In the event that any person becomes an Acquiring Person or an affiliate or associate thereof (except pursuant to a tender or exchange offer which is for all outstanding Common Shares at a price and on terms which a majority of certain members of the Board of Directors determines to be adequate and in the best interests of Reckson and its stockholders, other than such Acquiring Person, its affiliates and associates (a "Permitted Offer")), each holder of a Right will thereafter have the right (the "Flip-In Right") to receive upon exercise the number of Common Shares or of one one-thousandth of a Preferred Share (or, in certain circumstances, other securities of Reckson) having a value (immediately prior to such triggering event) equal to two times the exercise price of the Right. Notwithstanding the foregoing, following the occurrence of the event described above, all Rights that are, or (under certain circumstances specified in the Rights Agreement) were, beneficially owned by any Acquiring Person or any affiliate or associate thereof will be null and void.

In the event that, at any time following the Shares Acquisition Date, (i) Reckson is acquired in a merger or other business combination transaction in which the holders of all of the outstanding Common Shares immediately prior to the consummation of the transaction are not the holders of all of the surviving corporation's voting power, or (ii) more than 50% of Reckson's assets or earning power is sold or transferred, in either case with or to an Acquiring Person or any affiliate or associate or any other person in which such Acquiring Person, affiliate or associate has an interest or any person acting on behalf of or in concert with such Acquiring Person, affiliate or associate, or, if in such transaction all holders of Common Shares are not treated alike, any other person, then each holder of a Right (except Rights which previously have been voided as set forth above) shall thereafter have the right (the "Flip-Over Right") to receive, upon exercise, common shares of the acquiring company (or in certain circumstances, its parent) having a value equal to two times the exercise price of the Right. The holder of a Right will continue to have the Flip-Over Right whether or not such holder exercises or surrenders the Flip-In Right.

The Purchase Price payable, and the number of Preferred Shares, Common Shares or other securities issuable, upon exercise of the Rights are subject to adjustment from time to time to prevent dilution (i) in the event of a stock dividend on, or a subdivision, combination or reclassification of, the Preferred Shares, (ii) upon the grant to holders of the Preferred Shares of certain rights or warrants to subscribe for or purchase Preferred Shares at a price, or securities convertible into Preferred Shares with a conversion price, less than the then current market price of the Preferred Shares or (iii) upon the distribution to holders of the Preferred Shares of evidences of indebtedness or assets (excluding regular quarterly cash dividends) or of subscription rights or warrants (other than those referred to above).

The number of outstanding Rights and the number of one one-thousandths of a Preferred Share issuable upon exercise of each Right are also subject to adjustment in the event of a stock split of the Common Shares or a stock dividend on the Common Shares payable in Common Shares or subdivisions, consolidations or combinations of the Common Shares occurring, in any such

case, prior to the Distribution Date.

Preferred Shares purchasable upon exercise of the Rights will not be redeemable. Each Preferred Share will be entitled to a minimum preferential quarterly dividend payment of $10.00 per share but, if greater, will be entitled to an aggregate dividend per share of 1,000 times the dividend declared per Common Share. In the event of liquidation, the holders of the Preferred Shares will be entitled to the greater of (i) a minimum preferential liquidation payment of $10.00 per share and (ii) an aggregate payment per share of 1,000 times the aggregate payment made per Common Share. The Preferred Shares rank junior to all other classes and series of Reckson's preferred stock with respect to dividends and upon liquidation, unless the terms of such other series provides otherwise. These rights are protected by customary antidilution provisions. In the event that the amount of accrued and unpaid dividends on the Preferred Shares is equivalent to six full quarterly dividends or more, the holders of the Preferred Shares, subject to certain limitations, shall have the right, voting as a class, to elect two directors in addition to the directors elected by the holders of the Common Shares until all cumulative dividends on the Preferred Shares have been paid through the last quarterly dividend payment date.

With certain exceptions, no adjustment in the Purchase Price will be required until cumulative adjustments require an adjustment of at least 1% in such Purchase Price. No fractional Preferred Shares will be issued (other than fractions which are one one-thousandth or integral multiples of one one-thousandth of a Preferred Share, which may, at the election of Reckson, be evidenced by depositary receipts) and in lieu thereof, an adjustment in cash will be made based on the market price of the Preferred Shares on the last trading day prior to the date of exercise.

At any time prior to the earlier to occur of (i) a person becoming an Acquiring Person or (ii) the expiration of the Rights, and under certain other circumstances, Reckson may redeem the Rights in whole, but not in part, at a price of $0.01 per Right (the "Redemption Price") which redemption shall be effective upon the action of the Board of Directors. Additionally, following the time a person becomes an Acquiring Person and subject to certain other conditions, Reckson may redeem the then outstanding Rights in whole, but not in part, at the Redemption Price, in certain circumstances, including redemption in connection with a merger or other business combination transaction or series of transactions involving Reckson in which all holders of Common Shares are treated alike but not involving (other than as a holder of Common Shares being treated like all other holders) an Acquiring Person or its affiliates or associates (or certain persons acting on behalf of or in concert with such persons, affiliates or associates). The payment of the Redemption Price may be deferred under certain circumstances as contemplated in the Rights Agreement.

All of the provisions of the Rights Agreement may be amended by the Board of Directors of Reckson prior to the Distribution Date. After the Distribution Date, the provisions of the Rights Agreement may be amended by the Board of Directors in order to cure any ambiguity, defect or inconsistency, to make changes which do not adversely affect the interests of holders of Rights (excluding the interests of any Acquiring Person), or, subject to certain limitations, to shorten or lengthen any time period under the Rights Agreement.

Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of Reckson, including, without limitation, the right to vote or to receive dividends. While the distribution of the Rights will not be taxable to stockholders of Reckson, stockholders may, depending upon the circumstances, recognize taxable income should the Rights become exercisable or upon the occurrence of certain events thereafter.

Joint Venture
- -------------

On September 28, 2000, a subsidiary of Teachers Insurance and Annuity Association of America ("TIAA") purchased from a subsidiary of ROP for approximately $136,000,000, a 49% interest in RT Tri-State LLC ("RT Tri-State"), the owner of all of the interests in the following properties (collectively, the "Properties"): 680 Washington Boulevard and 750 Washington Boulevard, Stamford, Connecticut; 51 JFK Parkway, Short Hills, New Jersey; 400 Garden City Plaza, Garden City, New York; 120 White Plains Road, Tarrytown, New York (which Property includes 100 White Plains Road); 1305 Walt Whitman Road, Melville, New York; 90 Merrick Avenue, East Meadow, New York (a ground leasehold interest); and 275 Broadhollow Road, Melville, New York.

A Reckson subsidiary ("Operating Member") will serve as the operating member of RT Tri-State, maintaining responsibility for the day-to-day operations of RT Tri-State. TIAA maintains certain protective rights relative to its investment whereby its consent may be required for certain transactions (e.g., affiliated transactions and financings which do not meet certain guidelines). If the Operating Member transfers its interest in RT Tri-State, or a change of control occurs with respect to the Operating Member or certain affiliates of the Operating Member, under certain limited circumstances TIAA may elect to cause the Operating Member to purchase TIAA's interest in RT

Tri-State.

Each Property will be managed by Reckson Management Group, Inc. ("RMG") in accordance with a management agreement by and between RMG and the owner of each Property, pursuant to which RMG shall receive market rate management fees. RMG shall also be entitled to receive leasing commissions, and Reckson Construction Group, Inc. shall be entitled to receive construction supervisory fees and architectural and engineering fees, unless certain limited conditions set forth in the applicable management agreement occur.

Credit Facility
- ---------------

ROP has entered into an unsecured revolving credit facility with The Chase Manhattan Bank ("Chase"), as Administrative Agent, UBS Warburg LLC ("UBS"), as Syndication Agent, Deutsche Bank, as Documentation Agent, and Chase Securities Inc. and UBS as Joint Lead Arrangers and Joint Book Managers (the "Credit Facility"). The Credit Facility matures on September 7, 2003. This Credit Facility amends and restates a revolving credit agreement that was entered into by ROP, an affiliate of ROP, Chase, UBS, Deutsche Bank and certain of the Lenders on July 23, 1998 and amended on August 31, 1999 and September 27, 1999. The Credit Facility is unconditionally guaranteed by Reckson and certain other entities owned by ROP. The Credit Facility provides for a maximum borrowing amount of up to $575 million at any time outstanding. ROP's ability to borrow under the Credit Facility will be subject to the satisfaction of, among other things, certain financial covenants, including covenants relating to limitations on unsecured and secured borrowings, a minimum fixed charge coverage ratio, a minimum combined equity value, a minimum unsecured interest coverage ratio, a minimum adjusted unencumbered net operating income, a maximum dividend payout ratio, and a minimum total interest coverage ratio. Borrowings under the Credit Facility will bear interest, at the option of ROP, at (i) the Base Rate or (ii) the Eurodollar Rate plus the Applicable Margin (as defined in the Credit Facility), ranging from 0.75%-1.25%, depending upon certain terms of the Credit Facility. (Currently, the Applicable Margin for Eurodollar loans is 1.05%). The Base Rate is defined as the fluctuating rate equal to the higher of: (i) the rate of interest announced publicly by Chase in New York, New York from time to time, as Chase's prime rate; and (ii) the sum of (A) one-half of one percent (0.50%) per annum plus (B) the federal funds rate in effect from time to time during such period. The Eurodollar Rate is generally the rate for U.S. dollar deposits for one, two, three or six months which appears on Telerate Page 3750 as of 11:00 A.M. London time, three business days prior to the beginning of the applicable interest period, as adjusted for applicable reserve requirements.

Employment and Noncompetition Agreements and Severance Agreements
- --

Reckson has entered into employment and noncompetition agreements and severance agreements with its executive officers (collectively, the "Executive Officers"). Each of the agreements has a 5 year term. However, in the event of a "change of control" (as such term is defined in the applicable agreement), each severance agreement automatically extends the term of the corresponding employment agreement until the later of (i) the date on which the employment and noncompetition agreement otherwise would have expired and (ii) the date which is 60 months after the end of the calendar year in which such change in control occurs. Each agreement provides for certain benefits in the event of termination of the Executive Officer by Reckson without "good reason" (as such term is defined in the applicable agreement), resignation by the Executive Officer upon a material breach of the agreement by Reckson or a change in control of Reckson. These benefits include the continued payment of the Executive Officer's base salary during the remaining term of the agreement, immediate vesting of all equity awards as well as continued entitlement to receive other benefits conferred under the applicable agreement for such remaining term. The agreements also provide certain specified benefits in the event of the death or disability of the Executive Officer.

In addition, such employment and noncompetition agreements, subject to certain exceptions, prohibit each such Executive Officer from engaging, directly or indirectly, during the term of his employment, in any business (other than FrontLine Capital Group and its affiliates) which engages or attempts to engage in, directly or indirectly, the acquisition, development, construction, operation, management or leasing of any industrial or office real estate property in any of the submarkets throughout the tri-state metropolitan area of New York, New Jersey and Connecticut in which Reckson operates ("Competitive Activities"). These employment and noncompetition agreements also prohibit such persons from engaging, directly or indirectly, during a specified noncompetition period in any Competitive Activities, subject to certain limited exceptions. The noncompetition period for each such Executive Officer is the period beginning on the date of the termination of employment and ending on the later of (i) the first anniversary of such person's termination of employment with the Company and (ii) the third anniversary of the person's prior employment and noncompetition agreement.

Amendment to Bylaws
- -------------------

The Board of Directors of Reckson has also adopted a new bylaw provision that permits the directors, in considering a potential acquisition of control of Reckson, to consider the effect of the potential acquisition of control on (i) stockholders of Reckson and unitholders of ROP, and employees, suppliers, customers and creditors of Reckson and its subsidiaries and (ii) communities in which offices or other establishments of Reckson or its subsidiaries are located.

Item 7. Financial Statements and Exhibits

(c) Exhibits

4 Rights Agreement, dated as of October 13, 2000, between Reckson Associates Realty Corp. and American Stock Transfer & Trust Company, as Rights Agent, which includes, as Exhibit A thereto, the Form of Articles Supplementary, as Exhibit B thereto, the Form of Right Certificate, and as Exhibit C thereto, the Summary of Rights to Purchase Preferred Shares.

10.1 $575 Credit Facility dated as of September 7, 2000 among Reckson Operating Partnership, L.P., The Chase Manhattan Bank, UBS Warburg Dillon Read, Deutsche Bank and Chase Securities Inc.

10.2 Guaranty Agreement dated as of September 7, 2000 among Reckson Associates Realty Corp., The Chase Manhattan Bank and UBS Warburg LLC.

10.3 Operating Agreement, dated as of September 28, 2000, between Reckson Tri-State Member LLC (together with its permitted successors and assigns) and TIAA Tri-State LLC.

10.4 Form of Property Management and Leasing Agreement.

10.5 Amendment and Restatement of Employee and Noncompetition Agreement, dated as of August 15, 2000, between Donald J. Rechler and Reckson Associates Realty Corp.

10.6 Amendment and Restatement of Severance Agreement, dated as of August 15, 2000, between Donald J. Rechler and Reckson Associates Realty Corp.

10.7 Amendment and Restatement of Employee and Noncompetition Agreement, dated as of August 15, 2000, between Gregg Rechler and Reckson Associates Realty Corp.

10.8 Amendment and Restatement of Severance Agreement, dated as of August 15, 2000, between Gregg Rechler and Reckson Associates Realty Corp.

10.9 Amendment and Restatement of Employee and Noncompetition Agreement, dated as of August 15, 2000, between Michael Maturo and Reckson Associates Realty Corp.

10.10 Amendment and Restatement of Severance Agreement, dated as of August 15, 2000, between Michael Maturo and Reckson Associates Realty Corp.

10.11 Amendment and Restatement of Employee and Noncompetition Agreement, dated as of August 15, 2000, between Mitchell Rechler and Reckson Associates Realty Corp.

10.12 Amendment and Restatement of Severance Agreement, dated as of August 15, 2000, between Mitchell Rechler and Reckson Associates Realty Corp.

10.13 Amendment and Restatement of Employee and Noncompetition Agreement, dated as of August 15, 2000, between Scott Rechler and Reckson Associates Realty Corp.

10.14 Amendment and Restatement of Severance Agreement, dated as of August 15, 2000, between Scott Rechler and Reckson Associates Realty Corp.

10.15 Amendment and Restatement of Employee and Noncompetition Agreement, dated as of August 15, 2000, between Roger Rechler and Reckson Associates Realty Corp.

10.16 Amendment and Restatement of Severance Agreement dated as of August 15, 2000, between Roger Rechler and Reckson Associates Realty Corp.

10.17 Amendment and Restatement of Employee and Noncompetition Agreement, dated as of August 15, 2000, between Jason Barnett and Reckson Associates Realty Corp.

10.18 Amendment and Restatement of Severance Agreement, dated as of August 15, 2000, between Jason Barnett and Reckson Associates Realty Corp.

10.19 Amended and Restated Bylaws of Reckson Associates Realty Corp.

99 Press release dated October 16, 2000.

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 thereunto duly authorized.

RECKSON ASSOCIATES REALTY CORP.

By: /s/ Michael Maturo

Michael Maturo
Executive Vice President
and Chief Financial Officer

RECKSON OPERATING PARTNERSHIP, L.P.

By: Reckson Associates Realty Corp.,
its General Partner

By: /s/ Michael Maturo

Michael Maturo
Executive Vice President
and Chief Financial Officer

Date: October 17, 2000

RECKSON ASSOCIATES REALTY CORP.

and

AMERICAN STOCK TRANSFER & TRUST COMPANY

RIGHTS AGREEMENT

Dated as of October 13, 2000

TABLE OF CONTENTS

Defined Term Cross Reference Sheet

Term	Location
Acquire	Exhibit A (9)(n)
Acquiring Person	Section 1(a)
Act	Section 1(b)
Adjustment Shares	Section 11(a)(ii)
Adjusted Number of Shares	Section 11(a)(iii)
Adjusted Purchase Price	Section 11(a)(iii)
Affiliate	Section 1(c)
Agreement	Preface
Associate	Section 1(c)
Beneficial Owner	Section 1(d)
Beneficial Ownership	Exhibit A (9)(n)
Beneficially Own	Section 1(d)
Business Day	Section 1(e)
Capital Stock	Exhibit A (9)(n)
Capital Stock Equivalent	Section 11(a)(iii)
Charitable Beneficiary	Exhibit A (9)(n)
Charter	Exhibit A
Close of Business	Section 1(f)
Code	Exhibit A (9)(n)
Common Equity	Exhibit A (9)(n)
Common Shares	Section 1(g)
Common Shares	Section 1(g)
Constructive Ownership	Exhibit A (9)(n)
Corporation	Preface
Current Market Price	Exhibit A (9)(n)
Current Per Share Market Price	Section 11(d)(i)
Distribution Date	Section 3(a)
Documents	Section 18
equivalent preferred shares	Section 11(b)
Excess Shares	Section 1(i)
Exchange Act	Section 1(c)
Exchange Ratio	Section 24(a)
Fair Market Value	Exhibit A (9)(n)
Final Expiration Date	Section 7(a)
Interested Stockholder	Section 1(k)
IRS	Exhibit A (9)(n)
Liquidation	Exhibit A(3)
Nasdaq	Section 11(d)(i)
Ownership	Section 1(l)
Ownership Limit	Exhibit A (9)(n)
Ownership Limited Holder	Section 1(m)
Permitted Offer	Section 1(n)
Person	Section 1(o)
Preferred Shares	Section 1(p)
Principal Party	Section 13(b)
Proration Factor	Section 11(a)(iii)
Purchase Price	Section 4(a)
Purported Beneficial Transfer	Exhibit A (9)(n)
Purported Record Transfer	Exhibit A (9)(n)
Quarterly Dividend Payment Date	Exhibit A 2(a)
Record Date	Preface
Redemption Date	Section 7(a)
Redemption Price	Section 23(a)(i)
Right	Preface
Right Certificate	Section 3(a)
Rights Agent	Preface
Rights Agreement	Section 3(c)
Section 11(a)(ii) Event	Section 11(a)(ii)
Section 13 Event	Section 13(a)
Security	Section 11(d)(i)
Shares Acquisition Date	Section 1(t)
Series C Preferred Equity Stock	Exhibit A (9)(n)
Subsidiary	Section 1(u)
Summary of Rights	Section 3(b)
then outstanding	Section 1(d)(iii)
Trading Day	Section 11(d)(i)
Transfer	Exhibit A (9)(n)
Transfer Agent	Exhibit A (9)(n)
Trust	Exhibit A (9)(n)
Trustee	Exhibit A (9)(n)
Triggering Event	Section 1(v)
Voting Securities	Section 13(a)

RIGHTS AGREEMENT

RIGHTS AGREEMENT, dated as of October 13, 2000 (this "Agreement"), between Reckson Associates Realty Corp., a Maryland corporation (the "Corporation"), and American Stock Transfer & Trust Company (the "Rights Agent").

The Board of Directors of the Corporation has authorized a dividend of one preferred share purchase right (a "Right") for each Common Share (as hereinafter defined) of the Corporation outstanding at the Close of Business on October 27, 2000 (the "Record Date"), each Right representing the right to purchase one one-thousandth of a Preferred Share (as hereinafter defined), upon the terms and subject to the conditions herein set forth, and has further authorized and directed the issuance of one Right with respect to each Common Share that shall become outstanding between the Record Date and the earliest of the Distribution Date, the Redemption Date or the Final Expiration Date (as such terms are hereinafter defined); provided, however, that Rights may be issued with respect to Common Shares that shall become outstanding after the Distribution Date and prior to the earlier of the Redemption Date and the Final Expiration Date in accordance with the provisions of Section 22 of this Agreement.

Accordingly, in consideration of the promises and the mutual agreements herein set forth, the parties hereby agree as follows:

Section 1. Certain Definitions.

For purposes of this Agreement, the following terms have the meanings indicated:

(a) "Acquiring Person" shall mean any Person who or which, together with all Affiliates and Associates of such Person, shall be the Beneficial Owner of 15% or more of the then outstanding Common Shares (other than as a result of a Permitted Offer (as hereinafter defined)) or was such a Beneficial Owner at any time after the date hereof, whether or not such person continues to be the Beneficial Owner of 15% or more of the then outstanding Common Shares. Notwithstanding the foregoing, (A) the term "Acquiring Person" shall not include (i) the Corporation, (ii) any Subsidiary of the Corporation, (iii) any employee benefit plan of the Corporation or of any Subsidiary of the Corporation, (iv) any Person or entity organized, appointed or established by the Corporation for or pursuant to the terms of any such plan, or (v) any Person, who or which together with all Affiliates and Associates of such Person becomes the Beneficial Owner of 15% or more of the then outstanding Common Shares as a result of the acquisition of Common Shares directly from the Corporation and (B) no Person shall be deemed to be an "Acquiring Person" either (X) as a result of the acquisition of Common Shares by the Corporation which, by reducing the number of Common Shares outstanding, increases the proportional number of shares beneficially owned by such Person together with all Affiliates and Associates of such Person; except that if (i) a Person would become an Acquiring Person (but for the operation of this subclause X) as a result of the acquisition of Common Shares by the Corporation, and (ii) after such share acquisition by the Corporation, such Person, or an Affiliate or Associate of such Person, becomes the Beneficial Owner of any additional Common Shares, then such Person shall be deemed an Acquiring Person, or (Y) if such Person became an Acquiring Person inadvertently, (i) promptly after such Person discovers that such Person would otherwise have become an Acquiring Person (but for the operation of this subclause Y), such Person notifies the Board of Directors that such Person did so inadvertently and (ii) within 2 days after such notification, such Person is the Beneficial Owner of less than 15% of the outstanding Common Shares.

(b) "Act" shall mean the Securities Act of 1933, as amended and as in effect on the date of this Agreement.

(c) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended and in effect on the date of this Agreement (the "Exchange Act").

(d) A Person shall be deemed the "Beneficial Owner" of and shall be deemed to "Beneficially Own" any securities:

(i) which such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly;

(ii) which such Person or any of such Person's Affiliates or Associates has (A) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, rights (other than the Rights), warrants or options, or otherwise; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to Beneficially Own, securities tendered pursuant to a tender or

exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange; or (B) the right to vote pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to Beneficially Own, any security if the agreement, arrangement or understanding to vote such security (1) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act and (2) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(iii) which are beneficially owned, directly or indirectly, by any other Person (or any Affiliate or Associate thereof) with which such Person (or any of such Person's Affiliates or Associates) has any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities) relating to the acquisition, holding, voting (except to the extent contemplated by the proviso to Section 1(d)(ii)(B)) or disposing of any securities of the Corporation.

Notwithstanding anything in this definition of Beneficial Ownership to the contrary, the phrase "then outstanding," when used with reference to a Person's Beneficial Ownership of securities of the Corporation, shall mean the number of such securities then issued and outstanding together with the number of such securities not then actually issued and outstanding which such Person would be deemed to own beneficially hereunder.

(e) "Business Day" shall mean any day other than a Saturday, Sunday or U.S. federal holiday. ------------

(f) "Close of Business" on any given date shall mean 5:00 P.M., New York City, New York time, on such date; provided, however, that if such date is not a Business Day it shall mean 5:00 P.M., New York City, New York time, on the next succeeding Business Day.

(g) "Common Shares" when used with reference to the Corporation shall mean the shares of class A common stock, par value $.01 per share, of the Corporation or, in the event of a subdivision, combination or consolidation with respect to such Common Shares, the Common Shares resulting from such subdivision, combination or consolidation. "Common Shares" when used with reference to any Person other than the Corporation shall mean the capital stock (or equity interest) with the greatest voting power of such other Person or, if such other Person is a Subsidiary of another Person, the Person or Persons which ultimately control such first-mentioned Person.

(h) "Distribution Date" shall have the meaning set forth in Section 3 hereof.

(i) "Excess Shares" means shares of "Excess Stock" as defined in the Corporation's Articles of Incorporation or "Class B Excess Common" as defined in the articles supplementary establishing the rights and preferences of the Corporation's class B common stock, par value $.01 per share.

(j) "Final Expiration Date" shall have the meaning set forth in Section 7 hereof.

(k) "Interested Stockholder" shall mean any Acquiring Person or any Affiliate or Associate of an Acquiring Person or any other Person in which any such Acquiring Person, Affiliate or Associate has an interest, or any other Person acting directly or indirectly on behalf of or in concert with any such Acquiring Person, Affiliate or Associate.

(l) "Ownership" means ownership of rights or stock of the Corporation by a Person who is or would be treated as an owner of such rights or stock directly or constructively through the application of (a) section 544 of the Internal Revenue Code as modified by section 856(h) of the Internal Revenue Code or (b) section 318 of the Internal Revenue Code as modified by section 856(d)(5) of the Internal Revenue Code. "Owner", "Own" and "Owned" shall have correlative meanings.

(m) "Ownership Limited Holder" means any Owner of Rights who, if such Owner exercised a Right to purchase Preferred Shares, Common Shares or other securities, would in accordance with the terms of the Corporation's Articles of Incorporation (including all articles supplementary) receive a share or shares of stock of the Corporation that are, or which would automatically be converted into, "Excess Shares" in lieu of or exchange for such shares or other securities. To the extent an Owner of Rights may exercise some but not all its Rights without resulting in the receipt or issuance of Excess Shares, such Owner will not be an Ownership Limited Holder until its Ownership level of Rights and stock of the Corporation reaches a level that would, upon exercise of an additional Right, result in receipt or issuance of Excess Shares.

(n) "Permitted Offer" shall mean a tender or exchange offer which is for all outstanding Common Shares at a price and on terms determined, prior

to the purchase of shares under such tender or exchange offer, by at least a majority of the members of the Board of Directors who are not officers of the Corporation and who are not Acquiring Persons or Persons who would become Acquiring Persons as a result of the offer in question or Affiliates, Associates, nominees or representatives of any such Person, to be adequate (taking into account all factors that such Directors deem relevant including, without limitation, prices that could reasonably be achieved if the Corporation or its assets were sold on an orderly basis designed to realize maximum value) and otherwise in the best interests of the Corporation and its stockholders (other than the Person or any Affiliate or Associate thereof on whose behalf the offer is being made) taking into account all factors that such directors may deem relevant.

(o) "Person" shall mean any individual, firm, partnership, corporation, limited liability company, trust, association, joint venture or other entity, and shall include any successor (by merger or otherwise) of such entity.

(p) "Preferred Shares" shall mean shares of Series C Junior Participating Preferred Stock, par value $.01 per share, of the Corporation.

(q) "Redemption Date" shall have the meaning set forth in Section 7 hereof.

(r) "Section 11(a)(ii) Event" shall mean any event described in Section 11(a)(ii) hereof.

(s) "Section 13 Event" shall mean any event described in clause (x), (y) or (z) of Section 13(a) hereof.

(t) "Shares Acquisition Date" shall mean the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to the Exchange Act) by the Corporation or an Acquiring Person that an Acquiring Person has become such; provided, that, if such Person is determined not to have become an Acquiring Person pursuant to Section 1(a)(B)(Y) hereof, then no Shares Acquisition Date shall be deemed to have occurred.

(u) "Subsidiary" of any Person shall mean any corporation or other Person of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by such Person.

(v) "Triggering Event" shall mean any Section 11(a)(ii) Event or any Section 13 Event.

Section 2. Appointment of Rights Agent.

The Corporation hereby appoints the Rights Agent to act as agent for the Corporation in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint such co-Rights Agents as it may deem necessary or desirable upon ten (10) days' prior written notice to the Rights Agent. The Rights Agent shall have no duty to supervise, and shall in no event be liable for, the acts and omissions of any such co-Rights Agent.

Section 3. Issuance of Right Certificates.

(a) Until the earlier of (i) the Shares Acquisition Date or (ii) the Close of Business on the tenth day (or such later date as may be determined by action of the Board of Directors of the Corporation) after the date of the commencement by any Person (other than the Corporation, any Subsidiary of the Corporation, any employee benefit plan of the Corporation or of any Subsidiary of the Corporation or any Person or entity organized, appointed or established by the Corporation for or pursuant to the terms of any such plan) of, or of the first public announcement of the intention of any Person (other than the Corporation, any Subsidiary of the Corporation, any employee benefit plan of the Corporation or of any Subsidiary of the Corporation or any Person or entity organized, appointed or established by the Corporation for or pursuant to the terms of any such plan) to commence (which intention to commence remains in effect for five Business Days after such announcement), a tender or exchange offer the consummation of which would result in any Person becoming an Acquiring Person (including, in the case of both (i) and (ii), any such date which is after the date of this Agreement and prior to the issuance of the Rights), the earlier of such dates being herein referred to as the "Distribution Date," (x) the Rights will be represented (subject to the provisions of Section 3(b) hereof) by the certificates for Common Shares registered in the names of the holders thereof (which certificates shall also be deemed to be Right Certificates) and not by separate Right Certificates, and (y) the right to receive Right Certificates will be transferable only in connection with the transfer of the underlying Common Shares (including a transfer to the Corporation); provided, however, that if a tender or exchange offer is terminated prior to the occurrence of a Distribution Date, then no Distribution Date shall occur as a result of such tender or exchange offer. As soon as practicable after the Distribution Date, the Corporation will prepare and execute, the Rights Agent will countersign, and the Corporation will send or cause to be sent by first-class,

postage-prepaid mail, to each record holder of Common Shares as of the Close of Business on the Distribution Date, at the address of such holder shown on the records of the Corporation, a Right Certificate, substantially in the form of Exhibit B hereto (a "Right Certificate"), representing one Right for each Common Share so held. As of and after the Distribution Date, the Rights will be represented solely by such Right Certificates.

(b) As promptly as practicable following the Record Date, the Corporation will send a copy of a Summary of Rights to Purchase Preferred Shares, in substantially the form of Exhibit C hereto (the "Summary of Rights"), by first-class, postage-prepaid mail, to each record holder of Common Shares as of the Close of Business on the Record Date, at the address of such holder shown on the records of the Corporation. With respect to certificates for Common Shares outstanding as of the Record Date, until the Distribution Date, the Rights will be represented by such certificates registered in the names of the holders thereof together with a copy of the Summary of Rights attached thereto. Until the Distribution Date (or the earlier of the Redemption Date or the Final Expiration Date), the surrender for transfer of any certificate for Common Shares outstanding on the Record Date, with or without a copy of the Summary of Rights attached thereto, shall also constitute the transfer of the Rights associated with such Common Shares. As a result of the execution of this Agreement, on October 27, 2000, each Common Share outstanding on such date shall, subject to the terms and conditions of this Agreement, also represent one Right and shall, subject to the terms and conditions of this Agreement, represent the right to purchase one one-thousandth of a share of Preferred Stock.

(c) Certificates for Common Shares which become outstanding (including, without limitation, reacquired Common Shares referred to below in this paragraph (c)) after the Record Date but prior to the earliest of the Distribution Date, the Redemption Date or the Final Expiration Date, shall be deemed also to be certificates for Rights, and shall substantially bear the following legend:

> "This certificate also represents and entitles the holder hereof to certain rights as set forth in a Rights Agreement between Reckson Associates Realty Corp. and American Stock Transfer & Trust Company, dated as of October 13, 2000 (the "Rights Agreement"), the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive offices of Reckson Associates Realty Corp. Under certain circumstances, as set forth in the Rights Agreement, such Rights will be represented by separate certificates and will no longer be represented by this certificate. Reckson Associates Realty Corp. will mail to the holder of this certificate a copy of the Rights Agreement without charge after receipt of a written request therefor. Under certain circumstances set forth in the Rights Agreement, Rights issued to, or held by, any Person who is, was or becomes an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement) and certain related persons, whether currently held by or on behalf of such person or by any subsequent holder, may become null and void."

With respect to such certificates containing the foregoing legend, until the Distribution Date, the Rights associated with the Common Shares represented by such certificates shall be represented by such certificates alone, and the surrender for transfer of any such certificate shall also constitute the transfer of the Rights associated with the Common Shares represented thereby. In the event that the Corporation purchases or acquires any Common Shares after the Record Date but prior to the Distribution Date, any Rights associated with such Common Shares shall be deemed canceled and retired so that the Corporation shall not be entitled to exercise any Rights associated with the Common Shares which are no longer outstanding. The failure to print the foregoing legend on any such Common Shares certificate or any other defect therein shall not affect in any manner whatsoever the application or interpretation of the provisions of Section 7(e) hereof.

Section 4. Form of Right Certificate.

(a) The Right Certificates (and the forms of election to purchase and of assignment to be printed on the reverse thereof) shall be substantially in the form set forth in Exhibit B hereto and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Corporation may deem appropriate (which do not affect the duties or responsibilities of the Rights Agent) and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any applicable law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Rights may from time to time be listed, or to conform to usage. Subject to the provisions of Section 7, Section 11 and Section 22 hereof, the Right Certificates shall entitle the holders thereof to purchase such number of one one-thousandths of a Preferred Share as shall be set forth therein at the price per one one-thousandth of a Preferred Share set forth therein (the "Purchase Price"), but the amount and type of securities purchasable upon the exercise of each Right and the Purchase Price thereof shall be subject to adjustment as provided herein.

(b) Any Right Certificate issued pursuant to Section 3(a) or Section 22 hereof that represents Rights which are null and void pursuant to Section 7(e) of this Agreement and any Right Certificate issued pursuant to Section 6 or Section 11 hereof upon transfer, exchange, replacement or adjustment of any other Right Certificate referred to in this sentence, shall contain (to the extent feasible) the following legend:

> "The Rights represented by this Right Certificate are or were Beneficially Owned by a Person who was or became an Acquiring Person or an Affiliate or Associate of an Acquiring Person (as such terms are defined in the Rights Agreement). Accordingly, this Right Certificate and the Rights represented hereby are null and void."

Provisions of Section 7(e) of this Agreement shall be operative whether or not the foregoing legend is contained on any such Right Certificate. The Corporation shall notify the Rights Agent to the extent that this Section 4(b) applies.

Section 5. Countersignature and Registration.

The Right Certificates shall be executed on behalf of the Corporation by its Chairman of the Board, its Chief Executive Officer (or any co-Chief Executive Officer), its President, any of its Vice Presidents, or its Treasurer, either manually or by facsimile signature, shall have affixed thereto the Corporation's seal or a facsimile thereof, and shall be attested by the Secretary or an Assistant Secretary of the Corporation, either manually or by facsimile signature. The Right Certificates shall be countersigned by the Rights Agent and shall not be valid for any purpose unless so countersigned. In case any officer of the Corporation who shall have signed any of the Right Certificates shall cease to be such officer of the Corporation before countersignature by the Rights Agent and issuance and delivery by the Corporation, such Right Certificates may nevertheless be countersigned by the Rights Agent and issued and delivered by the Corporation with the same force and effect as though the person who signed such Right Certificates had not ceased to be such officer of the Corporation; and any Right Certificate may be signed on behalf of the Corporation by any Person who, at the actual date of the execution of such Right Certificate, shall be a proper officer of the Corporation to sign such Right Certificate, although at the date of the execution of this Agreement any such Person was not such an officer.

Following the Distribution Date and receipt by the Rights Agent of a list of record holders of Rights, the Rights Agent will keep or cause to be kept, at its office set forth in Section 26 hereof or offices designated as the appropriate place for surrender of such Right Certificate or transfer, books for registration and transfer of the Right Certificates issued hereunder. Such books shall show the names and addresses of the respective holders of the Right Certificates, the number of Rights evidenced on its face by each of the Right Certificates and the certificate number and the date of each of the Right Certificates.

Section 6. Transfer, Split-Up, Combination and Exchange of Right Certificates; Mutilated, Destroyed, Lost or Stolen Right Certificate.

Subject to the provisions of Section 4(b), Section 7(e), Section 7(g) and Section 14 hereof, at any time after the Close of Business on the Distribution Date, and at or prior to the Close of Business on the earlier of the Redemption Date or the Final Expiration Date, any Right Certificate or Right Certificates may be transferred, split up, combined or exchanged for another Right Certificate or Right Certificates, entitling the registered holder to purchase a like number of one one-thousandths of a Preferred Share (or, following a Triggering Event, other securities, as the case may be) as the Right Certificate or Right Certificates surrendered then entitle such holder (or former holder in the case of a transfer) to purchase. Any registered holder desiring to transfer, split up, combine or exchange any Right Certificate or Right Certificates shall make such request in writing delivered to the Rights Agent, and shall surrender the Right Certificate or Right Certificates to be transferred, split up, combined or exchanged at the office or offices of the Rights Agent designated for such purpose. Neither the Rights Agent nor the Corporation shall be obligated to take any action whatsoever with respect to the transfer of any such surrendered Right Certificate until the registered holder shall have completed and signed the certificate contained in the form of assignment on the reverse side of such Right Certificate and shall have provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Corporation or the Rights Agent shall reasonably request. Thereupon the Rights Agent shall, subject to Section 4(b), Section 7(e), Section 7(g) and Section 14 hereof, countersign and deliver to the Person entitled thereto a Right Certificate or Right Certificates, as the case may be, as so requested. The Corporation may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer, split up, combination or exchange of Right Certificates. If the Corporation requires the payment referred to in the immediately preceding sentence, then the Rights Agent shall not be required to process any transaction until it receives notice from the Corporation that the

Corporation has received such payment.

Upon receipt by the Corporation and the Rights Agent of evidence satisfactory to them of the loss, theft, destruction or mutilation of a Right Certificate, and, in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to them, and, at the Corporation's request, reimbursement to the Corporation and the Rights Agent of all reasonable expenses incidental thereto, and upon surrender to the Rights Agent and cancellation of the Right Certificate if mutilated, the Corporation will make and deliver a new Right Certificate of like tenor to the Rights Agent for countersignature and delivery to the registered holder in lieu of the Right Certificate so lost, stolen, destroyed or mutilated.

Section 7. Exercise of Rights; Purchase Price; Expiration Date of Rights.

(a) Subject to Section 7(e) and Section 7(g) hereof, the registered holder of any Right Certificate may exercise the Rights represented thereby (except as otherwise provided herein) in whole or in part at any time after the Distribution Date upon surrender of the Right Certificate, with the form of election to purchase and the certificate on the reverse side thereof duly executed, to the Rights Agent at the office or offices of the Rights Agent designated for such purpose, together with payment of the aggregate Purchase Price for the total number of one one-thousandths of a Preferred Share (or other securities, as the case may be) as to which such surrendered Rights are exercised, at or prior to the earliest of (i) the Close of Business on October 12, 2010 (the "Final Expiration Date"), (ii) the time at which the Rights are redeemed as provided in Section 23 hereof (the "Redemption Date"); (iii) the time at which the Rights are exchanged as provided in Section 24 hereof, or (iv) the consummation of a transaction contemplated by Section 13(d) hereof.

(b) The Purchase Price for each one one-thousandth of a Preferred Share pursuant to the exercise of a Right shall initially be $84.44, shall be subject to adjustment from time to time as provided in the next sentence and in Sections 11 and 13(a) hereof and shall be payable in accordance with paragraph (c) below. Anything in this Agreement to the contrary notwithstanding, in the event that at any time after the date of this Agreement and prior to the Distribution Date, the Corporation shall (i) declare or pay any dividend on the Common Shares payable in Common Shares or (ii) effect a subdivision, combination or consolidation of the Common Shares (by reclassification or otherwise than by payment of dividends in Common Shares) into a greater or lesser number of Common Shares, then in any such case, each Common Share outstanding following such subdivision, combination or consolidation shall continue to have one Right associated therewith and the Purchase Price following any such event shall be proportionately adjusted to equal the result obtained by multiplying the Purchase Price immediately prior to such event by a fraction the numerator of which shall be the total number of Common Shares outstanding immediately prior to the occurrence of the event and the denominator of which shall be the total number of Common Shares outstanding immediately following the occurrence of such event. The adjustment provided for in the preceding sentence shall be made successively whenever such a dividend is declared or paid or such a subdivision, combination or consolidation is effected.

(c) Upon receipt of a Right Certificate representing exercisable Rights, with the form of election to purchase and the certificate duly executed, accompanied by payment of the Purchase Price for the Preferred Shares (or other securities, as the case may be) to be purchased and an amount equal to any applicable tax or governmental charge required to be paid by the holder of such Right Certificate in accordance with Section 6 hereof by certified check, cashier's check or money order payable to the order of the Corporation, the Rights Agent shall thereupon promptly (i) (A) requisition from any transfer agent of the Preferred Shares certificates for the number of Preferred Shares to be purchased and the Corporation hereby irrevocably authorizes its transfer agent to comply with all such requests, or (B) if the Corporation, in its sole discretion, shall have elected to deposit the Preferred Shares issuable upon exercise of the Rights hereunder into a depositary, requisition from the depositary agent depositary receipts representing such number of one one-thousandths of a Preferred Share as are to be purchased (in which case certificates for the Preferred Shares represented by such receipts shall be deposited by the transfer agent with the depositary agent) and the Corporation will direct the depositary agent to comply with such requests, (ii) when appropriate, requisition from the Corporation the amount of cash to be paid in lieu of issuance of fractional shares in accordance with Section 14 hereof, (iii) after receipt of such certificates or depositary receipts, cause the same to be delivered to or upon the order of the registered holder of such Right Certificate, registered in such name or names as may be designated by such holder, and (iv) when appropriate, after receipt thereof, deliver such cash to or upon the order of the registered holder of such Right Certificate. In the event that the Corporation is obligated to issue other securities (including Common Shares) of the Corporation pursuant to Section 11(a) hereof, the Corporation will make all arrangements necessary so that such other securities are available for distribution by the Rights Agent, if and when necessary to comply with this Agreement.

In addition, in the case of an exercise of the Rights by a holder pursuant to Section 11(a)(ii), the Rights Agent shall return such Right Certificate to the registered holder thereof after imprinting, stamping or otherwise indicating thereon that the rights represented by such Right Certificate no longer include the rights provided by Section 11(a)(ii) of this Agreement and if less than all the Rights represented by such Right Certificate were so exercised, the Rights Agent shall indicate on the Right Certificate the number of Rights represented thereby which continue to include the rights provided by Section 11(a)(ii).

(d) In case the registered holder of any Right Certificate shall exercise less than all the Rights evidenced thereby, a new Right Certificate evidencing Rights equivalent to the Rights remaining unexercised shall be issued by the Rights Agent to the registered holder of such Right Certificate or to his duly authorized assigns, subject to the provisions of Section 6 and Section 14 hereof, or the Rights Agent shall place an appropriate notation on the Right Certificate with respect to those Rights exercised.

(e) Notwithstanding anything in this Agreement to the contrary, from and after the first occurrence of a Section 11(a)(ii) Event, any Rights Beneficially Owned by (i) an Acquiring Person or an Affiliate or Associate of an Acquiring Person, (ii) a transferee of an Acquiring Person (or of any Affiliate or Associate thereof) who becomes a transferee after the Acquiring Person becomes such, or (iii) a transferee of an Acquiring Person (or of any Affiliate or Associate thereof) who becomes a transferee prior to or concurrently with the Acquiring Person becoming such and receives such Rights pursuant to either (A) a transfer (whether or not for consideration) from the Acquiring Person to holders of equity interests in such Acquiring Person or to any Person with whom the Acquiring Person has a continuing agreement, arrangement or understanding regarding the transferred Rights or (B) a transfer which the Board of Directors of the Corporation has determined is part of an agreement, arrangement or understanding which has as a primary purpose or effect the avoidance of this Section 7(e), shall become null and void without any further action and no holder of such Rights shall have any rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise. The Corporation shall notify the Rights Agent when this Section 7(e) applies and shall use all reasonable efforts to insure that the provisions of this Section 7(e) and Section 4(b) hereof are complied with, but neither the Corporation nor the Rights Agent shall have any liability to any holder of Right Certificates or other Person as a result of the Corporation's failure to make any determinations with respect to an Acquiring Person or its Affiliates, Associates or transferees hereunder.

(f) Notwithstanding anything in this Agreement to the contrary, neither the Rights Agent nor the Corporation shall be obligated to undertake any action with respect to a registered holder upon the occurrence of any purported exercise as set forth in this Section 7 unless such registered holder shall have (i) properly completed and signed the certificate contained in the form of election to purchase set forth on the reverse side of the Right Certificate surrendered for such exercise, and (ii) provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Corporation or the Rights Agent shall reasonably request.

(g) Notwithstanding anything in this Agreement to the contrary, any Rights Owned by an Ownership Limited Holder shall not be exercisable to the extent and so long as such rights are Owned by such a holder. Subject to the other terms and conditions of this Agreement, (i) Ownership Limited Holders shall be permitted to transfer any such Rights and (ii) Rights transferred by Ownership Limited Holders so that they are no longer Owned by Ownership Limited Holders will entitle the transferees of such Rights to all of the rights and benefits described in this Agreement.

Section 8. Cancellation and Destruction of Right Certificates.

All Right Certificates surrendered for the purpose of exercise, transfer, split up, combination or exchange shall, if surrendered to the Corporation or to any of its agents, be delivered to the Rights Agent for cancellation or in canceled form, or, if surrendered to the Rights Agent, shall be canceled by it, and no Right Certificates shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Agreement. The Corporation shall deliver to the Rights Agent for cancellation and retirement, and the Rights Agent shall so cancel and retire, any other Right Certificate purchased or acquired by the Corporation otherwise than upon the exercise thereof. The Rights Agent shall deliver all canceled Right Certificates to the Corporation, or shall, at the written request of the Corporation, destroy such canceled Right Certificates, and in such case shall deliver a certificate of destruction thereof to the Corporation.

Section 9. Reservation and Availability of Preferred Shares.

At all times prior to the occurrence of a Section 11(a)(ii) Event, the Corporation will cause to be reserved and kept available out of its authorized and unissued Preferred Shares, the number of Preferred Shares that will be

sufficient to permit the exercise in full of all outstanding Rights and, after the occurrence of a Section 11(a)(ii) Event, shall, to the extent reasonably practicable, so reserve and keep available a sufficient number of Common Shares (and/or other securities) which may be required to permit the exercise in full of the Rights pursuant to this Agreement.

So long as the Preferred Shares (and, after the occurrence of a Section 11(a)(ii) Event, Common Shares or any other securities) issuable upon the exercise of the Rights may be listed on any national securities exchange, the Corporation shall use its best efforts to cause, from and after such time as the Rights become exercisable, all shares reserved for such issuance to be listed on such exchange upon official notice of issuance upon such exercise.

The Corporation will take all such action as may be necessary to ensure that all Preferred Shares (or Common Shares and/or other securities, as the case may be) delivered upon exercise of Rights shall, at the time of delivery of the certificates for such shares or other securities (subject to payment of the Purchase Price), be duly and validly authorized and issued and fully paid and non-assessable shares or securities.

The Corporation will pay when due and payable any and all U.S. federal and state taxes and charges (other than taxes and charges based on income) which may be payable in respect of the issuance or delivery of the Right Certificates or of any Preferred Shares (or Common Shares and/or other securities, as the case may be) upon the exercise of Rights. The Corporation shall not, however, be required to pay any tax or other charge which may be payable in respect of any transfer or delivery of Right Certificates to a Person other than, or the issuance or delivery of certificates or depositary receipts for the Preferred Shares (or Common Shares and/or other securities, as the case may be) in a name other than that of, the registered holder of the Right Certificate representing Rights surrendered for exercise, or to issue or to deliver any certificates or depositary receipts for Preferred Shares (or Common Shares and/or other securities, as the case may be) upon the exercise of any Rights, until any such tax or other charge shall have been paid (any such tax or other charge being payable by the holder of such Right Certificate at the time of surrender) or until it has been established to the Corporation's reasonable satisfaction that no such tax or other charge is due.

The Corporation shall use its best efforts to (i) file, as soon as practicable following the Shares Acquisition Date, a registration statement under the Act, with respect to the securities purchasable upon exercise of the Rights on an appropriate form, (ii) cause such registration statement to become effective as soon as practicable after such filing, and (iii) cause such registration statement to remain effective (with a prospectus at all times meeting the requirements of the Act and the rules and regulations thereunder) until the date of the expiration of the rights provided by Section 11(a)(ii). The Corporation will also take such action as may be appropriate under the blue sky laws of the various states.

Section 10. Preferred Shares Record Date.

Each Person in whose name any certificate for Preferred Shares (or Common Shares and/or other securities, as the case may be) is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Preferred Shares (or Common Shares and/or other securities, as the case may be) represented thereby on, and such certificate shall be dated, the date upon which the Right Certificate evidencing such Rights was duly surrendered and payment of the Purchase Price (and any applicable taxes and other governmental charges) was made; provided, however, that, if the date of such surrender and payment is a date upon which the Preferred Shares (or Common Shares and/or other securities, as the case may be) transfer books of the Corporation are closed, such person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the Preferred Shares (or Common Shares and/or other securities, as the case may be) transfer books of the Corporation are open.

Section 11. Adjustment of Purchase Price, Number and Kind of Shares or Number of Rights.

The Purchase Price, the number and kind of shares covered by each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 11.

(a) (i) In the event the Corporation shall at any time after the date of this Agreement (A) declare a dividend on the Preferred Shares payable in Preferred Shares, (B) subdivide the outstanding Preferred Shares, (C) combine the outstanding Preferred Shares into a smaller number of Preferred Shares or (D) issue any shares of its stock in a reclassification of the Preferred Shares (including any such reclassification in connection with a consolidation or merger in which the Corporation is the continuing or surviving corporation), except as otherwise provided in this Section 11(a), Section 7(e) and Section 7(g) hereof, the Purchase Price in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or reclassification, and the number and kind of shares of stock issuable on such date, shall be proportionately adjusted so

that the holder of any Right exercised after such time shall be entitled to receive the aggregate number and kind of shares of stock which, if such Right had been exercised immediately prior to such date and at a time when the Preferred Shares transfer books of the Corporation were open, such holder would have owned upon such exercise and been entitled to receive by virtue of such dividend, subdivision, combination or reclassification; provided, however, that in no event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of stock of the Corporation issuable upon exercise of one Right. If an event occurs which would require an adjustment under both Section 11(a)(i) and Section 11(a)(ii), the adjustment provided for in this Section 11(a)(i) shall be in addition to, and shall be made prior to, any adjustment required pursuant to Section 11(a)(ii).

(ii) In the event any Person, alone or together with its Affiliates and Associates, shall become an Acquiring Person, then proper provision shall be made so that each holder of a Right (except as provided below and in Section 7(e) hereof) shall, for a period of 60 days after the later of the occurrence of any such event or the effective date of an appropriate registration statement under the Act pursuant to Section 9 hereof, have a right to receive, upon exercise thereof at a price equal to the then current Purchase Price, in accordance with the terms of this Agreement, such number of Common Shares (or, in the discretion of the Board of Directors, one one-thousandths of a Preferred Share) as shall equal the result obtained by (x) multiplying the then current Purchase Price by the then number of one one-thousandths of a Preferred Share for which a Right was exercisable immediately prior to the first occurrence of a Section 11(a)(ii) Event, and dividing that product by (y) 50% of the then current per share market price of the Corporation's Common Shares (determined pursuant to Section 11(d) hereof) on the date of such first occurrence (such number of shares being referred to as the "Adjustment Shares"); provided, however, that if the transaction that would otherwise give rise to the foregoing adjustment is also subject to the provisions of Section 13 hereof, then only the provisions of Section 13 hereof shall apply and no adjustment shall be made pursuant to this Section 11(a)(ii);

(iii) In the event that there shall not be sufficient authorized but unissued (and unreserved) Common Shares to permit the exercise in full of the Rights in accordance with the foregoing subparagraph (ii) and the Rights become so exercisable (and the Board of Directors of the Corporation has determined to make the Rights exercisable into fractions of a Preferred Share), notwithstanding any other provision of this Agreement, to the extent necessary and permitted by applicable law, each Right shall thereafter represent the right to receive, upon exercise thereof at the then current Purchase Price in accordance with the terms of this Agreement, (x) a number of (or fractions of) Common Shares (up to the maximum number of Common Shares which may permissibly be issued) and (y) a number of (or fractions of) one one-thousandths of a Preferred Share or a number of (or fractions of) other equity securities of the Corporation (or, in the discretion of the Board of Directors, debt) which the Board of Directors of the Corporation has determined to have the same aggregate current market value (determined pursuant to Section 11(d)(i) and (ii) hereof, to the extent applicable) as one Common Share (such number of, or fractions of, Preferred Shares, debt, or other equity securities or debt of the Corporation being referred to as a "stock equivalent") equal in the aggregate to the number of Adjustment Shares; provided, however, if sufficient Common Shares and/or stock equivalents are unavailable, then the Corporation shall, to the extent permitted by applicable law, take all such action as may be necessary to authorize additional Common Shares or stock equivalents for issuance upon exercise of the Rights, including the calling of a meeting of stockholders; and provided, further, that if the Corporation is unable to cause sufficient Common Shares and/or stock equivalents to be available for issuance upon exercise in full of the Rights, then each Right shall thereafter represent the right to receive the Adjusted Number of Shares upon exercise at the Adjusted Purchase Price (as such terms are hereinafter defined). As used herein, the term "Adjusted Number of Shares" shall be equal to that number of (or fractions of) Common Shares (and/or stock equivalents) equal to the product of (x) the number of Adjustment Shares and (y) a fraction, the numerator of which is the number of Common Shares (and/or stock equivalents) available for issuance upon exercise of the Rights and the denominator of which is the aggregate number of Adjustment Shares otherwise issuable upon exercise in full of all Rights (assuming there were a sufficient number of Common Shares available) (such fraction being referred to as the "Proration Factor"). The "Adjusted Purchase Price" shall mean the product of the Purchase Price and the Proration Factor. The Board of Directors may, but shall not be required to, establish procedures to allocate the right to receive Common Shares and stock equivalents upon exercise of the Rights among holders of Rights.

(b) In case the Corporation shall fix a record date for the issuance of rights (other than the Rights), options or warrants to all holders of Preferred Shares entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Preferred Shares (or shares having the same rights, privileges and preferences as the Preferred Shares ("equivalent preferred shares")) or securities convertible into Preferred Shares or equivalent preferred shares at a price per Preferred Share or equivalent preferred share (or having a conversion price per share, if a

security convertible into Preferred Shares or equivalent preferred shares) less than the then current per share market price of the Preferred Shares (as determined pursuant to Section 11(d) hereof) on such record date, the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the number of Preferred Shares outstanding on such record date plus the number of Preferred Shares which the aggregate offering price of the total number of Preferred Shares and/or equivalent preferred shares so to be offered (and/or the aggregate initial conversion price of the convertible securities so to be offered) would purchase at such current per share market price, and the denominator of which shall be the number of Preferred Shares outstanding on such record date plus the number of additional Preferred Shares and/or equivalent preferred shares to be offered for subscription or purchase (or into which the convertible securities so to be offered are initially convertible); provided, however, that in no event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of stock of the Corporation issuable upon exercise of one Right. In case such subscription price may be paid in a consideration part or all of which shall be in a form other than cash, the value of such consideration shall be determined in good faith by the Board of Directors of the Corporation, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights. Preferred Shares owned by or held for the account of the Corporation shall not be deemed outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed; and in the event that such rights, options or warrants are not so issued, the Purchase Price shall be adjusted to be the Purchase Price which would then be in effect if such record date had not been fixed.

(c) In case the Corporation shall fix a record date for the making of a distribution to all holders of the Preferred Shares (including any such distribution made in connection with a consolidation or merger in which the Corporation is the continuing or surviving corporation) of evidences of indebtedness or assets (other than a regular quarterly cash dividend or a dividend payable in Preferred Shares) or subscription rights or warrants (excluding those referred to in Section 11(b) hereof), the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the then current per share market price (as determined pursuant to Section 11(d) hereof) of the Preferred Shares on such record date, less the fair market value (as determined in good faith by the Board of Directors of the Corporation, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights) of the portion of the assets or evidences of indebtedness so to be distributed or of such subscription rights or warrants applicable to one Preferred Share and the denominator of which shall be such current per share market price of the Preferred Shares; provided, however, that in no event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of stock of the Corporation to be issued upon exercise of one Right. Such adjustments shall be made successively whenever such a record date is fixed; and in the event that such distribution is not so made, the Purchase Price shall again be adjusted to be the Purchase Price which would then be in effect if such record date had not been fixed.

(d) (i) For the purpose of any computation hereunder, the "current per share market price" of any security (a "Security") that is publicly traded for the purpose of this Section 11(d)(i) on any date shall be deemed to be the average of the daily closing prices per share of such Security for the thirty (30) consecutive Trading Days (as such term is hereinafter defined) immediately prior to and not including such date; provided, however, that in the event that the current per share market price of the Security is determined during a period following the announcement by the issuer of such Security of (A) a dividend or distribution on such Security payable in shares of such Security or securities convertible into such shares, or (B) any subdivision, combination or reclassification of such Security and prior to the expiration of thirty (30) Trading Days after and not including the ex-dividend date for such dividend or distribution, or the record date for such subdivision, combination or reclassification, then, and in each such case, the current per share market price shall be appropriately adjusted to reflect the current market price per share equivalent of such Security. The closing price for each day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Security is not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Security is listed or admitted to trading or, if the Security is not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices as reported on the Nasdaq Stock Market ("Nasdaq") or such other market or system then in use, or, if on any such date the Security is not quoted by any such organization, the average of the closing bid and asked prices as furnished by

a professional market maker making a market in the Security selected by the Board of Directors of the Corporation. If on any such date no such market maker is making a market in the Security, the fair value of the Security on such date as determined in good faith by the Board of Directors of the Corporation shall be used. The term "Trading Day" shall mean a day on which the principal national securities exchange on which the Security is listed or admitted to trading is open for the transaction of business or, if the Security is not listed or admitted to trading on any national securities exchange, a Business Day. Subject to Section 11(d)(ii), if any Security is not publicly traded, "current per share market price" of such Security shall mean the fair market value per share as determined in good faith by the Board of Directors of the Corporation, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights.

(ii) For the purpose of any computation hereunder, the "current per share market price" of the Preferred Shares if they are publicly traded shall be determined in accordance with the method set forth in Section 11(d)(i). If the Preferred Shares are not publicly traded, the "current per share market price" of the Preferred Shares shall be conclusively deemed to be the current per share market price of the Common Shares as determined pursuant to Section 11(d)(i) (appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date hereof), multiplied by one thousand (1,000). If neither the Common Shares nor the Preferred Shares are publicly listed or traded, "current per share market price" shall mean the fair value per share as determined in good faith by the Board of Directors of the Corporation, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights.

(e) Anything herein to the contrary notwithstanding, no adjustment in the Purchase Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Purchase Price; provided, however, that any adjustments which by reason of this Section 11(e) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 11 shall be made to the nearest cent or to the nearest one one-thousandth of a Preferred Share or one one-thousandth of any other share or security as the case may be. Notwithstanding the first sentence of this Section 11(e), any adjustment required by this Section 11 shall be made no later than the earlier of (i) three (3) years from the date of the transaction which mandates such adjustment or (ii) the Final Expiration Date.

(f) If as a result of an adjustment made pursuant to Section 11(a)(ii) or Section 13(a) hereof, the holder of any Right thereafter exercised shall become entitled to receive any shares of stock of the Corporation other than Preferred Shares, thereafter the number of other shares so receivable upon exercise of any Right shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Preferred Shares contained in Section 11(a) through (c), inclusive, and the provisions of Sections 7, 9, 10, 13 and 14 with respect to the Preferred Shares shall apply on like terms to any such other shares.

(g) All Rights originally issued by the Corporation subsequent to any adjustment made to the Purchase Price hereunder shall evidence the right to purchase, at the adjusted Purchase Price, the number of one one-thousandths of a Preferred Share purchasable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.

(h) Unless the Corporation shall have exercised its election so provided in Section 11(i) hereof, upon adjustment of the Purchase Price as a result of the calculations made in Sections 11(b) and 11(c) hereof, each Right outstanding immediately prior to the making of such adjustment shall thereafter evidence the right to purchase, at the Adjusted Purchase Price, that number of one one-thousandths of a Preferred Share calculated to the nearest one one-thousandth of a Preferred Share) obtained by (i) multiplying (A) the number of Preferred Shares covered by a Right immediately prior to this adjustment of the Purchase Price by (B) the Purchase Price in effect immediately prior to such adjustment of the Purchase Price and (ii) dividing the product so obtained by the Purchase Price in effect immediately after such adjustment of the Purchase Price.

(i) The Corporation may elect on or after the date of any adjustment of the Purchase Price to adjust the number of Rights, in lieu of any adjustment in the number of one one-thousandths of a Preferred Share purchasable upon the exercise of a Right. Each of the Rights outstanding after such adjustment of the number of Rights shall be exercisable for the number of one one-thousandths of a Preferred Share for which a Right was exercisable immediately prior to such adjustment. Each Right held of record prior to such adjustment of the number of Rights shall become that number of Rights (calculated to the nearest one one-thousandth) obtained by dividing the Purchase Price in effect immediately prior to adjustment of the Purchase Price by the Purchase Price in effect immediately after adjustment of the Purchase Price. The Corporation shall make a public announcement of its election to

adjust the number of Rights, indicating the record date for the adjustment, and, if known at the time, the amount of the adjustment to be made, a copy of which public announcement shall promptly be delivered to the Rights Agent. This record date may be the date on which the Purchase Price is adjusted or any day thereafter, but, if the Right Certificates have been issued, shall be at least ten (10) days later than the date of the public announcement. If Right Certificates have been issued, upon each adjustment of the number of Rights pursuant to this Section 11(i), the Corporation shall, as promptly as practicable, cause to be distributed to holders of record of Right Certificates on such record date Right Certificates evidencing, subject to Section 14 hereof, the additional Rights to which such holders shall be entitled as a result of such adjustment, or, at the option of the Corporation, shall cause to be distributed to such holders of record in substitution and replacement for the Right Certificates held by such holders prior to the date of adjustment, and upon surrender thereof, if required by the Corporation, new Right Certificates evidencing all the Rights to which such holders shall be entitled after such adjustment. Right Certificates so to be distributed shall be issued, executed and countersigned in the manner provided for herein and shall be registered in the names of the holders of record of Right Certificates on the record date specified in the public announcement.

(j) Irrespective of any adjustment or change in the Purchase Price or the number of one one-thousandths of a Preferred Share issuable upon the exercise of the Rights, the Right Certificates theretofore and thereafter issued may continue to express the Purchase Price and the number of one one-thousandths of a Preferred Share which were expressed in the initial Right Certificates issued hereunder.

(k) Before taking any action that would cause an adjustment reducing the Purchase Price below the then par value, if any, of the number of one one-thousandths of a Preferred Share, Common Shares or other securities issuable upon exercise of the Rights, the Corporation shall take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue such number of fully paid and non-assessable one one-thousandths of a Preferred Share, Common Shares or other securities at such adjusted Purchase Price.

(l) In any case in which this Section 11 shall require that an adjustment in the Purchase Price be made effective as of a record date for a specified event, the Corporation may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the Preferred Shares, Common Shares or other securities of the Corporation, if any, issuable upon such exercise over and above the Preferred Shares, Common Shares or other securities of the Corporation, if any, issuable upon exercise on the basis of the Purchase Price in effect prior to such adjustment; provided, however, that the Corporation shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional shares or other securities, as the case may be, upon the occurrence of the event requiring such adjustment.

(m) Anything in this Section 11 to the contrary notwithstanding, the Corporation shall be entitled to make such reductions in the Purchase Price, in addition to those adjustments expressly required by this Section 11, as and to the extent that it in its sole discretion shall determine to be advisable in order that (i) any consolidation or subdivision of the Preferred Shares, (ii) issuance wholly for cash of Preferred Shares at less than the current market price, (iii) issuance wholly for cash of Preferred Shares or securities which by their terms are convertible into or exchangeable for Preferred Shares, (iv) stock dividends or (v) issuance of rights, options or warrants referred to in this Section 11, hereafter made by the Corporation to holders of its Preferred Shares shall not be taxable to such stockholders.

(n) The Corporation shall not, at any time after the Distribution Date, (i) consolidate with any other Person (other than a Subsidiary of the Corporation in a transaction which does not violate Section 11(o) hereof), (ii) merge with or into any other Person (other than a Subsidiary of the Corporation in a transaction which does not violate Section 11(o) hereof), or (iii) sell or transfer (or permit any Subsidiary to sell or transfer), in one transaction, or a series of related transactions, assets or earning power aggregating more than 50% of the assets or earning power of the Corporation and its Subsidiaries (taken as a whole) to any other Person or Persons (other than the Corporation and/or any of its Subsidiaries in one or more transactions each of which does not violate Section 11(o) hereof), if (x) at the time of or immediately after such consolidation, merger, sale or transfer there are any charter or bylaw provisions or any rights, warrants or other instruments or securities outstanding or agreements in effect or other actions taken, which would materially diminish or otherwise eliminate the benefits intended to be afforded by the Rights or (y) prior to, simultaneously with or immediately after such consolidation, merger or sale, the stockholders of the Person who constitutes, or would constitute, the Principal Party for purposes of Section 13(a) hereof shall have received a distribution of Rights previously owned by such Person or any of its Affiliates and Associates. The Corporation shall not consummate any such consolidation, merger, sale or transfer unless prior thereto the Corporation and such other Person shall have executed and delivered to the Rights Agent a supplemental agreement evidencing

compliance with this Section 11(n).

(o) The Corporation, after the Distribution Date, will not, except as permitted by Section 23, Section 24 or Section 27 hereof, take (or permit any Subsidiary to take) any action the purpose of which is to, or if at the time such action is taken it is reasonably foreseeable that the effect of such action is to, materially diminish or otherwise eliminate the benefits intended to be afforded by the Rights.

(p) The exercise of Rights under Section 11(a)(ii) shall only result in the loss of rights under Section 11(a)(ii) to the extent so exercised and shall not otherwise affect the rights represented by the Rights under this Agreement, including the rights represented by Section 13.

Section 12. Certificate of Adjusted Purchase Price or Number of Shares.

Whenever an adjustment is made as provided in Sections 11 or 13 hereof, the Corporation shall promptly (a) prepare a certificate setting forth such adjustment and a brief reasonably detailed statement of the facts and computations accounting for such adjustment, (b) file with the Rights Agent and with each transfer agent for the Common Shares and the Preferred Shares a copy of such certificate and (c) mail a brief summary thereof to each holder of a Right Certificate in accordance with Section 25 hereof. The Rights Agent shall be fully protected in relying on any such certificate and on any adjustment therein contained and shall have no duty with respect to and shall not be deemed to have knowledge of such adjustment unless and until it shall have received such certificate.

Section 13. Consolidation, Merger or Sale or Transfer of Assets or Earning Power.

(a) In the event that, on or following the Shares Acquisition Date, directly or indirectly, (x) the Corporation shall consolidate with, or merge with and into, any Interested Stockholder or, if in such merger or consolidation all holders of Common Shares are not treated alike, any other Person, (y) the Corporation shall consolidate with, or merge with, any Interested Stockholder or, if in such merger or consolidation all holders of Common Shares are not treated alike, any other Person, and the Corporation shall be the continuing or surviving corporation of such consolidation or merger (other than, in a case of any transaction described in (x) or (y), a merger or consolidation which would result in all of the securities generally entitled to vote in the election of directors ("voting securities") of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into securities of the surviving entity) all of the voting securities of the Corporation or such surviving entity outstanding immediately after such merger or consolidation and the holders of such securities not having changed as a result of such merger or consolidation), or (z) the Corporation shall sell or otherwise transfer (or one or more of its Subsidiaries shall sell or otherwise transfer), in one transaction or a series of related transactions, assets or earning power aggregating more than 50% of the assets or earning power of the Corporation and its Subsidiaries (taken as a whole) to any Interested Stockholder or Stockholders or, if in such transaction all holders of Common Shares are not treated alike, any other Person (other than the Corporation or any Subsidiary of the Corporation in one or more transactions each of which does not violate Section 11(n) hereof), then, and in each such case (except as provided in Section 13(d) hereof), proper provision shall be made so that (i) each holder of a Right, except as provided in Section 7(e) or Section 7(g) hereof, shall thereafter have the right to receive, upon the exercise thereof at a price equal to the then current Purchase Price, in accordance with the terms of this Agreement and in lieu of Preferred Shares, such number of freely tradable Common Shares of the Principal Party (as hereinafter defined), not subject to any liens, encumbrances, rights of first refusal or other adverse claims, as shall equal the result obtained by (A) multiplying the then current Purchase Price by the number of one one-thousandths of a Preferred Share for which a Right is then exercisable (without taking into account any adjustment previously made pursuant to Section 11(a)(ii)) and dividing that product by (B) 50% of the then current per share market price of the Common Shares of such Principal Party (determined pursuant to Section 11(d) hereof) on the date of consummation of such Section 13 Event; (ii) such Principal Party shall thereafter be liable for, and shall assume, by virtue of such Section 13 Event, all the obligations and duties of the Corporation pursuant to this Agreement; (iii) the term "Corporation" shall thereafter be deemed to refer to such Principal Party, it being specifically intended that the provisions of Section 11 hereof shall apply only to such Principal Party following the first occurrence of a Section 13 Event; and (iv) such Principal Party shall take such steps (including, but not limited to, the reservation of a sufficient number of its Common Shares) in connection with the consummation of any such transaction as may be necessary to assure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in relation to the Common Shares thereafter deliverable upon the exercise of the Rights.

(b) "Principal Party" shall mean

(i) in the case of any transaction described in clause (x)

or (y) of the first sentence of Section 13(a), the Person that is the issuer of any securities into which Common Shares of the Corporation are converted in such merger or consolidation, and if no securities are so issued, the Person that is the other party to such merger or consolidation (including, if applicable, the Corporation if it is the surviving corporation); and (ii) in the case of any transaction described in clause (z) of the first sentence of Section 13(a), the Person that is the party receiving the greatest portion of the assets or earning power transferred pursuant to such transaction or transactions; provided, however, that in any of the foregoing cases, (1) if the Common Shares of such Person are not at such time and have not been continuously over the preceding twelve (12) month period registered under Section 12 of the Exchange Act, and such Person is a direct or indirect Subsidiary of another Person the Common Shares of which are and have been so registered, "Principal Party" shall refer to such other Person; (2) in case such Person is a Subsidiary, directly or indirectly, of more than one Person, the Common Shares of two or more of which are and have been so registered, "Principal Party" shall refer to whichever of such Persons is the issuer of the Common Shares having the greatest aggregate market value; and (3) in case such Person is owned, directly or indirectly, by a joint venture formed by two or more Persons that are not owned, directly or indirectly, by the same Person, the rules set forth in (1) and (2) above shall apply to each of the chains of ownership having an interest in such joint venture as if such party were a Subsidiary of both or all of such joint venturers and the Principal Parties in each such chain shall bear the obligations set forth in this Section 13 in the same ratio as their direct or indirect interests in such Person bear to the total of such interests.

(c) The Corporation shall not consummate any such consolidation, merger, sale or transfer unless the Principal Party shall have a sufficient number of its authorized Common Shares which have not been issued or reserved for issuance to permit the exercise in full of the Rights in accordance with this Section 13 and unless prior thereto the Corporation and such Principal Party shall have executed and delivered to the Rights Agent a supplemental agreement providing for the terms set forth in paragraphs (a) and (b) of this Section 13 and further providing that, as soon as practicable after the date of any consolidation, merger, sale or transfer mentioned in paragraph (a) of this Section 13, the Principal Party at its own expense shall:

(i) prepare and file a registration statement under the Act with respect to the Rights and the securities purchasable upon exercise of the Rights on an appropriate form, and will use its best efforts to cause such registration statement to (A) become effective as soon as practicable after such filing and (B) remain effective (with a prospectus at all times meeting the requirements of the Act) until the Final Expiration Date;

(ii) use its best efforts to qualify or register the Rights and the securities purchasable upon exercise of the Rights under the blue sky laws of such jurisdictions as may be necessary or appropriate; and

(iii) deliver to holders of the Rights historical financial statements for the Principal Party which comply in all respects with the requirements for registration on Form 10 under the Exchange Act.

The provisions of this Section 13 shall similarly apply to successive mergers or consolidations or sales or other transfers. The rights under this Section 13 shall be in addition to the rights to exercise Rights and adjustments under Section 11(a)(ii) and shall survive any exercise thereof.

(d) Notwithstanding anything in this Agreement to the contrary, Section 13 shall not be applicable to a transaction described in subparagraphs (x) and (y) of Section 13(a) if: (i) such transaction is consummated with a Person or Persons who acquired Common Shares pursuant to a Permitted Offer (or a wholly owned Subsidiary of any such Person or Persons); (ii) the price per Common Share offered in such transaction is not less than the price per Common Share paid to all holders of Common Shares whose shares were purchased pursuant to such Permitted Offer; and (iii) the form of consideration offered in such transaction is the same as the form of consideration paid pursuant to such Permitted Offer. Upon consummation of any such transaction contemplated by this Section 13(d), all Rights hereunder shall expire.

Section 14. Fractional Rights and Fractional Shares.

(a) The Corporation shall not be required to issue fractions of Rights or to distribute Right Certificates which represent fractional Rights. In lieu of such fractional Rights, there shall be paid to the registered holders of the Right Certificates with regard to which such fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the current market value of a whole Right. For the purposes of this Section 14(a), the current market value of a whole Right shall be the closing price of the Rights for the Trading Day immediately prior to the date on which such fractional Rights would have been otherwise issuable. The closing price for any day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to

trading on the New York Stock Exchange or, if the Rights are not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Rights are listed or admitted to trading or, if the Rights are not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices as reported on NASDAQ or such other market or system then in use or, if on any such date the Rights are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Rights selected by the Board of Directors of the Corporation. If on any such date no such market maker is making a market in the Rights, the fair value of the Rights on such date as determined in good faith by the Board of Directors of the Corporation shall be used.

(b) The Corporation shall not be required to issue fractions of Preferred Shares (other than fractions which are one one-thousandth or integral multiples of one one-thousandth of a Preferred Share) upon exercise of the Rights or to distribute certificates which represent fractional Preferred Shares (other than fractions which are one one-thousandth or integral multiples of one one-thousandth of a Preferred Share). Fractions of Preferred Shares in integral multiples of one one-thousandth of a Preferred Share may, at the election of the Corporation, be represented by depositary receipts, pursuant to an appropriate agreement between the Corporation and a depositary selected by it; provided that such agreement shall provide that the holders of such depositary receipts shall have the rights, privileges and preferences to which they are entitled as beneficial owners of the Preferred Shares represented by such depositary receipts. In lieu of fractional Preferred Shares that are not one one-thousandth or integral multiples of one one-thousandth of a Preferred Share, the Corporation shall pay to the registered holders of Right Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market value of one Preferred Share. For the purposes of this Section 14(b), the current market value of a Preferred Share shall be the closing price of a Preferred Share (as determined pursuant to Section 11(d)(ii) hereof) for the Trading Day immediately prior to the date of such exercise.

(c) Following the occurrence of one of the transactions or events specified in Section 11 giving rise to the right to receive Common Shares, stock equivalents (other than Preferred Shares) or other securities upon the exercise of a Right, the Corporation shall not be required to issue fractions of shares or units of such Common Shares, stock equivalents or other securities upon exercise of the Rights or to distribute certificates which represent fractions of such Common Shares, stock equivalents or other securities. In lieu of fractional shares or units of such Common Shares, stock equivalents or other securities, the Corporation may pay to the registered holders of Right Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market value of a share or unit of such Common Shares, stock equivalents or other securities. For purposes of this Section 14(c), the current market value shall be determined in the manner set forth in Section 11(d) hereof for the Trading Day immediately prior to the date of such exercise and, if such stock equivalent is not traded, each such stock equivalent shall have the value of one one-thousandth of a Preferred Share.

(d) The holder of a Right by the acceptance of the Right expressly waives his right to receive any fractional Rights or any fractional share upon exercise of a Right (except as provided above). The Rights Agent shall not be deemed to have knowledge of, and shall have no duty in respect of, the issuance of fractional Rights or fractional shares until it shall have received instructions from the Corporation concerning the issuance of the fractional Rights or fractional shares upon which instructions the Rights Agent may conclusively rely.

Section 15. Rights of Action.

All rights of action in respect of this Agreement, excepting the rights of action given to the Rights Agent under Section 18 hereof, are vested in the respective registered holders of the Right Certificates (and, prior to the Distribution Date, the registered holders of the Common Shares); and any registered holder of any Right Certificate (or, prior to the Distribution Date, of the Common Shares), without the consent of the Rights Agent or of the holder of any other Right Certificate (or, prior to the Distribution Date, of the Common Shares), may, in his own behalf and for his own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Corporation to enforce, or otherwise act in respect of, his right to exercise the Rights evidenced by such Right Certificate (or, prior to the Distribution Date, of the Common Shares) in the manner provided in such Right Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

Section 16. Agreement of Right Holders.

Every holder of a Right, by accepting the same, consents and agrees with the Corporation and the Rights Agent and with every other holder of a Right that:

(a) prior to the Distribution Date, the Rights will be transferable only in connection with the transfer of the Common Shares;

(b) after the Distribution Date, the Right Certificates are transferable only on the registry books of the Rights Agent if surrendered at the office or offices of the Rights Agent designated for such purpose, duly endorsed or accompanied by a proper instrument of transfer and with the appropriate form fully executed;

(c) subject to Section 7(f) hereof, the Corporation and the Rights Agent may deem and treat the Person in whose name the Right Certificate (or, prior to the Distribution Date, the associated Common Shares certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on the Right Certificate or the associated Common Shares certificate made by anyone other than the Corporation or the Rights Agent) for all purposes whatsoever, and neither the Corporation nor the Rights Agent, subject to the last sentence of Section 7(e) hereof, shall be required to be affected by any notice to the contrary; and

(d) notwithstanding anything in this Agreement to the contrary, neither the Corporation nor the Rights Agent shall have any liability to any holder of a Right or a beneficial interest in a Right or other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, judgment, decree or ruling (whether interlocutory or final) issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation; provided, however, the Corporation must use its best efforts to have any such order, judgment, decree or ruling lifted or otherwise overturned as soon as possible.

Section 17. Right Certificate Holder Not Deemed a Stockholder.

No holder, as such, of any Right Certificate shall be entitled to vote, receive dividends or be deemed for any purpose the holder of the Preferred Shares or any other securities of the Corporation which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Right Certificate be construed to confer upon the holder of any Right Certificate, as such, any of the rights of a stockholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in Section 25 hereof), or to receive dividends or other distributions or to exercise any preemptive or subscription rights, or otherwise, until the Right or Rights evidenced by such Right Certificate shall have been exercised in accordance with the provisions hereof.

Section 18. Concerning the Rights Agent.

The Corporation agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements incurred in the preparation, execution, delivery, amendment, administration and execution of this Agreement and the exercise and performance of its duties hereunder. The Corporation also agrees to indemnify the Rights Agent for, and to hold it harmless against, any loss, liability, damage, judgment, fine, penalty, claim, demand, settlement, cost or expense, incurred without gross negligence, bad faith or willful misconduct on the part of the Rights Agent, for any action taken, suffered or omitted by the Rights Agent in connection with the acceptance and administration of this Agreement, including, without limitation, the costs and expenses of defending against any claim of liability in the premises. The indemnity provided for herein shall survive the expiration of the Rights and the termination of this Agreement.

The Rights Agent shall be authorized and protected and shall incur no liability for, or in respect of, any action taken, suffered or omitted by it in connection with its acceptance and administration of this Agreement in reliance upon any Right Certificate or certificate for Common Shares or for other securities of the Corporation, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document (collectively, "Documents") believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons. The Rights Agent shall not be deemed to have knowledge of, and shall have no duty in respect of, any such Documents, until it receives notice or instructions in respect thereof. In no case will the Rights Agent be liable for special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever, even if the Rights Agent has been advised of the likelihood of such loss or

damage.

Section 19. Merger or Consolidation or Change of Name of Rights Agent.

Any Person into which the Rights Agent or any successor Rights Agent may be merged or with which it may be consolidated, or any Person resulting from any merger or consolidation to which the Rights Agent or any successor Rights Agent shall be a party, or any Person succeeding to the stock transfer or all or substantially all of the stockholder services business of the Rights Agent or any successor Rights Agent, shall be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such Person would be eligible for appointment as a successor Rights Agent under the provisions of Section 21 hereof. In case at the time such successor Rights Agent shall succeed to the agency created by this Agreement, any of the Right Certificates shall have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of a predecessor Rights Agent and deliver such Right Certificates so countersigned; and in case at that time any of the Right Certificates shall not have been countersigned, any successor Rights Agent may countersign such Right Certificates either in the name of the predecessor or in the name of the successor Rights Agent; and in all such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Agreement. In case at any time the name of the Rights Agent shall be changed and at such time any of the Right Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Right Certificates so countersigned; and in case at that time any of the Right Certificates shall not have been countersigned, the Rights Agent may countersign such Right Certificates either in its prior name or in its changed name; and in all such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Agreement.

Section 20. Duties of Rights Agent.

The Rights Agent undertakes only those duties and obligations expressly imposed by this Agreement (and no implied duties or obligations) upon the following terms and conditions, by all of which the Corporation and the holders of Right Certificates, by their acceptance thereof, shall be bound:

(a) The Rights Agent may consult with legal counsel (who may be legal counsel for the Corporation), and the advice or opinion of such counsel shall be full and complete authorization and protection to the Rights Agent and the Rights Agent shall incur no liability for, or in respect of, any action taken, suffered or omitted by it in good faith and in accordance with such opinion.

(b) Whenever in the performance of its duties under this Agreement the Rights Agent shall deem it necessary or desirable that any fact or matter (including, without limitation, the identity of an Acquiring Person and the determination of the current market price of any Security) be proved or established by the Corporation prior to taking, suffering or omitting any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by any one of the Chairman of the Board, the Chief Executive Officer (or any co-Chief Executive Officer), the President, any Vice President, the Treasurer or the Secretary of the Corporation and delivered to the Rights Agent; and such certificate shall be full authorization and protection to the Rights Agent and the Rights Agent shall incur no liability in respect of any action taken, suffered or omitted in good faith by it under the provisions of this Agreement in reliance upon such certificate.

(c) The Rights Agent shall be liable hereunder only for its own gross negligence, bad faith or willful misconduct.

(d) The Rights Agent shall not be liable for, or by reason of any liability in respect of, the statements of fact or recitals contained in this Agreement or in the Right Certificates (except its countersignature on such Right Certificates) or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Corporation only.

(e) The Rights Agent shall not be under any liability or responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Rights Agent) or in respect of the validity or execution of any Right Certificate (except its countersignature thereof); nor shall it be responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor shall it be responsible for any change in the exercisability of the Rights (including the Rights becoming null and void pursuant to Section 7(e) hereof) or any adjustment required under the provisions of Section 11 or Section 13 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights evidenced by Right Certificates after receipt of the

certificate described in Section 12 hereof); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any Preferred Shares or Common Shares to be issued pursuant to this Agreement or any Right Certificate or as to whether any Preferred Shares or Common Shares will, when issued, be validly authorized and issued, fully paid and non-assessable.

(f) The Corporation will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.

(g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any one of the Chairman of the Board, the Chief Executive Officer (or any co-Chief Executive Officer), the President, any Vice President, the Treasurer or the Secretary of the Corporation, and to apply to such officers for advice or instructions in connection with its duties, and such instructions shall be full authorization and protection to the Rights Agent and the Rights Agent shall incur no liability for or in respect of any action taken, suffered or omitted by it in good faith or lack of action in accordance with instructions of any such officer or for any delay in acting while waiting for those instructions. Any application by the Rights Agent for written instructions from the Corporation may, at the option of the Rights Agent, set forth in writing any action proposed to be taken or omitted by the Rights Agent under this Agreement and the date on or after which such action shall be taken or suffered or such omission shall be effective. The Rights Agent shall not be liable or responsible for any action taken or suffered by, or omission of, the Rights Agent in accordance with a proposal included in any such application on or after the date specified in such application (which date shall not be less than five Business Days after the date any officer of the Corporation actually receives such application, unless any such officer shall have consented in writing to an earlier date) unless, prior to taking any such action (or the effective date in the case of an omission), the Rights Agent shall have received written instruction from any one of the Chairman of the Board, the Chief Executive Officer (or any co-Chief Executive Officer), the President, any Vice President, the Treasurer or the Secretary of the Corporation in response to such application specifying the action to be taken, suffered or omitted.

(h) The Rights Agent and any stockholder, affiliate, director, officer or employee of the Rights Agent may buy, sell or deal in any of the Rights or other securities of the Corporation or become pecuniarily interested in any transaction in which the Corporation may be interested, or contract with or lend money to the Corporation or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Corporation or for any other Person or legal entity.

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation or any other Person resulting from any such act, default, neglect or misconduct, absent gross negligence, bad faith or willful misconduct in the selection and continued employment thereof.

(j) No provision of this Agreement shall require the Rights Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of its rights if it believes that repayment of such funds or adequate indemnification against such risk or liability is not reasonably assured to it.

(k) If, with respect to any Rights Certificate surrendered to the Rights Agent for exercise or transfer, the certificate attached to the form of assignment or form of election to purchase, as the case may be, has not been completed, the Rights Agent shall not take any further action with respect to such requested exercise of transfer without first consulting with the Corporation.

Section 21. Change of Rights Agent.

The Rights Agent or any successor Rights Agent may resign and be discharged from its duties under this Agreement upon thirty (30) days' notice in writing mailed to the Corporation and to each transfer agent of the Common Shares or Preferred Shares by registered or certified mail, and to the holders of the Right Certificates by first-class mail. The Corporation may remove the Rights Agent or any successor Rights Agent upon sixty (60) days' notice in writing, mailed to the Rights Agent or successor Rights Agent, as the case may be, and to each transfer agent of the Common Shares or Preferred Shares by registered or certified mail, and to holders of the Right Certificates by first-class mail. If the Rights Agent shall resign or be removed or shall otherwise become incapable of acting, the Corporation shall appoint a

successor to the Rights Agent. If the Corporation shall fail to make such appointment within a period of sixty (60) days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of a Right Certificate (who shall, with such notice, submit his Right Certificate for inspection by the Corporation), then the registered holder of any Right Certificate may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Corporation or by such a court, shall be a Person organized and doing business under the laws of the United States or of the State of New York (or of any other state of the United States so long as such Person is authorized to do business in the State of New York), in good standing, having an office in the State of New York, and which is subject to supervision or examination by federal or state authority. After appointment, the successor Rights Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment the Corporation shall file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares or Preferred Shares, and mail a notice thereof in writing to the registered holders of the Right Certificates. Failure to give any notice provided for in this Section 21, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

Section 22. Issuance of New Right Certificates.

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Corporation may, at its option, issue new Right Certificates representing Rights in such form as may be approved by its Board of Directors to reflect any adjustment or change in the Purchase Price and the number or kind or class of shares or other securities or property purchasable under the Right Certificates made in accordance with the provisions of this Agreement.

In addition, in connection with the issuance or sale of Common Shares following the Distribution Date and prior to the earlier of the Redemption Date and the Final Expiration Date, the Corporation (a) shall, with respect to Common Shares so issued or sold pursuant to the exercise of stock options or under any employee plan or arrangement, or upon the exercise, conversion or exchange of securities, notes or debentures issued by the Corporation, and (b) may, in any other case, if deemed necessary or appropriate by the Board of Directors of the Corporation, issue Right Certificates representing the appropriate number of Rights in connection with such issuance or sale; provided, however, that (i) the Corporation shall not be obligated to issue any such Right Certificates if, and to the extent that, the Corporation shall be advised by counsel that such issuance would create a significant risk of material adverse tax consequences to the Corporation or the Person to whom such Right Certificate would be issued, and (ii) no Right Certificate shall be issued if, and to the extent that, appropriate adjustment shall otherwise have been made in lieu of the issuance thereof.

Section 23. Redemption and Termination.

(a) (i) The Corporation may, at its option, redeem all but not less than all of the then outstanding Rights at a redemption price of $.01 per Right, as such amount may be appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date hereof (such redemption price being hereinafter referred to as the "Redemption Price"), at any time prior to the earlier of (x) the occurrence of a Section 11(a)(ii) Event or (y) the Final Expiration Date.

(ii) In addition, the Corporation may, at its option, at any time following the occurrence of a Section 11(a)(ii) Event and the expiration of any period during which the holder of Rights may exercise the rights under Section 11(a)(ii) but prior to any Section 13 Event, redeem all but not less than all of the then outstanding Rights at the Redemption Price (x) in connection with any merger, consolidation or sale or other transfer (in one transaction or in a series of related transactions) of assets or earning power aggregating 50% or more of the earning power of the Corporation and its subsidiaries (taken as a whole) in which all holders of Common Shares are treated alike and not involving (other than as a holder of Common Shares being treated like all other such holders) an Interested Stockholder or (y)(aa) if and for so long as the Acquiring Person is not thereafter the Beneficial Owner of 15% of the Common Shares, and (bb) at the time of redemption no other Persons are Acquiring Persons.

(b) In the case of a redemption permitted under Section 23(a)(i), immediately upon the date for redemption set forth (or determined in the manner specified) in a resolution of the Board of Directors of the Corporation ordering the redemption of the Rights, and without any further action and without any notice, the right to exercise the Rights will terminate and the only right thereafter of the holders of Rights shall be to receive the

Redemption Price for each Right so held. In the case of a redemption permitted only under Section 23(a)(ii), the right to exercise the Rights will terminate and represent only the right to receive the Redemption Price upon the later of ten (10) Business Days following the giving of such notice or the expiration of any period during which the rights under Section 11(a)(ii) may be exercised. The Corporation shall promptly give public notice and notify the Rights Agent of any such redemption; provided, however, that the failure to give, or any defect in, any such notice shall not affect the validity of such redemption. Within ten (10) days after such date for redemption set forth in a resolution of the Board of Directors ordering the redemption of the Rights, the Corporation shall mail a notice of redemption to all the holders of the then outstanding Rights at their last addresses as they appear upon the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the transfer agent for the Common Shares. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. Neither the Corporation nor any of its Affiliates or Associates may redeem, acquire or purchase for value any Rights at any time in any manner other than that specifically set forth in this Section 23 and other than in connection with the purchase of Common Shares prior to the Distribution Date.

(c) The Corporation may, at its option, discharge all of its obligations with respect to the Rights by (i) issuing a press release announcing the manner of redemption of the Rights in accordance with this Agreement and (ii) mailing payment of the Redemption Price to the registered holders of the Rights at their last addresses as they appear on the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the transfer agent of the Common Shares, and upon such action, all outstanding Rights and Right Certificates shall be null and void without any further action by the Corporation.

Section 24. Exchange.

(a) The Corporation may, at its option, at any time after the time that any Person becomes an Acquiring Person, exchange all or part of the then outstanding and exercisable Rights (which shall not include Rights that have become null and void pursuant to the provisions of Section 7(e) hereof) for Common Shares of the Corporation at an exchange ratio of one Common Share per Right, appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date hereof (such exchange ratio being hereinafter referred to as the "Exchange Ratio"). Notwithstanding the foregoing, the Corporation shall not be empowered to effect such exchange at any time after any Person (other than the Corporation, any Subsidiary of the Corporation, any employee benefit plan of the Corporation or any such Subsidiary, any Person organized, appointed or established by the Corporation for or pursuant to the terms of any such plan or any trustee, administrator or fiduciary of such a plan), together with all Affiliates and Associates of such Person, becomes the Beneficial Owner of 50% or more of the Common Shares then outstanding.

(b) Immediately upon the action of the Corporation ordering the exchange of any Rights pursuant to subsection (a) of this Section 24 and without any further action and without any notice, the right to exercise such Rights shall terminate and the only right thereafter of the holders of such Rights shall be to receive that number of Common Shares equal to the number of such Rights held by such holder multiplied by the Exchange Ratio. The Corporation shall promptly give public notice and notify the Rights Agent of any such exchange; provided, however, that the failure to give, or any defect in, such notice shall not affect the validity of such exchange. The Corporation promptly shall mail a notice of any such exchange to all of the holders of such Rights at their last addresses as they appear upon the registry books of the Rights Agent. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of exchange will state the method by which the exchange of the Common Shares for Rights will be effected and, in the event of any partial exchange, the number of Rights will be exchanged. Any partial exchange shall be effected pro rata based on the number of Rights (other than Rights which have become null and void pursuant to the provisions of Section 7(e), held by each holder of Rights.

(c) In any exchange pursuant to this Section 24, the Corporation, at its option, may substitute Preferred Shares (or equivalent preferred shares, as such term is defined in Section 11(b) hereof) for some or all of the Common Shares exchangeable for Rights, at the initial rate of one one-thousandth of a Preferred Share (or equivalent preferred share) for each Common Share, as appropriately adjusted to reflect adjustments in the voting rights of the Preferred Shares pursuant to the terms thereof, so that the fraction of a Preferred Share delivered in lieu of each Common Share shall have the same voting rights as one Common Share.

(d) The Board of Directors of the Corporation shall not authorize any exchange transaction referred to in Section 24(a) hereof unless at the time such exchange is authorized there shall be sufficient Common Shares or Preferred Shares issued but not outstanding, or authorized but unissued, to permit the exchange of Rights as contemplated in accordance with

this Section 24.

Section 25. Notice of Certain Events.

(a) In case the Corporation shall propose (i) to pay any dividend payable in stock of any class to the holders of its Preferred Shares or to make any other distribution to the holders of its Preferred Shares (other than a regularly quarterly cash dividend), (ii) to offer to the holders of its Preferred Shares rights or warrants to subscribe for or to purchase any additional Preferred Shares or shares of stock of any class or any other securities, rights or options, (iii) to effect any reclassification of its Preferred Shares (other than a reclassification involving only the subdivision of outstanding Preferred Shares), (iv) to effect any consolidation or merger into or with any other Person (other than a Subsidiary of the Corporation in a transaction which does not violate Section 11(n) hereof), or to effect any sale or other transfer (or to permit one or more of its Subsidiaries to effect any sale or other transfer) in one or more transactions, of 50% or more of the assets or earning power of the Corporation and its Subsidiaries (taken as a whole) to any other Person or Persons (other than the Corporation and/or any of its Subsidiaries in one or more transactions each of which does not violate Section 11(n) hereof), or (v) to effect the liquidation, dissolution or winding up of the Corporation, then, in each such case, the Corporation shall give to the Rights Agent and to each holder of a Right Certificate, in accordance with Section 26 hereof, a notice of such proposed action and file a certificate with the Rights Agent to that effect, which shall specify the record date for the purposes of such stock dividend, or distribution of rights or warrants, or the date on which such reclassification, consolidation, merger, sale, transfer, liquidation, dissolution, or winding up is to take place and the date of participation therein by the holders of the Preferred Shares, if any such date is to be fixed, and such notice shall be so given in the case of any action covered by clause (i) or (ii) above at least twenty (20) days prior to the record date for determining holders of the Preferred Shares for purposes of such action, and in the case of any such other action, at least twenty (20) days prior to the date of the taking of such proposed action or the date of participation therein by the holders of the Preferred Shares, whichever shall be the earlier.

(b) In case of a Section 11(a)(ii) Event, then (i) the Corporation shall as soon as practicable thereafter give to each holder of a Right Certificate, in accordance with Section 26 hereof, a notice of the occurrence of such event, which notice shall describe such event and the consequences of such event to holders of Rights under Section 11(a)(ii) hereof, and (ii) all references in the preceding paragraph (a) to Preferred Shares shall be deemed thereafter to refer also to Common Shares and/or, if appropriate, other securities of the Corporation.

Section 26. Notices.

Notices or demands authorized by this Agreement to be given or made by the Rights Agent or by the holder of any Right Certificate to or on the Corporation shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Rights Agent) as follows:

Reckson Associates Realty Corp.
225 Broadhollow Road
Melville, New York 11747
Attention: Jason Barnett

Subject to the provisions of Section 21 hereof, any notice or demand authorized by this Agreement to be given or made by the Corporation or by the holder of any Right Certificate to or on the Rights Agent shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Corporation) as follows:

American Stock Transfer & Trust Company
59 Maiden Lane
New York, New York 10038
Attention: Paula Caroppoli

Notices or demands authorized by this Agreement to be given or made by the Corporation or the Rights Agent to the holder of any Right Certificate or, if prior to the Distribution Date, to the holder of certificates representing Common Shares shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as shown on the registry books of the Corporation.

Section 27. Supplements and Amendments.

Except as set forth in the penultimate sentence of this Section 27, prior to the Distribution Date, the Corporation may and the Rights Agent shall, if the Corporation so directs, supplement or amend any provision of this Agreement without the approval of any holders of certificates representing Common Shares. From and after the Distribution Date, the Corporation may and the Rights Agent shall, if the Corporation so directs, supplement or amend

this Agreement without the approval of any holders of Right Certificates in order (i) to cure any ambiguity, (ii) to correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions herein, (iii) to shorten or lengthen any time period hereunder or (iv) to change or supplement the provisions hereunder in any manner which the Corporation may deem necessary or desirable and which shall not adversely affect the interests of the holders of Right Certificates (other than an Acquiring Person or an Affiliate or Associate of an Acquiring Person); provided, however, that this Agreement may not be supplemented or amended to lengthen, pursuant to clause (iii) of this sentence, (A) a time period relating to when the Rights may be redeemed at such time as the Rights are not then redeemable, or (B) any other time period unless any such lengthening is for the purpose of protecting, enhancing or clarifying the rights of, and/or the benefits to, the holders of Rights. Upon the delivery of a certificate from an appropriate officer of the Corporation which states that the proposed supplement or amendment is in compliance with the terms of this Section 27, and if requested by the Rights Agent an opinion of counsel, the Rights Agent shall execute such supplement or amendment, provided that such supplement or amendment does not adversely affect the rights or obligations of the Rights Agent under Section 18 or Section 20 of this Agreement. Prior to the Distribution Date, the interests of the holders of Rights shall be deemed coincident with the interests of the holders of Common Shares.

Section 28. Determination and Actions by the Board of Directors, etc.

The Board of Directors of the Corporation shall have the exclusive power and authority to administer this Agreement and to exercise all rights and powers specifically granted to the Board of Directors of the Corporation, or the Corporation, or as may be necessary or advisable in the administration of this Agreement, including, without limitation, the right and power to (i) interpret the provisions of this Agreement, and (ii) make all determinations deemed necessary or advisable for the administration of this Agreement (including, without limitation, a determination to redeem or not redeem the Rights or to amend the Agreement and whether any proposed amendment adversely affects the interests of the holders of Right Certificates). For all purposes of this Agreement, any calculation of the number of Common Shares or other securities outstanding at any particular time, including for purposes of determining the particular percentage of such outstanding Common Shares or any other securities of which any Person is the Beneficial Owner, shall be made in accordance with the last sentence of Rule 13d-3(d)(1)(i) of the General Rules and Regulations under the Exchange Act as in effect on the date of this Agreement. All such actions, calculations, interpretations and determinations (including, for purposes of clause (y) below, all omissions with respect to the foregoing) which are done or made by the Board of Directors of the Corporation in good faith (and the Rights Agent shall be able to assume that the Board of Directors of the Corporation acted in such good faith), shall (x) be final, conclusive and binding on the Corporation, the Rights Agent, the holders of the Right Certificates and all other Persons, and (y) not subject the Board of Directors of the Corporation to any liability to the holders of the Right Certificates.

Section 29. Successors.

All the covenants and provisions of this Agreement by or for the benefit of the Corporation or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 30. Benefits of this Agreement.

Nothing in this Agreement shall be construed to give to any person or corporation other than the Corporation, the Rights Agent and the registered holders of the Right Certificates (and, prior to the Distribution Date, the Common Shares) any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Corporation, the Rights Agent and the registered holders of the Right Certificates (and, prior to the Distribution Date, the Common Shares).

Section 31. Severability.

If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 32. Governing Law.

This Agreement, each Right and each Right Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of Maryland and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts to be made and performed entirely within such State; except that all provisions regarding the rights, duties and obligations of the Rights Agent shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State.

Section 33. Counterparts

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

Section 34. Descriptive Headings.

Descriptive headings of the several Sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and attested, all as of the date and year first above written.

RECKSON ASSOCIATES REALTY CORPORATION

Attest:

By ----------	By: ----------
Name: ----------	Name: ----------
Title: ----------	Title: ----------

AMERICAN STOCK TRANSFER & TRUST COMPANY

Attest:

By ----------	By: ----------
Name: ----------	Name: ----------
Title: ----------	Title: ----------

Exhibit A

RECKSON ASSOCIATES REALTY CORP.

FORM OF

ARTICLES SUPPLEMENTARY

ESTABLISHING AND FIXING THE RIGHTS AND
PREFERENCES OF A CLASS OF SHARES OF PREFERRED STOCK

Reckson Associates Realty Corp., a Maryland corporation (the "Corporation"), certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: Pursuant to the authority expressly vested in the board of directors of the Corporation (the "Board of Directors") by Article VI of its charter, as heretofore amended and restated (which, as hereafter restated or amended from time to time, is together with these Articles Supplementary herein called the "Charter"), the Board of Directors has, by resolution, duly classified 100,000 shares of the preferred stock, par value $.01 per share, of the Corporation into a series designated Series C Junior Participating Preferred Stock and has provided for the issuance of such series.

SECOND: The preferences, rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption of the shares of such series of Preferred Stock, which upon any restatement of the Charter shall be included as part of Article VI of the Charter with any necessary or appropriate relettering or renumbering, are as follows:

SERIES C JUNIOR PARTICIPATING PREFERRED STOCK

1. Designation and Number.

A series of Preferred Stock of the Corporation, classified the "Series C Junior Participating Preferred Stock" (the "Series C Preferred Stock") is hereby established. The number of shares of the Series C Preferred Stock shall be 100,000. Such number of shares may be increased or decreased by resolution of the Board of Directors and by the filing of articles supplementary pursuant to the provisions of the Maryland General Corporation Law stating that such increase of reduction has been so authorized; provided, however, that no decrease shall reduce the number of shares of Series C Preferred Stock to a number less than that of the shares then outstanding plus the number of shares of Series C Preferred Stock issuable upon exercise of outstanding rights, options or warrants or upon conversion of outstanding securities issued by the Corporation.

2. Dividends and Distributions.

(a) The holders of shares of Series C Preferred Stock shall be entitled to receive, when, as and if authorized by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash January 31, April 30, July 31 and October 31 in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance (the "First Issuance") of a share or fraction of a share of Series C Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (i) $10.00 and (ii) 1,000 times the aggregate per share amount of all cash dividends and 1,000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend or distribution payable in shares of class A common stock, par value $.01 per share, of the Corporation ("Common Shares") or by way of a subdivision of the outstanding Common Shares (by reclassification or otherwise), declared on the Common Shares, since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series C Preferred Stock. In the event the Corporation shall at any time after the First Issuance declare or pay any dividend on the Common Shares payable Common Shares, or effect a subdivision or combination or consolidation of the outstanding Common Shares (by reclassification or otherwise than by payment of a dividend in Common Shares) into a greater or lesser number of Common Shares, then in each such case the amount to which holders of shares of Series C Preferred Stock were entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Shares outstanding immediately after

such event and the denominator of which is the number of Common Shares that were outstanding immediately prior to such event.

(b) On or after the First Issuance, no dividend on Common Shares shall be declared unless concurrently therewith a dividend or distribution is declared on the Series C Preferred Stock as provided in paragraph (a) above; and the declaration of any such dividend on the Common Shares shall be expressly conditioned upon payment or declaration of and provision for a dividend on the Series C Preferred Stock as above provided. In the event no dividend or distribution shall have been declared on the Common Shares during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of $10.00 per share on the Series C Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(c) Whenever quarterly dividends or other dividends payable on the Series C Preferred Stock as provided in paragraph (a) above are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series C Preferred Stock outstanding shall have been paid in full, the Corporation shall not redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series C Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (as to dividends and upon dissolution, liquidation or winding up) to the Series C Preferred Stock.

(d) Dividends shall begin to accrue and be cumulative on outstanding shares of Series C Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series C Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series C Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. The Board of Directors may fix a record date for the determination of holders of shares of Series C Preferred Stock entitled to receive payment of a dividend distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

3. Dissolution, Liquidation and Winding Up.

In the event of any voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation (hereinafter referred to as a "Liquidation"), the holders of Series C Preferred Stock shall be entitled to receive the greater of (a) $10.00 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment and (b) the aggregate amount per share equal to 1,000 times the aggregate amount to be distributed per share to holders of Common Shares. In the event the Corporation shall at any time after the First Issuance declare or pay any dividend on the Common Shares payable in Common Shares, or effect a subdivision or combination or consolidation of the outstanding Common Shares (by reclassification or otherwise than by payment of a dividend in shares of Common Shares) into a greater or lesser number of Common Shares, then in each such case the aggregate amount to which holders of shares of Series C Preferred Stock were entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Shares outstanding immediately after such event and the denominator of which is the number of Common Shares that were outstanding immediately prior to such event.

The liquidation preference of the outstanding shares of Series C Preferred Stock will not be added to the liabilities of the Corporation for the purpose of determining whether under the Maryland General Corporation Law a distribution may be made to stockholders of the Corporation whose preferential rights upon dissolution of the Corporation are junior to those of Series C Preferred Stock.

4. Voting Rights.

The holders of shares of Series C Preferred Stock shall have the following voting rights:

(a) Each share of Series C Preferred Stock shall entitle the holder thereof to one thousand (1,000) votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time after the First Issuance declare or pay any dividend on the Common Shares payable in Common Shares, or effect a subdivision or combination or consolidation of the outstanding shares of Common Shares (by reclassification or otherwise than by payment of a dividend in Common Shares)

into a greater or lesser number of Common Shares, then in each such case the aggregate number of votes to which holders of shares of Series C Preferred Stock were entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such number by a fraction the numerator of which is the number of Common Shares outstanding immediately after such event and the denominator of which is the number of Common Shares that were outstanding immediately prior to such event.

(b) Except as otherwise provided herein, or by law, the Corporation's charter (as heretofore amended and restated, and as hereafter amended or restated from time to time, together with these Articles Supplementary, the "Charter") or the bylaws of the Corporation (as heretofore amended and restated, and as hereafter amended or restated from time to time, the "Bylaws"), the holders of shares of Series C Preferred Stock and the holders of Common Shares (and holders of shares of class B common stock, par value $.01 per share, of the Corporation) shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(c) If and whenever dividends on the Series C Preferred Stock shall be in arrears in an amount equal to six quarterly dividend payments, then and in such event the holders of the Series C Preferred Stock, voting separately as a class (subject to the provisions of subparagraph (d) below), shall be entitled at the next annual meeting of the stockholders or at any special meeting to elect two (2) directors. Each share of Series C Preferred Stock shall be entitled to one vote, and holders of fractional shares shall have the right to a fractional vote. Upon election, such directors shall become additional directors of the Corporation and the authorized number of directors of the Corporation shall thereupon be automatically increased by such number of directors. Such right of the holders of Series C Preferred Stock to elect directors may be exercised until all dividends in default on the Series C Preferred Stock shall have been paid in full, and when so paid and set apart, the right of the holders of Series C Preferred Stock to elect such number of directors shall cease, the term of such directors shall thereupon terminate, and the authorized number of directors of the Corporation shall thereupon return to the number of authorized directors otherwise in effect, but subject always to the same provisions for the vesting of such special voting rights in the case of any such future dividend default or defaults. The fact that dividends have been paid and set apart as required by the preceding sentence shall be evidenced by a certificate executed by the President and the Chief Financial Officer of the Corporation and delivered to the Board of Directors. The directors so elected by holders of Series C Preferred Stock shall serve until the certificate described in the preceding sentence shall have been delivered to the Board of Directors or until their respective successors shall be elected or appointed and qualify.

At any time when such special voting rights have been so vested in the holders of the Series C Preferred Stock, the Secretary of the Corporation may and, upon the written request of the holders of record of 10% or more of the number of shares of the Series C Preferred Stock then outstanding addressed to such Secretary at the principal office of the Corporation in the State of New York, shall call a special meeting of the holders of the Series C Preferred Stock for the election of the directors to be elected by them as hereinabove provided, to be held in the case of such written request within forty (40) days after delivery of such request, and in either case to be held at the place and upon the notice provided by law and in the Bylaws of the Corporation for the holding of meetings of stockholders; provided, however, that the Secretary shall not be required to call such a special meeting (i) if any such request is received less than ninety (90) days before the date fixed for the next ensuing annual or special meeting of stockholders or (ii) if at the time any such request is received, the holders of Series C Preferred Stock are not entitled to elect such directors by reason of the occurrence of an event specified in the third sentence of subparagraph (d) below.

(d) If, at any time when the holders of Series C Preferred Stock are entitled to elect directors pursuant to the foregoing provisions of this paragraph 4, the holders of any one or more additional series of Preferred Stock are entitled to elect directors by reason of any default or event specified in the Charter, as in effect at the time of the articles supplementary for such series, and if the terms for such other additional series so permit, the voting rights of the two or more series then entitled to vote shall be combined (with each series having a number of votes proportional to the aggregate liquidation preference of its outstanding shares). In such case, the holders of Series C Preferred Stock and of all such other series then entitled so to vote, voting as a class, shall elect such directors. If the holders of any such other series (if designated) have elected such directors prior to the happening of the default or event permitting the holders of Series C Preferred Stock to elect directors, or prior to a written request for the holding of a special meeting being received by the Secretary of the Corporation from the holders of not less than 10% of the then outstanding shares of Series C Preferred Stock, then such directors so previously elected will be deemed to have been elected by and on behalf of the holders of Series C Preferred Stock as well as such other series, without prejudice to the right of the holders of Series C Preferred Stock to vote for directors if such previously elected directors shall resign, cease to serve or

fail to stand for reelection while the holders of Series C Preferred Stock are entitled to vote. If the holders of any such other series are entitled to elect in excess of two (2) directors, the Series C Preferred Stock shall not participate in the election of more than two (2) such directors, and those directors whose terms first expire shall be deemed to be the directors elected by the holders of Series C Preferred Stock; provided that, if at the expiration of such terms the holders of Series C Preferred Stock are entitled to vote in the election of directors pursuant to the provisions of this paragraph 4, then the Secretary of the Corporation shall call a meeting (which meeting may be the annual meeting or special meeting of stockholders referred to in subparagraph (c)) of holders of Series C Preferred Stock for the purpose of electing replacement directors (in accordance with the provisions of this paragraph 4) to be held on or prior to the time of expiration of the terms referred to above.

(e) Except as otherwise set forth herein or required by law, the Charter or the Bylaws, holders of Series C Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Shares as set forth herein) for the taking of any corporate action. No consent of the holders of outstanding shares of Series C Preferred Stock at any time outstanding shall be required in order to permit the Board of Directors to: (i) increase the number of authorized shares of Series C Preferred Stock or to decrease such number to a number not below the sum of the number of shares of Series C Preferred Stock then outstanding and the number of shares with respect to which there are outstanding rights to purchase; or (ii) issue Preferred Stock which is senior to the Series C Preferred Stock, junior to the Series C Preferred Stock or on a parity with the Series C Preferred Stock.

5. Consolidation, Merger, etc.

In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the Common Shares are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series C Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 1,000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each Common Shares is changed or exchanged. In the event the Corporation shall at any time after the First Issuance declare or pay any dividend on the Common Shares payable in Common Shares, or effect a subdivision or combination or consolidation of the outstanding Common Shares (by reclassification or otherwise than by payment of a dividend in Common Shares) into a greater or lesser number of Common Shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series C Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of Common Shares outstanding immediately after such event and the denominator of which is the Common Shares that were outstanding immediately prior to such event.

6. Redemption.

The shares of Series C Preferred Stock shall not be redeemable.

7. Conversion Rights.

The Series C Preferred Stock is not convertible into Common Shares or any other security of the Corporation.

8. Ranking.

The Series C Preferred Stock shall rank junior to all other classes and series of the Corporation's Preferred Stock as to payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

9. Ownership Limitations.

Notwithstanding Article VII of the Charter, the provisions of this Section 9 shall apply with respect to the limitations on the ownership and Acquisition of shares of Series C Preferred Stock.

(a) (i) Except as provided in Section 9(h), no Person shall Beneficially Own or Constructively Own any shares of Series C Preferred Stock such that such Person would Beneficially Own or Constructively Own Capital Stock in excess of the Ownership Limit;

(ii) Except as provided in Section 9(h), any Transfer (whether or not such Transfer is the result of a transaction entered into through the facilities of the New York Stock Exchange, Inc. (the "NYSE") that, if effective, would result in any Person Beneficially Owning Series C Preferred Stock in excess of the Ownership Limit shall be void ab initio as to the Transfer of such Series C Preferred Stock which would be otherwise Beneficially Owned by such Person in excess of the Ownership Limit; and the

intended transferee shall Acquire no rights in such Series C Preferred Stock;

(iii) Except as provided in Section 9(h), any Transfer (whether or not such Transfer is the result of a transaction entered into through the facilities of the NYSE) that, if effective, would result in any Person Constructively Owning Series C Preferred Stock in excess of the Ownership Limit shall be void ab initio as to the Transfer of such Series C Preferred Stock which would be otherwise Constructively Owned by such Person in excess of the Ownership Limit; and the intended transferee shall Acquire no rights in such Series C Preferred Stock; and

(iv) Notwithstanding any other provisions contained in this Section 9, any Transfer (whether or not such Transfer is the result of a transaction entered into through the facilities of the NYSE) or other event that, if effective, would result in the Corporation being "closely held" within the meaning of section 856(h) of the Code, or would otherwise result in the Corporation failing to qualify as a real estate investment trust (a "REIT") under the Code (including, but not limited to, a Transfer or other event that would result in the Corporation owning (directly or Constructively) an interest in a tenant that is described in section 856(d)(2)(B) of the Code if the income derived by the Corporation from such tenant would cause the Corporation to fail to satisfy any of the gross income requirements of section 856(c) of the Code) shall be void ab initio as to the Transfer of the Series C Preferred Stock or other event which would cause the Corporation to be "closely held" within the meaning of section 856(h) of the Code or would otherwise result in the Corporation failing to qualify as a REIT; and the intended transferee or owner or Constructive or Beneficial Owner shall Acquire or retain no rights in such Series C Preferred Stock.

(b) If, notwithstanding the other provisions contained in this Section 9, at any time after the date on which shares of Series C Preferred are first issued (the "Series C Issue Date"), there is a purported Transfer (whether or not such Transfer is the result of a transaction entered into through the facilities of the NYSE), change in the capital structure of the Corporation or other event such that one or more of the restrictions on ownership and transfers described in Section 9(a), above, has been violated, then the Series C Preferred Stock being Transferred (or in the case of an event other than a Transfer, the Series C Preferred Stock owned or Constructively Owned or Beneficially Owned or, if the next sentence applies, the Series C Preferred Stock identified in the next sentence) which would cause the restriction on ownership or transfer to be violated (rounded up to the nearest whole share) shall be automatically converted into an equal number of shares of Series C Preferred Excess Stock ("Series C Excess Preferred"). If at any time of such purported Transfer any of the shares of the Series C Preferred Stock are then owned by a depositary to permit the trading of beneficial interests in fractional shares of Series C Preferred Stock, then shares of Series C Preferred Stock that shall be converted to Series C Excess Preferred shall be first taken from any Series C Preferred Stock that is not in such depositary that is Beneficially Owned or Constructively Owned by the Person whose Beneficial Ownership or Constructive Ownership would otherwise violate the restrictions of Section 9(a) prior to converting any shares in such depositary. Any conversion pursuant to this subparagraph shall be effective as of the close of business on the Business Day prior to the date of such Transfer or other event.

(c) If the Board of Directors or its designee shall at any time determine in good faith that a Transfer or other event has taken place in violation of Section 9(a) or that a Person intends to Transfer or Acquire, has attempted to Transfer or Acquire or may Transfer or Acquire direct ownership, beneficial ownership (determined without reference to any rules of attribution), Beneficial Ownership or Constructive Ownership of any shares of the Corporation in violation of Section 9(a), the Board of Directors or its designee shall take such action as it deems advisable to refuse to give effect to or to prevent such Transfer, Acquisition or other event, including, but not limited to, causing the Corporation to purchase such shares for Fair Market Value upon the terms and conditions specified by the Board of Directors in its sole discretion, refusing to give effect to such Transfer, Acquisition or other event on the books of the Corporation or instituting proceedings to enjoin such Transfer, Acquisition or other event; provided, however, that any Transfer or Acquisition (or, in the case of events other than a Transfer or Acquisition, ownership or Constructive Ownership or Beneficial Ownership) in violation of Section 9(a) shall automatically result in the conversion described in Section 9(b), irrespective of any action (or non-action) by the Board of Directors.

(d) Any Person who Acquires or attempts to Acquire or Beneficially Owns or Constructively Owns shares of Series C Preferred Stock in excess of the aforementioned limitations, or any Person who is or attempts to become a transferee such that Series C Excess Preferred results under Section 9(b), shall immediately give written notice or, in the event of a proposed or attempted Transfer, give at least 15 days prior written notice to the Corporation of such event and shall provide to the Corporation such other information as it may request in order to determine the effect of any such Transfer on the Corporation's status as a REIT.

(e) From and after the First Issuance, each Person who is a

Beneficial Owner or Constructive Owner of Series C Preferred Stock and each Person (including the stockholder of record) who is holding Series C Preferred Stock for a Beneficial Owner or Constructive Owner shall provide to the Corporation such information with respect to the direct, indirect and constructive ownership of Series C Preferred Stock as the Corporation may request, in good faith, in order to comply with the provisions of the Code applicable to REITs, to comply with the requirements of any taxing authority of governmental agency or to determine such compliance.

(f) Nothing contained in this Section 9 (but subject to Section 9(l)) shall limit the authority of the Board of Directors to take such other action as it deems necessary or advisable to protect the Corporation and the interests of its stockholders by preservation of the Corporation's status as a REIT.

(g) In the case of an ambiguity in the application of any of the provisions of this Section 9, including any definition contained herein, the Board of Directors shall have the power to determine the application of the provisions of this Section 9 with respect to any situation based on the facts known to it (subject, however, to the provisions of Section 9(1)).

(h) (i) Subject to Section 9(a)(iv), the Board of Directors, in its sole and absolute discretion, with the advice of the Corporation's tax counsel, may exempt a Person from the limitation on a Person Beneficially Owning Series C Preferred Stock in excess of the Ownership Limit if such Person is not an individual for purposes of Section 542(a)(2) of the Code and the Board of Directors obtains such representations and undertakings from such Person as are reasonably necessary to ascertain that no individual's Beneficially Owning Series C Preferred Stock will violate the Ownership Limit and such Person agrees that any violation of such representations or undertaking (or other action which is contrary to the restrictions contained in this Section 9) or attempted violation will result in such Series C Preferred Stock Beneficially Owned in excess of the Ownership Limit being exchanged for Series C Excess Preferred in accordance with Section 9(b).

(ii) Subject to Section 9(a)(iv), the Board of Directors of the Corporation, in its sole and absolute discretion, with advice of the Corporation's tax counsel, may exempt a Person from the limitation on a Person Constructively Owning Series C Preferred Stock in excess of the Ownership Limit if such Person does not and represents that it will not own, directly or constructively (by virtue of the application of Section 318 of the Code, as modified by section 856(d)(5) of the Code), more than a 9% interest (as set forth in section 856(d)(2)(B) of the Code) in a tenant of the Corporation and the Board of Directors obtains such representations and undertakings from such Person as are reasonably necessary to ascertain this fact and such Person agrees that any violation or attempted violation will result in such Series C Preferred Stock Constructively Owned in excess of the Ownership Limit being exchanged for Excess Stock in accordance with Section 9(b).

(iii) Prior to granting any exception pursuant to Section 9(h)(i) or 9(h)(ii), the Board of Directors may require a ruling from the IRS, or an opinion of counsel, in either case in form and substance satisfactory to the Board of Directors, in its sole discretion as it may deem necessary or advisable in order to determine or ensure the Corporation's organization and operation in conformity with the requirements for qualification as a REIT under the Code; provided, however, that obtaining a favorable ruling or opinion shall not be required for the Board of Directors to grant an exception hereunder.

(i) Notwithstanding anything herein to the contrary, Article VII, Section 9 of the Charter shall apply to this Section 9.

(j) Each Certificate for Series C Preferred Stock shall bear substantially the following legend:

> The Corporation will furnish to any stockholder, on request and without charge, a full statement of the information required by section 2-211(d) of the Maryland General Corporation Law with respect to the designations and any preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms and conditions of redemption of the shares of each class of stock which the Corporation has authority to issue and, if the Corporation is authorized to issue any preferred or special class in series, (i) the differences in the relative rights and preferences between the shares of each series to the extent set, and (ii) the authority of the Board of Directors to set such rights and preferences of subsequent series. The following summary does not purport to be complete and is subject to and qualified in its entirety by reference to the charter of the Corporation including all amendments and supplements thereto (the "Charter"), a copy of which, including restrictions on transfer, will be sent without charge to each stockholder who so requests. Such request

must be made to the Secretary of the Corporation at its principal office or to the Transfer Agent. All capitalized terms in this legend have the meanings defined in the Charter.

The securities represented by this certificate are subject to restrictions on ownership and transfer for the purpose of the Corporation's maintenance of its status as a real estate investment trust under the Internal Revenue Code of 1986, as amended. Except as otherwise provided pursuant to the Charter of the Corporation, no Person may Beneficially Own or Constructively Own any shares of Series C Preferred Stock such that such Person would Beneficially Own or Constructively Own Common Equity in excess of 9% in value of the aggregate of the outstanding shares of Common Equity of the Corporation. Any Person who Acquires or attempts to Acquire or Beneficially Owns or Constructively Owns shares of Series C Preferred Stock in excess of the aforementioned limitation, or any Person who is or attempts to become a transferee such that Series C Excess Preferred would result under the provisions of the Charter, shall immediately give written notice or, in the event of a proposed or attempted Transfer, give at least 15 days prior written notice to the Corporation of such event and shall provide to the Corporation such other information as it may request in order to determine the effect of any such Transfer on the corporation's status as a REIT. Transfers in violation of the restrictions described above shall be void ab initio. If the restrictions on ownership and transfer are violated, the securities represented hereby will be designated and treated as shares of Series C Excess Preferred which will be transferred, by operation of law, to the trustee of a trust for the exclusive benefit of one or more charitable organizations.

(k) If any provision of this Section 9 or any application of any such provision is determined to be invalid by any federal or state court having jurisdiction, the validity of the remaining provisions shall not be affected and other applications of such provision shall be affected only to the extent necessary to comply with the determination of such court.

(l) (i) Upon any purported Transfer (whether or not such Transfer is the result of a transaction entered into through the facilities of the NYSE) that results in the issuance of Series C Excess Preferred pursuant to Section 9(b), such Series C Excess Preferred shall be deemed to have been transferred to the Trustee of a Trust for the exclusive benefit of one or more Charitable Beneficiaries. The Trustee shall be appointed by the Corporation, and shall be a person unaffiliated with the Corporation, any Purported Beneficial Transferee or any Purported Record Transferee. By written notice to the Trustee, the Corporation shall designate one or more non-profit organizations to be the Charitable Beneficiary(ies) of the interest in the Trust representing the Series C Excess Preferred such that (a) the shares of Series C Preferred Stock from which the shares of Series C Excess Preferred held in the Trust were so converted would not violate the restrictions set forth in paragraph (a) of this Section 9 in the hands of such Charitable Beneficiary and (b) each Charitable Beneficiary is an organization described in sections 170(b)(1)(a), 170(c)(2) and 501(c)(3) of the Code. The Trustee of the Trust will be deemed to own the Series C Excess Preferred for the benefit of the Charitable Beneficiary on the date of the purported Transfer or other event that results in Series C Excess Preferred pursuant to paragraph (b) of this Section 9 Series C Excess Preferred so held in trust shall be issued and outstanding shares of stock of the Corporation. The Purported Record Transferee shall have no rights in such Series C Excess Preferred except the right to designate a transferee of such Series C Excess Preferred upon the terms specified in Section 9(l)(v). The Purported Beneficial Transferee shall have no rights in such Series C Excess Preferred except as provided in this Section 9.

(ii) Series C Excess Preferred will be entitled to dividends and distributions authorized and declared with respect to the Series C Preferred Stock from which the Series C Excess Preferred was converted and will be payable to the Trustee of the Trust in which such Series C Excess Preferred is held, for the benefit of the Charitable Beneficiary. Dividends and distributions will be authorized and declared with respect to each share of Series C Excess Preferred in an amount equal to the dividends and distributions authorized and declared on each share of Series C Preferred Stock from which the Series C Excess Preferred was converted. Any dividend or distribution paid to a Purported Record Transferee prior to the discovery by the Corporation that Series C Preferred Stock has been transferred in violation of the provisions of this Section 9 shall be repaid by the Purported Record Transferee to the Trustee upon demand. The Corporation shall rescind any dividend or distribution authorized and declared but unpaid as void ab initio with respect to the Purported Record Transferee, and the Corporation shall pay such dividend or distribution when due to the Trustee of the Trust for the benefit of the Charitable Beneficiary.

(iii) In the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any other distribution of all or substantially all of the assets of the Corporation, each holder of shares of Series C Excess Preferred shall be entitled to receive, ratably with each other holder of Series C Preferred Stock and Series C Excess Preferred converted from Series C Preferred Stock, any distribution or payment made to all holders of Common Shares.

Any liquidation distributions to be distributed with respect to Series C Excess Preferred shall be distributed in the same manner as proceeds from the sale of Series C Excess Preferred are distributed as set forth in Section 9(l)(iv).

(iv) Series C Excess Preferred shall not be transferable. In its sole discretion, the Trustee of the Trust may transfer the interest in the Trust representing shares of Series C Excess Preferred to any Person if the shares of Series C Excess Preferred would not be Series C Excess Preferred in the hands of such Person. If such transfer is made, the interest of the Charitable Beneficiary in the Series C Excess Preferred shall terminate and the proceeds of the sale shall be payable by the Trustee to the Purported Record Transferee and to the Charitable Beneficiary as herein set forth. The Purported Record Transferee shall receive from the Trustee the lesser of (i) the price paid by the Purported Record Transferee for its shares of Series C Preferred Stock that were converted into Series C Excess Preferred or, if the Purported Record Transferee did not give value for such shares (e.g. the stock was received through a gift, devise or other transaction), the average closing price for the class of shares from which such shares of Series C Excess Preferred were converted for the ten trading days immediately preceding such sale or gift, and (ii) the price received by the Trustee from the sale or other disposition of the Series C Excess Preferred held in trust. The Trustee may reduce the amount payable to the Purported Record Transferee by the amount of dividends and distributions which have been paid to the Purported Record Transferee and are owed by the Purported Record Transferee to the Trustee pursuant to Section 9(l)(ii). Any proceeds in excess of the amount payable to the Purported Record Transferee shall be paid by the Trustee to the Charitable Beneficiary. Upon such transfer of an interest in the Trust, the corresponding shares of Series C Excess Preferred in the Trust shall be automatically exchanged for an equal number of shares of Series C Preferred Stock and such shares of Series C Preferred Stock shall be transferred of record to the transferee of the interest in the Trust if such shares of Series C Preferred Stock would not be Series C Excess Preferred in the hands of such transferee. Prior to any transfer of any interest in the Trust, the Corporation must have waived in writing its purchase rights under Section 9(l)(vi).

(v) Any vote cast by a Purported Record Transferee of Series C Excess Preferred prior to the discovery by the Corporation that Series C Preferred Stock has been transferred in violation of the provisions of this Section 9 shall be void ab initio. While the Series C Excess Preferred is held in trust, the Purported Record Transferee will be deemed to have given an irrevocable proxy to the Trustee to vote the shares of Series C Preferred Stock which have been converted into shares of Series C Excess Preferred for the benefit of the Charitable Beneficiary.

(vi) Notwithstanding the provisions of Section 9(l)(iv), shares of Series C Excess Preferred shall be deemed to have been offered for sale to the Corporation, or its designee, at a price per share equal to the lesser of (A) the price per share in the transaction that required the issuance of such Series C Excess Preferred (or, if the Transfer or other event that resulted in the issuance of Series C Excess Preferred was not a transaction in which the Purported Beneficial Transferee gave full value for such Series C Excess Preferred, a price per share equal to the Market Price on the date of the purported Transfer or other event that resulted in the issuance of Series C Excess Preferred) and (B) the Market Price on the date the Corporation, or its designee, accepts such offer. The Corporation shall have the right to accept such offer for a period of ninety (90) days after the later of (x) the date of the Transfer or other event which resulted in the issuance of such shares of Series C Excess Preferred and (y) the date the Board of Directors determines in good faith that a Transfer or other event resulting in the issuance of shares of Series C Excess Preferred has occurred, if the Corporation does not receive a notice of such Transfer or other event pursuant to Section 9(d). The Corporation may appoint a special trustee of the Trust for the purpose of consummating the purchase of Series C Excess Preferred by the Corporation. In the event that the Corporation's actions cause a reduction in the number of shares of Series C Preferred Stock outstanding and such reduction results in the issuance of Series C Excess Preferred, the Corporation is required to exercise its option to repurchase such shares of Series C Excess Preferred if the Beneficial Owner notifies the Corporation that it is unable to sell its right to such Series C Excess Preferred.

(m) Nothing in this Section 9 shall preclude the settlement of any transaction entered into through the facilities of the NYSE.

(n) For purposes of the provisions included in Article VII of the Charter as a result of the Articles Supplementary adopted and filed in

connection with the classification of the Series C Preferred Stock:

"Acquire" shall mean the acquisition of Beneficial Ownership or Constructive Ownership of shares of Preferred Equity Stock by any means including, without limitation, a Transfer, the exercise of or right to exercise any rights under any option, warrant, convertible security, pledge or other security interest or similar right to acquire shares, but shall not include the acquisition of any such rights unless, as a result, the acquiror would be considered a Beneficial Owner or Constructive Owner, as defined below and shall not include Beneficial Ownership or Constructive Ownership that does not result from an acquisition. The term "Acquisition" shall have the correlative meaning.

"Affiliate" shall have the same meaning as given to that term in Rule 405 under the Securities Act of 1933, as amended, or any successor rule thereunder.

"Beneficial Ownership" shall mean ownership of Series C Preferred Stock or Series C Excess Preferred by a Person who is or would be treated as an owner of such Series C Preferred Stock or Series C Excess Preferred either directly or constructively through the application of section 544 of the Code, as modified by section 856(h)(1)(B) of the Code. The terms "Beneficial Owner," "Beneficially Owns" and "Beneficially Owned" shall have the correlative meanings.

"Business Day" shall mean any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in The City of New York are authorized or required by law, regulation or executive order to close.

"Capital Stock" shall mean all classes of series of stock of the Corporation, including, without limitation, Common Equity and Series C Preferred Equity Stock.

"Charitable Beneficiary" shall mean a beneficiary of the Trust as determined pursuant to Section 9(1).

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Common Equity" shall mean all shares now or hereafter authorized of any class of common stock of the Corporation, including the Common Shares and the class B common stock, par value $.01 per share, of the Corporation, all shares of Series C Preferred Equity Stock and any other stock of the Corporation, howsoever designated, authorized after the First Issuance, which has the right (subject always to prior rights of any class or series of preferred stock) to participate in the distribution of the assets and earnings of the Corporation without limit as to per share amount.

"Constructive Ownership" shall mean ownership of Series C Preferred Stock or Series C Excess Preferred by a Person who is or would be treated as an owner of such Series C Preferred Stock or Series C Excess Preferred either directly or constructively through the application of section 318 of the Code, as modified by section 856(d)(5) of the Code. The terms "Constructive Owner," "Constructively Owns" and "Constructively Owned" shall have the correlative meanings.

"Current Market Price" of publicly traded Common Shares or any other equity security of the Corporation or any other issuer for any day shall mean the last reported sales price, regular way, on such day, or, if no sale takes place on such day, the average of the reported closing bid and asked prices on such day, regular way, in either case as reported on the NYSE or, if such security is not listed or admitted for trading on the NYSE, on the principal national securities exchange on which such security is listed or admitted for trading or, if not listed or admitted for trading on any national securities exchange, on the Nasdaq National Market or, if such security is not quoted on the Nasdaq National Market, the average of the closing bid and asked prices on such day in the over-the-counter market as reported by Nasdaq or, if bid and asked prices for such security on such day shall not have been reported through Nasdaq the average of the bid and asked prices on such day as furnished by any NYSE member firm regularly making a market in such security selected for such purpose by the Corporation's Chief Executive Officer or the Board of Directors of the Corporation.

"Fair Market Value" shall mean the average of the daily Current Market Prices per Common Share (or other equity security as applicable) during the ten consecutive Trading Days selected by the Corporation commencing not more than 20 Trading Days before, and ending not later than, the earlier of the day in question and the day before the "ex-date" with respect to the issuance or distribution requiring such computation. The term "ex-date", when used with respect to any issuance or distribution, means the first day on which the Common Shares (or other equity security as applicable) trade regular way, without the right to receive such issuance or distribution, on the exchange or in the market, as the case may be, for purposes of determining that day's Current Market Price.

"IRS" shall mean the United States Internal Revenue Service.

"Ownership Limit" shall mean 9% in value of the aggregate of the outstanding shares of Common Equity. The value of shares of the outstanding shares of Common Equity shall be determined by the Board of Directors of the Corporation in good faith, which determination shall be conclusive for all purposes hereof.

"Person" shall mean an individual, corporation, partnership, estate, trust, (including a trust qualified under section 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in section 642(c) of the Code, association, private foundation within the meaning of section 509(a) of the Code, joint stock company or other entity, and also includes a group as that term is used for purposes of section 13(d)(3) of the Securities Exchange Act of 1934, as amended; but does not include an underwriter which participates in a public offering of the Series C Preferred Stock or any interest therein, provided that such ownership by such underwriter would not result in the Corporation being "closely held" within the meaning of section 856(h) of the Code, or otherwise result in the Corporation failing to qualify as a REIT.

"Purported Beneficial Transferee" shall mean, with respect to any purported Transfer which results in Series C Excess Preferred, the purported beneficial transferee or owner for whom the Purported Record Transferee would have Acquired or owned shares of Series C Preferred Stock if such Transfer had been valid under Section 9(a).

"Purported Record Transferee" shall mean, with respect to any purported Transfer which results in Series C Excess Preferred, the record holder of the Series C Preferred Stock if such Transfer had been valid under Section 9(a).

"Series C Preferred Equity Stock" shall mean shares of stock that are either Series C Preferred Stock or Series C Excess Preferred.

"Trading Day" shall mean any day on which the securities in question are traded on the NYSE or, if such securities are not listed or admitted for trading on the NYSE, on the principal national securities exchange on which such securities are listed or admitted or, if not listed or admitted for trading on any national securities exchange, on the Nasdaq National Market or, if such securities are not quoted on the Nasdaq National Market, on the applicable securities market in which the securities are traded.

"Transfer" shall mean any sale, transfer, gift, assignment, devise or other disposition of Series C Preferred Equity Stock, including (i) the granting of any option or entering into any agreement for the sale, transfer or other disposition of Series C Preferred Equity Stock or (ii) the sale, transfer, assignment or other disposition of any securities (or rights convertible into or exchangeable for Series C Preferred Equity Stock), whether voluntary or involuntary, whether of record or beneficially or Beneficially or Constructively Owned (including but not limited to Transfers of interests in other entities which result in changes in Beneficial or Constructive Ownership of Series C Preferred Equity Stock), and whether by operation of law or otherwise. The term "Transferring" and "Transferred" shall have the correlative meanings.

"Transfer Agent" means American Stock Transfer & Trust Company, or such other agent or agents of the Corporation as may be designated by the Board of Directors of the Corporation or its designee as the transfer agent for the Series C Preferred Stock.

"Trust" shall mean the trust created pursuant to Section 9(l).

"Trustee" shall mean the Person that is appointed by the Corporation pursuant to Section 9(l) to serve as trustee of the Trust, and any successor thereto.

10. Share Certificates.

The Board of Directors may authorize the issue of some or all of the shares (including fractional shares) of Series C Preferred Stock without certificates.

11. Determination by Board.

Any determination by the Board of Directors pursuant to the terms of the Series C Preferred Stock shall be final and binding upon the holders thereof and shall be conclusive for all purposes.

THIRD: The Shares have been classified and designated by the Board of Directors under authority contained in the Charter.

FOURTH: These Articles Supplementary have been approved by the Board of Directors in the manner and by the vote required by law.

FIFTH: These Articles Supplementary shall be effective at the time the State Department of Assessments and Taxation of Maryland accepts these

Articles Supplementary for record.

SIXTH: Each of the undersigned acknowledges these Articles Supplementary to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned acknowledges that to the best of his knowledge, information and belief, those matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, Reckson Associates Realty Corp. has caused these Articles Supplementary to be signed in its name and on its behalf by its Vice President and attested to by its Secretary on this ---- day of October, 2000.

RECKSON ASSOCIATES REALTY CORP.

By:

J. Michael Maturo,
Executive Vice President, Treasurer,
Chief Financial Officer

Attest:

By

Secretary

Exhibit B

(Form of Right Certificate)

Certificate No. R- _____ Rights _____

NOT EXERCISABLE AFTER OCTOBER 27, 2010, UNLESS EXTENDED PRIOR THERETO BY THE BOARD OF DIRECTORS OR EARLIER IF REDEEMED BY THE CORPORATION. THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE CORPORATION, AT $0.01 PER RIGHT ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT.

UNDER CERTAIN CIRCUMSTANCES, RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON (AS SUCH TERM IS DEFINED IN THE RIGHTS AGREEMENT) AND ANY SUBSEQUENT HOLDER OF SUCH RIGHTS MAY BECOME NULL AND VOID.

[THE RIGHTS REPRESENTED BY THIS RIGHTS CERTIFICATE ARE OR WERE BENEFICIALLY OWNED BY A PERSON WHO WAS OR BECAME AN ACQUIRING PERSON OR AN AFFILIATE OR ASSOCIATE OF AN ACQUIRING PERSON (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT). ACCORDINGLY, THIS RIGHTS CERTIFICATE AND THE RIGHTS REPRESENTED HEREBY ARE NULL AND VOID.]*

[FN]
* The portion of the legend in brackets shall be inserted only if applicable and shall replace the preceding sentence.

Right Certificate

Reckson Associates Realty Corp.

This certifies that ----------, or registered assigns, is the registered owner of the number of Rights set forth above, each of which entitles the owner thereof, subject to the terms, provisions and conditions of the Rights Agreement, dated as of October 13, 2000 (the "Rights Agreement"), between Reckson Associates Realty Corp., a Maryland corporation (the "Corporation"), and American Stock Transfer & Trust Company (the "Rights Agent"), to purchase from the Corporation at any time after the Distribution Date (as such term is defined in the Rights Agreement) and prior to 5:00 P.M., New York City, New York time, on October 13, 2010 (unless the Rights represented hereby shall have been previously redeemed by the Corporation) at the office or offices of the Rights Agent designated for such purpose, or at the office of its successor as Rights Agent, one one-thousandth of a fully paid non-assessable share of Series C Junior Participating Preferred Stock, par value $.01 per share (the "Preferred Shares"), of the Corporation, at a purchase price of $84.44 per one one-thousandth of a Preferred Share (the "Purchase Price"), upon presentation and surrender of this Right Certificate with the Form of Election to Purchase duly executed. The number of Rights represented by this Right Certificate (and the number of one one-thousandths of a Preferred Share which may be purchased upon exercise hereof) set forth above, and the Purchase Price set forth above, are the number and Purchase Price as of October 27, 2000 based on the Preferred Shares as constituted at such date.

Upon the occurrence of a Section 11(a)(ii) Event (as such term is defined in the Rights Agreement), if the Rights represented by this Right Certificate are Beneficially Owned by (i) an Acquiring Person or an Affiliate or Associate of any such Acquiring Person (as such terms are defined in the Rights Agreement), (ii) a transferee of any such Acquiring Person, Associate or Affiliate who becomes a transferee after the Acquiring Person becomes such, or (iii) under certain circumstances specified in the Rights Agreement, a transferee of any such Acquiring Person, Associate or Affiliate who becomes a transferee prior to or concurrently with the Acquiring Person becoming such, such Rights shall become null and void and no holder hereof shall have any right with respect to such Rights from and after the occurrence of such Section 11(a)(ii) Event.

As provided in the Rights Agreement, the Purchase Price and the number of one one-thousandths of a Preferred Share or other securities which may be purchased upon the exercise of the Rights represented by this Right Certificate are subject to modification and adjustment upon the happening of certain events, including Triggering Events (as such term is defined in the Rights Agreement).

This Right Certificate is subject to all of the terms, covenants and restrictions of the Rights Agreement, which terms, covenants and restrictions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the

rights, limitations of rights, obligations, duties and immunities hereunder of the Rights Agent, the Corporation and the holders of the Right Certificates, which limitations of rights include the temporary suspension of the exercisability of such Rights under the specific circumstances set forth in the Rights Agreement. Copies of the Rights Agreement are on file at the principal executive offices of the Corporation and the office or offices of the Rights Agent.

This Right Certificate, with or without other Right Certificates, upon surrender at the principal office of the Rights Agent, may be exchanged for another Right Certificate or Right Certificates of like tenor and date representing Rights entitling the holder to purchase a like aggregate number of Preferred Shares or other securities as the Rights evidenced by the Right Certificate or Right Certificates surrendered shall have entitled such holder to purchase. If this Right Certificate shall be exercised in part, the holder shall be entitled to receive upon surrender hereof another Right Certificate or Right Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, the Rights represented by this Certificate may be redeemed by the Corporation at a redemption price of $0.01 per Right (subject to adjustment as provided in the Rights Agreement) payable in cash.

No fractional Preferred Shares will be issued upon the exercise of any Right or Rights represented hereby (other than fractions which are one one-thousandth or integral multiples of one one-thousandth of a Preferred Share, which may, at the election of the Corporation, be represented by depositary receipts), but in lieu thereof a cash payment will be made, as provided in the Rights Agreement.

No holder of this Right Certificate shall be entitled to vote or receive dividends or be deemed for any purpose the holder of the Preferred Shares or of any other securities of the Corporation which may at any time be issuable on the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a stockholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in the Rights Agreement), or to receive dividends or other distributions or to exercise any preemptive or subscription rights, or otherwise, until the Right or Rights represented by this Right Certificate shall have been exercised as provided in the Rights Agreement.

This Right Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Corporation and its corporate seal.

[SEAL]

ATTEST:

RECKSON ASSOCIATES REALTY CORP.

By:----------
Name:
Title:

By:----------
Name:
Title:

Countersigned:

AMERICAN STOCK TRANSFER & TRUST COMPANY,
as Rights Agent

By:----------
Authorized Officer

Form of Reverse Side of Right Certificate

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Right Certificate.)

FOR VALUE RECEIVED ---------- hereby sells, assigns and transfers unto ----------

- ----------

(Please print name and address of transferee)

- ----------

this Right Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint ---------- as Agent, to transfer the within Right Certificate on the books of the within-named Corporation, with full power of substitution.

Dated: ----------, ----

Signature

Signature Guaranteed:

- ----------

The undersigned hereby certifies that (1) the Rights represented by this Right Certificate are not being sold, assigned or transferred by or on behalf of a Person who is or was an Acquiring Person or an Affiliate or Associate thereof (as such terms are defined in the Rights Agreement) and (2) after due inquiry and to the best knowledge of the undersigned, the undersigned did not acquire the Rights represented by this Right Certificate from any Person who is or was an Acquiring Person or an Affiliate or Associate thereof (as such terms are defined in the Rights Agreement).

Signature

Form of Reverse Side of Right Certificate -- continued

FORM OF ELECTION TO PURCHASE

(To be executed by the registered holder if such holder desires to exercise Rights represented by the Right Certificate.)

To the Rights Agent:

The undersigned hereby irrevocably elects to exercise - ---------- Rights represented by this Right Certificate to purchase the Preferred Shares, Common Shares or other securities issuable upon the exercise of such Rights and requests that certificates for such Preferred Shares, Common Shares or other securities be issued in the name of:

Please insert social security or other identifying number----------

- ---------- (Please print name and address)

- ----------

If such number of Rights shall not be all the Rights represented by this Right Certificate, a new Right Certificate for the balance remaining of such Rights shall be registered in the name of and delivered to:

Please insert social security or other identifying number ----------

- ---------- (Please print name and address)

- ----------

Form of Reverse Side of Right Certificate -- continued

Dated: ---------------, ----

Signature

Signature Guaranteed:

Form of Reverse Side of Right Certificate -- continued.

The undersigned hereby certifies that (1) the Rights represented by this Right Certificate are not being exercised by or on behalf of a Person who is or was an Acquiring Person or an Affiliate or Associate thereof (as such terms are defined in the Rights Agreement) and (2) after due inquiry and to the best knowledge of the undersigned, the undersigned did not acquire the Rights represented by this Rights Certificate from any Person who is or was an Acquiring Person or an Affiliate or Associate thereof (as such terms are defined in the Rights Agreement).

Signature

NOTICE

The signature on the foregoing Forms of Assignment and Election and certificates must conform to the name as written upon the face of this Right Certificate in every particular, without alteration or enlargement or any change whatsoever.

In the event the certification set forth above in the Form of Assignment or the Form of Election to Purchase, as the case may be, is not completed, the Corporation and the Rights Agent will deem the Beneficial Owner of the Rights represented by this Right Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as such terms are defined in the Rights Agreement) and such Assignment or Election to Purchase will not be honored.

Exhibit C

SUMMARY OF RIGHTS TO PURCHASE
PREFERRED SHARES

On October 13, 2000, the Board of Directors of Reckson Associates Realty Corp. (the "Corporation") authorized a dividend distribution of one preferred share purchase right (a "Right") for each outstanding share of common stock, par value $.01 per share (the "Common Shares"), of the Corporation. The dividend is payable to the stockholders of record on October 27, 2000 (the "Record Date"), and with respect to Common Shares issued thereafter until the Distribution Date (as defined below) and, in certain circumstances, with respect to Common Shares issued after the Distribution Date. Except as set forth below, each Right, when it becomes exercisable, entitles the registered holder to purchase from the Corporation one one-thousandth of a share of Series C Junior Participating Preferred Stock, $.01 par value per share (the "Preferred Shares"), of the Corporation at a price of $84.44 per one one-thousandth of a Preferred Share (the "Purchase Price"), subject to adjustment. The description and terms of the Rights are set forth in a Rights Agreement (the "Rights Agreement") between the Corporation and American Stock Transfer & Trust Company, as Rights Agent (the "Rights Agent"), dated as of October 13, 2000.

Concurrently with the Corporation's declaration of a dividend distribution of Rights, the Corporation's primary subsidiary, Reckson Operating Partnership, L.P. (the "Partnership") has declared a dividend distribution to its common unitholders (including the Corporation) of preferred unit purchase rights. These preferred unit purchase rights are analogous to the Rights and carry rights and terms entitling the Partnership's common unitholders to similar benefits as those conveyed to holders of Common Shares upon a "Distribution Date" (as defined below).

Initially, the Rights will be attached to all certificates representing Common Shares then outstanding, and no separate Right Certificates will be distributed. The Rights will separate from the Common Shares upon the earliest to occur of (i) the date of first public announcement that an Acquiring Person (as defined below) has become such; or (ii) 10 days (or such later date as the Board may determine) following the commencement of, or announcement of an intention to make, a tender offer or exchange offer the consummation of which would result in a person or group becoming an Acquiring Person (as defined below) (the earliest of such dates being called the "Distribution Date"). Subject to certain exceptions, an "Acquiring Person" is any person who or which together with all affiliates and associates is the beneficial owner of 15% or more of the outstanding Common Shares (except pursuant to a Permitted Offer (as defined below)). The date of first public announcement that a person or group has become an Acquiring Person is the "Shares Acquisition Date." The Rights Agreement provides that, until the Distribution Date, the Rights will be transferred with and only with the Common Shares. Until the Distribution Date (or earlier redemption or expiration of the Rights) new Common Share certificates issued after the Record Date upon transfer or new issuance of Common Shares will contain a notation incorporating the Rights Agreement by reference. Until the Distribution Date (or earlier redemption or expiration of the Rights), the surrender for transfer of any certificates for Common Shares outstanding as of the Record Date will also constitute the transfer of the Rights associated with the Common Shares represented by such certificate. As soon as practicable following the Distribution Date, separate certificates representing the Rights ("Right Certificates") will be mailed to holders of record of the Common Shares as of the close of business on the Distribution Date (and to each initial record holder of certain Common Shares issued after the Distribution Date), and such separate Right Certificates alone will represent the Rights.

The Rights are not exercisable until the Distribution Date and will expire at the close of business on October 13, 2010, unless earlier redeemed by the Corporation as described below.

In the event that any person becomes an Acquiring Person or an affiliate or associate thereof (except pursuant to a tender or exchange offer which is for all outstanding Common Shares at a price and on terms which a majority of certain members of the Board of Directors determines to be adequate and in the best interests of the Corporation and its stockholders, other than such Acquiring Person, its affiliates and associates (a "Permitted Offer")), each holder of a Right will thereafter have the right (the "Flip-In Right") to receive upon exercise the number of Common Shares or one one-thousandths of a Preferred Share (or, in certain circumstances, other securities of the Corporation) having a value (immediately prior to such triggering event) equal to two times the exercise price of the Right. Notwithstanding the foregoing, following the occurrence of the event described

above, all Rights that are, or (under certain circumstances specified in the Rights Agreement) were, beneficially owned by any Acquiring Person or any affiliate or associate thereof will be null and void.

In the event that, at any time following the Shares Acquisition Date, (i) the Corporation is acquired in a merger or other business combination transaction in which the holders of all of the outstanding Common Shares immediately prior to the consummation of the transaction are not the holders of all of the surviving corporation's voting power, or (ii) more than 50% of the Corporation's assets or earning power is sold or transferred, in either case with or to an Acquiring Person or any affiliate or associate or any other person in which such Acquiring Person, affiliate or associate has an interest or any person acting on behalf of or in concert with such Acquiring Person, affiliate or associate, or, if in such transaction all holders of Common Shares are not treated alike, any other person, then each holder of a Right (except Rights which previously have been voided as set forth above) shall thereafter have the right (the "Flip-Over Right") to receive, upon exercise, common shares of the acquiring company (or in certain circumstances, its parent) having a value equal to two times the exercise price of the Right. The holder of a Right will continue to have the Flip-Over Right whether or not such holder exercises or surrenders the Flip-In Right.

The Purchase Price payable, and the number of Preferred Shares, Common Shares or other securities issuable, upon exercise of the Rights are subject to adjustment from time to time to prevent dilution (i) in the event of a stock dividend on, or a subdivision, combination or reclassification of, the Preferred Shares, (ii) upon the grant to holders of the Preferred Shares of certain rights or warrants to subscribe for or purchase Preferred Shares at a price, or securities convertible into Preferred Shares with a conversion price, less than the then current market price of the Preferred Shares or (iii) upon the distribution to holders of the Preferred Shares of evidences of indebtedness or assets (excluding regular quarterly cash dividends) or of subscription rights or warrants (other than those referred to above).

The number of outstanding Rights and the number of one one-thousandths of a Preferred Share issuable upon exercise of each Right are also subject to adjustment in the event of a stock split of the Common Shares or a stock dividend on the Common Shares payable in Common Shares or subdivisions, consolidations or combinations of the Common Shares occurring, in any such case, prior to the Distribution Date.

Preferred Shares purchasable upon exercise of the Rights will not be redeemable. Each Preferred Share will be entitled to a minimum preferential quarterly dividend payment of $10.00 per share but, if greater, will be entitled to an aggregate dividend per share of 1,000 times the dividend declared per Common Share. In the event of liquidation, the holders of the Preferred Shares will be entitled to the greater of (i) a minimum preferential liquidation payment of $10.00 per share and (ii) an aggregate payment per share of 1,000 times the aggregate payment made per Common Share. The Preferred Shares rank junior to all other classes and series of the Corporation's preferred stock with respect to dividends and upon liquidation, unless the terms of such other series provides otherwise. These rights are protected by customary antidilution provisions. In the event that the amount of accrued and unpaid dividends on the Preferred Shares is equivalent to six full quarterly dividends or more, the holders of the Preferred Shares, subject to certain limitations, shall have the right, voting as a class, to elect two directors in addition to the directors elected by the holders of the Common Shares until all cumulative dividends on the Preferred Shares have been paid through the last quarterly dividend payment date.

With certain exceptions, no adjustment in the Purchase Price will be required until cumulative adjustments require an adjustment of at least 1% in such Purchase Price. No fractional Preferred Shares will be issued (other than fractions which are one one-thousandth or integral multiples of one one-thousandth of a Preferred Share, which may, at the election of the Corporation, be evidenced by depositary receipts) and in lieu thereof, an adjustment in cash will be made based on the market price of the Preferred Shares on the last trading day prior to the date of exercise.

At any time prior to the earlier to occur of (i) a person becoming an Acquiring Person or (ii) the expiration of the Rights, and under certain other circumstances, the Corporation may redeem the Rights in whole, but not in part, at a price of $0.01 per Right (the "Redemption Price") which redemption shall be effective upon the action of the Board of Directors. Additionally, following the time a person becomes an Acquiring Person and subject to certain other conditions, the Corporation may redeem the then outstanding Rights in whole, but not in part, at the Redemption Price, in certain circumstances, including redemption in connection with a merger or other business combination transaction or series of transactions involving the Corporation in which all holders of Common Shares are treated alike but not involving (other than as a holder of Common Shares being treated like all other holders) an Acquiring Person or its affiliates or associates (or certain persons acting on behalf or in concert with such person, affiliates or associates). The payment of the Redemption Price may be deferred under certain circumstances as contemplated in the Rights Agreement.

All of the provisions of the Rights Agreement may be amended by the Board of Directors of the Corporation prior to the Distribution Date. After the Distribution Date, the provisions of the Rights Agreement may be amended by the Board of Directors in order to cure any ambiguity, defect or inconsistency, to make changes which do not adversely affect the interests of holders of Rights (excluding the interests of any Acquiring Person), or, subject to certain limitations, to shorten or lengthen any time period under the Rights Agreement.

Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of the Corporation, including, without limitation, the right to vote or to receive dividends. While the distribution of the Rights will not be taxable to stockholders of the Corporation, stockholders may, depending upon the circumstances, recognize taxable income should the Rights become exercisable or upon the occurrence of certain events thereafter.

A copy of the Rights Agreement has been filed with the Securities and Exchange Commission as an Exhibit to a Registration Statement on Form 8-A dated October 13, 2000. A copy of the Rights Agreement is available free of charge from the Corporation. This summary description of the Rights does not purport to be complete and is qualified in its entirety by reference to the Rights Agreement, which is hereby incorporated herein by reference.

EXECUTION COPY

- ---

AMENDED AND RESTATED CREDIT AGREEMENT

DATED AS OF SEPTEMBER 7, 2000

AMONG

RECKSON OPERATING PARTNERSHIP, L.P.

THE INSTITUTIONS FROM TIME TO TIME
PARTY HERETO AS LENDERS

AND

THE CHASE MANHATTAN BANK
AS ADMINISTRATIVE AGENT,

UBS WARBURG LLC
AS SYNDICATION AGENT,

DEUTSCHE BANK
AS DOCUMENTATION AGENT

AND

CHASE SECURITIES INC. AND UBS WARBURG LLC
AS JOINT LEAD ARRANGERS AND JOINT BOOK MANAGERS

- ---

TABLE OF CONTENTS

LIST OF EXHIBITS AND SCHEDULES

AMENDED AND RESTATED CREDIT AGREEMENT

This Amended and Restated Credit Agreement dated as of September 7, 2000 (as amended, supplemented or modified from time to time, the "AGREEMENT") is entered into among RECKSON OPERATING PARTNERSHIP, L.P., a Delaware limited partnership ("RECKSON"), the institutions from time to time a party hereto as Lenders, whether by execution of this Agreement or an Assignment and Acceptance, THE CHASE MANHATTAN BANK as Administrative Agent, UBS WARBURG LLC as Syndication Agent, DEUTSCHE BANK as Documentation Agent, and CHASE SECURITIES INC. and UBS WARBURG LLC as joint lead arrangers and joint book managers.

RECITALS

WHEREAS, Reckson, an affiliate of Reckson, Chase, UBS, Deutsche Bank and certain of the Lenders entered into that certain Credit Agreement dated as of July 23, 1998, as amended by First Amendment to Credit Agreement dated as of August 31, 1999 and as amended by Second Amendment to Credit Agreement dated as of September 27, 1999, (as so amended, the "OLD REVOLVING CREDIT AGREEMENT");

WHEREAS, Reckson, an affiliate of Reckson, Chase, and certain of the Lenders entered into that certain Amended and Restated Credit Agreement dated as of January 12, 1999, as amended by First Amendment to Amended and Restated Credit Agreement dated as of September 27, 1999 and as amended by Second Amended and Restated Credit Agreement dated as of December 17, 1999 (as so amended, the "OLD TERM LOAN AGREEMENT"); and

WHEREAS, Reckson, Chase, UBS, Deutsche Bank and the other parties hereto wish to amend and restate the Old Revolving Credit Agreement in its entirety as set forth herein and to terminate the Old Term Loan Agreement;

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I.
DEFINITIONS

1.1. CERTAIN DEFINED TERMS. The following terms used in this Agreement shall have the following meanings, applicable both to the singular and the plural forms of the terms defined:

"ADJUSTED UNENCUMBERED NOI" means, for the prior calendar quarter, the sum of (i) NOI from the Consolidated Businesses attributable to Unencumbered Projects and Unencumbered New York City Assets which are wholly-owned by a Consolidated Business (including (x) the 919 Third Avenue Property so long as such property meets the requirements of a New York City Asset and the Borrower's interest in such Property remains Unencumbered and (y) the 120 Mineola Boulevard Property so long as Tower Mineola L.P.'s and the Borrower's interest in such property remains Unencumbered); plus (ii) the Borrower's pro rata share of NOI from Joint Ventures attributable to Unencumbered Projects and Unencumbered New York City Assets, provided that (a) the Borrower's beneficial economic interest in such Joint Ventures is 51% or greater and (b) the sale or financing of any Property owned by such Joint Venture is substantially controlled by the Borrower, subject to customary provisions set forth in the organizational documents of such Joint Venture with respect to financings, sales or rights of first refusal granted to other members of such Joint Venture; plus (iii) the Borrower's pro rata share of Net Income attributable to other Unencumbered assets (exclusive of Investment Funds, land and development, and service company income);

less (iv) the Quarterly Capital Expenditure Reserve Amounts for such period relating to such Unencumbered assets;

provided, the sum of clauses (ii) and (iii) above shall not exceed twenty percent (20%) of Adjusted Unencumbered NOI, and clause (iii) shall not exceed twelve and one-half percent (12.5%) of Adjusted Unencumbered NOI.

"ADMINISTRATIVE AGENT" means Chase, in its capacity as administrative agent for the Lenders.

"AFFILIATE", as applied to any Person, means any other Person that directly or indirectly controls, is controlled by, or is under common control with, that Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to vote ten percent (10%) or more of the equity Securities having voting power for the election of directors of such

Person or otherwise to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting equity Securities or by contract or otherwise.

"AGENTS" means, collectively, UBSW in its capacity as Syndication Agent, Chase in its capacity as Administrative Agent, Deutsche Bank in its capacity as Documentation Agent, each Arranger, and each successor agent appointed pursuant to the terms of Article XII of this Agreement.

"AGREEMENT" has the meaning set forth in the preamble hereto.

"APPLICABLE LENDING OFFICE" means, with respect to a particular Lender, (i) its Eurodollar Lending Office in respect of provisions relating to Eurodollar Rate Loans, (ii) its Domestic Lending Office in respect of provisions relating to Base Rate Loans, and (iii) its Competitive Bid Lending Office in respect of provisions relating to Competitive Bid Loans.

"APPLICABLE MARGIN" means, with respect to each Loan, the respective percentages per annum determined based on the range into which the Borrower's Credit Rating then falls, in accordance with the following table. Any change in the Borrower's Credit Rating causing it to move to a different range on the table shall to the extent set forth below effect an immediate change in the Applicable Margin. The Borrower shall notify the Administrative Agent in writing promptly after becoming aware of any change in any of its Credit Ratings. In order to qualify for an Applicable Margin based upon a Credit Rating, the Borrower shall maintain Credit Ratings from at least two (2) Rating Agencies, one of which must be Moody's or S&P so long as such Persons are in the business of providing debt ratings for the REIT industry; provided that if the Borrower fails to maintain at least two Credit Ratings, the Applicable Margin shall be based upon an S&P rating of less than BBB- in the table below. In the event that the Borrower receives two (2) Credit Ratings that are not equivalent, the Applicable Margin shall be determined by the lower of such two (2) Credit Ratings, at least one of which shall be an Investment Grade Rating. In the event the Borrower receives more than two (2) Credit Ratings and such Credit Ratings are not equivalent, the Applicable Margin shall be determined by the lower of the two highest ratings; provided that each of said two (2) highest ratings shall be Investment Grade Ratings and at least one of which shall be an Investment Grade Rating from S&P or Moody's.

Range of the Borrower's Credit Rating (S&P/Moody's or other Ratings)	Applicable Margin for Euro Dollar Loans (% per annum)	Applicable Margin for Base Rate Loans (% per annum)

A-/A3 or their equivalent or higher	0.75	0
BBB+/Baa1 or their equivalent	0.825	0
BBB/Baa2 or their equivalent	0.90	0
BBB-/Baa3 or their equivalent	1.05	0
Below BBB-/Baa3 or their equivalent or unrated	1.25	0

The Administrative Agent shall notify the Banks in writing promptly after it obtains knowledge of any change in the Borrower's Credit Rating which shall effect a change in the Applicable Margin.

"ARRANGERS" means UBSW and Chase Securities Inc., each appointed pursuant to the terms of Article XII of this Agreement.

"ASSIGNMENT AND ACCEPTANCE" means an Assignment and Acceptance in substantially the form of EXHIBIT A attached hereto and made a part hereof (with blanks appropriately completed) delivered to the Administrative Agent in connection with an assignment of a Lender's interest under this Agreement in accordance with the provisions of Section 14.1.

"AUTHORIZED FINANCIAL OFFICER" means a chief executive officer, president, chief financial officer, treasurer or other qualified senior officer acceptable to the Administrative Agent.

"BASE RATE" means, for any period, a fluctuating interest rate per annum as shall be in effect from time to time, which rate per annum shall at all times be equal to the higher of:

(i) the rate of interest announced publicly by Chase in New York, New York from time to time, as Chase's prime rate; and

(ii) the sum of (A) one-half of one percent (0.50%) per annum plus (B) the Federal Funds Rate in effect from time to time during such period.

Any change in the Base Rate shall result in a corresponding change on the same day in the rate of interest accruing from and after such day on the unpaid balance of any Base Rate Loan.

"BASE RATE LOAN" means (i) a Committed Loan which bears interest at a rate determined by reference to the Base Rate and the Applicable Margin as provided in Section 5.1(a), (ii) an overdue amount which was a Base Rate

Loan immediately before it became due or (iii) for purposes of Section 5.2, any Loan which bears interest at a rate determined by reference to the Base Rate.

"BENEFIT PLAN" means an employee benefit plan defined in Section 3(3) of ERISA in respect of which the Borrower or any ERISA Affiliate (i) is, or within the immediately preceding six (6) years was, an "employer" as defined in Section 3(5) of ERISA or (ii) has assumed or is otherwise subject to any liability.

"BORROWER" means Reckson.

"BORROWER NOTES" has the meaning set forth in Section 4.3(a).

"BORROWER PARTNERSHIP AGREEMENT" means the Reckson Partnership Agreement as such agreement may be amended, restated, modified or supplemented from time to time with the consent of the Agents or as permitted under Section 10.9.

"BORROWING" means a borrowing consisting of Loans of the same type made, continued or converted on the same day.

"BUSINESS DAY" means a day, in the applicable local time, which is not a Saturday or Sunday or a legal holiday and on which banks are not required or permitted by law or other governmental action to close (i) in New York, New York and (ii) in the case of Eurodollar Rate Loans, in London, England and (iii) in the case of Letter of Credit transactions for a particular Lender, in the place where its office for issuance or administration of the pertinent Letter of Credit is located.

"CAPITAL EXPENDITURES" means, for any period, the aggregate of all expenditures (whether payable in cash or other Property or accrued as a liability (but without duplication)) during such period that, in conformity with GAAP, are required to be included in or reflected by the Company's, the Borrower's or any of its Subsidiaries' fixed asset accounts as reflected in any of their respective balance sheets; provided, however, Capital Expenditures shall include the sum of all expenditures by the Consolidated Businesses and the portion of expenditures of Joint Ventures allocable to the Consolidated Businesses for tenant improvements, leasing commissions, property level capital expenditures (e.g., roof replacement, parking lot repairs, etc., but not capital expenditures in connection with expansions).

"CAPITAL EXPENDITURE RESERVE AMOUNTS" means the greater of (i) the sum of (a) an amount per annum equal to $0.72 multiplied by the number of square feet for office properties (other than New York City Assets) owned, directly or indirectly by any of the Consolidated Businesses or Joint

Ventures; (b) an amount per annum equal to $0.28 multiplied by the number of square feet for industrial properties owned, directly or indirectly by any of the Consolidated Businesses or Joint Ventures; and (c) an amount per annum equal to $0.90 multiplied by the number of square feet for New York City Assets and (ii) as of the first day of each calendar quarter, an amount equal to the actual Capital Expenditures for the immediately preceding consecutive two (2) calendar quarters multiplied by two (2).

"CAPITAL LEASE" means any lease of any property (whether real, personal or mixed) by a Person as lessee which, in conformity with GAAP, is accounted for as a capital lease on the balance sheet of that Person.

"CAPITAL STOCK" means, with respect to any Person, any capital stock of such Person, regardless of class or designation, and all warrants, options, purchase rights, conversion or exchange rights, voting rights, calls or claims of any character with respect thereto.

"CASH AND CASH EQUIVALENTS" means unrestricted (i) cash, (ii) marketable direct obligations issued or unconditionally guaranteed by the United States government and backed by the full faith and credit of the United States government; and (iii) domestic and Eurodollar certificates of deposit and time deposits, bankers' acceptances and floating rate certificates of deposit issued by any commercial bank organized under the laws of the United States, any state thereof, the District of Columbia, any foreign bank, or its branches or agencies (fully protected against currency fluctuations), which, at the time of acquisition, are rated A-1 (or better) by S&P or P-1 (or better) by Moody's provided that the maturities of such Cash and Cash Equivalents shall not exceed one year.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C.ss.ss.9601 et seq., -- --- any amendments thereto, any successor statutes, and any regulations or guidance promulgated thereunder.

"CHASE" means The Chase Manhattan Bank.

"CLAIM" means any claim or demand, by any Person, of whatsoever kind or nature for any alleged Liabilities and Costs, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute, Permit, ordinance or regulation, common law or otherwise.

"CLOSING DATE" means September 7, 2000.

"COMBINED EQUITY VALUE" means Total Value, less Total Outstanding Indebtedness.

"COMMERCIAL LETTER OF CREDIT" means any documentary letter of credit issued by an Issuing Bank pursuant to Section 3.1 for the account of the Borrower which is drawable upon presentation of documents evidencing the sale or shipment of goods purchased by the Borrower in the ordinary course of its business.

"COMMISSION" means the Securities and Exchange Commission and any Person succeeding to the functions thereof.

"COMMITTED LOAN" means a loan made by a Lender pursuant to Section 2.1; provided, that if any such loan or loans (or portions thereof) are combined or subdivided pursuant to a Notice of Conversion/Continuation, the term "Committed Loan" shall refer to the combined principal amount resulting from such combination or to each of the separate principal amounts resulting from such subdivision, as the case may be.

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

"COMPETITIVE BID LENDER" means, as to each Competitive Bid Loan, the Lender funding such Competitive Bid Loan.

"COMPETITIVE BID LENDING OFFICE" means, as to each Lender, its Domestic Lending Office or such other office, branch or affiliate of such Lender as it may hereafter designate as its Competitive Bid Lending Office by notice to the Borrower and the Agent.

"COMPETITIVE BID LOAN" means a loan made or to be made by a Lender pursuant to a LIBOR Auction (including such a loan bearing interest at the Base Rate pursuant to Section 5.2).

"COMPETITIVE BID MARGIN" has the meaning set forth in Section 2.2(d)(ii)(C).

"COMPETITIVE BID QUOTE" means an offer by a Lender to make a Competitive Bid Loan in accordance with Section 2.2(d).

"COMPETITIVE BID QUOTE REQUEST" has the meaning set forth in Section 2.2(a).

"COMPLIANCE CERTIFICATE" has the meaning set forth in Section 8.2(b).

"CONSOLIDATED" means consolidated, in accordance with GAAP.

"CONSOLIDATED BUSINESSES" means the Company, the Borrower, Reckson FS Limited Partnership, Metropolitan, MOP and their wholly-owned Subsidiaries.

"CONSTRUCTION ASSET COST" means, with respect to Property on which construction of Improvements (other than TI Work, but including redevelopments) has commenced (such commencement evidenced by foundation excavation) and is proceeding to completion in the ordinary course but has not yet been completed (as such completion shall be evidenced by a temporary or permanent certificate of occupancy permitting use of such Property by the general public), the aggregate sums incurred and paid on the construction of such Improvements (including land acquisition costs and other soft costs and TI Work relating to such Property, in accordance with GAAP). Any such Property shall continue to be valued (for financial covenant compliance purposes) at its Construction Asset Cost until the earlier of (a) the end of four (4) consecutive quarters following such completion and (b) the date on which such Property achieves an occupancy rate of at least 85%.

"CONTAMINANT" means any waste, pollutant, hazardous substance, toxic substance, hazardous waste, special waste, petroleum or petroleum-derived substance or waste, radioactive materials, asbestos containing materials (in any form or condition), polychlorinated biphenyls (PCBs), or any constituent of any such substance or waste, and includes, but is not limited to, these terms as defined in federal, state or local laws or regulations.

"CONTINGENT OBLIGATION" as to any Person means, without duplication, (i) any contingent obligation of such Person required to be shown on such Person's balance sheet in accordance with GAAP, and (ii) any obligation required to be disclosed in the footnotes to such Person's financial statements in accordance with GAAP, guaranteeing partially or in whole any non-recourse Indebtedness, lease, dividend or other obligation, exclusive of contractual indemnities (including, without limitation, any indemnity or price-adjustment provision relating to the purchase or sale of securities or other assets) and guarantees of non-monetary obligations (other than guarantees of completion) which have not yet been called on or quantified, of such Person or of any other Person. Notwithstanding the foregoing, any litigation required to be disclosed in the footnotes to such Person's financial statements in accordance with GAAP shall not be included as a "Contingent Obligation" unless the same shall have been reserved for in accordance with GAAP. The amount of any Contingent Obligation described in clause (ii) shall be deemed to be (a) with respect to a guaranty of interest or interest and principal, or operating income guaranty, the sum of all payments required to be made thereunder (which in the case of an operating income

guaranty shall be deemed to be equal to the debt service for the note secured thereby), calculated at the interest rate applicable to such Indebtedness, through (i) in the case of an interest or interest and principal guaranty, the stated date of maturity of the obligation (and commencing on the date interest could first be payable thereunder), or (ii) in the case of an operating income guaranty, the date through which such guaranty will remain in effect, and (b) with respect to all guarantees not covered by the preceding clause (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such guaranty is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as recorded on the balance sheet and on the footnotes to the most recent financial statements of the Borrower required to be delivered pursuant hereto; provided that in no event shall the amount of Contingent Obligations with respect to any guaranties relating to a loan exceed the principal amount of such loan. Notwithstanding anything contained herein to the contrary, guarantees of completion shall not be deemed to be Contingent Obligations unless and until a claim for payment has been made thereunder, at which time any such guaranty of completion shall be deemed to be a Contingent Obligation in an amount equal to any such claim. Subject to the preceding sentence, (i) in the case of a joint and several guaranty given by such Person and another Person (but only to the extent such guaranty is recourse, directly or indirectly to the Borrower), the amount of the guaranty shall be deemed to be 100% thereof unless and only to the extent that (X) such other Person has delivered Cash or Cash Equivalents to secure all or any part of such Person's guaranteed obligations or (Y) such other Person holds an Investment Grade Rating from either Moody's or S&P, and (ii) in the case of a guaranty (whether or not joint and several) of an obligation otherwise constituting Debt of such Person, the amount of such guaranty shall be deemed to be only that amount in excess of the amount of the obligation constituting Indebtedness of such Person. Notwithstanding anything contained herein to the contrary, "Contingent Obligations" shall not be deemed to include guarantees of loan commitments or of construction loans to the extent the same have not been drawn.

"CONTRACTUAL OBLIGATION", as applied to any Person, means any provision of any Securities issued by that Person or any indenture, mortgage, deed of trust, security agreement, pledge agreement, guaranty, contract, undertaking, agreement or instrument to which that Person is a party or by which it or any of its properties is bound, or to which it or any of its properties is subject.

"CREDIT RATING" means the ratings assigned by not less than two of the Rating Agencies (at least one of which shall be S&P or Moody's) to the

Borrower's senior long-term unsecured indebtedness. The decision on which two Rating Agencies to use shall be made by the Borrower so long as one of such Rating Agencies shall be Moody's or S&P.

"CURE LOANS" has the meaning set forth in Section 4.2(b)(v)(C).

"CUSTOMARY PERMITTED LIENS" means

(i) Liens (other than Environmental Liens and Liens in favor of the PBGC) with respect to the payment of taxes, assessments or governmental charges or levies in all cases which are not yet due or which are being contested in good faith by appropriate proceedings in accordance with Section 9.4, and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with GAAP;

(ii) statutory and common law Liens of landlords against any Property of the Borrower or any of its Subsidiaries;

(iii) Liens against any Property of the Borrower or any of its Subsidiaries in favor of suppliers, mechanics, carriers, materialmen, warehousemen or workmen and other Liens against any Property of the Borrower or any of its Subsidiaries imposed by law created in the ordinary course of business for amounts which could not reasonably be expected to result in a Material Adverse Effect;

(iv) Liens (other than any Lien in favor of the PBGC) incurred or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance or other types of social security benefits or to secure the performance of bids, tenders, sales, contracts (other than for the repayment of borrowed money), surety, appeal and performance bonds; provided that (A) all such Liens do not in the aggregate materially detract from the value of the Borrower's or such Subsidiary's assets or Property or materially impair the use thereof in the operation of their respective businesses, and (B) all Liens of attachment or judgment and Liens securing bonds to stay judgments or in connection with appeals which do not secure at any time an aggregate amount of recourse Indebtedness exceeding $10,000,000;

(v) Liens against any Property of the Borrower or any Subsidiary of the Borrower arising with respect to zoning restrictions, easements, licenses, reservations, covenants, rights-of-way, utility easements, building restrictions and other similar charges or encumbrances on the use of Real Property which do not materially

interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;

(vi) leases or subleases granted to other Persons not materially interfering with the conduct of the business of the Borrower and its Subsidiaries taken as a whole;

(vii) Liens placed upon equipment or machinery used in the ordinary course of business of the Borrower or any of its Subsidiaries at the time of acquisition thereof by the Borrower or any such Subsidiary or within 180 days thereafter to secure Indebtedness incurred to pay all or a portion of the purchase price thereof, provided that the Lien encumbering the equipment or machinery so acquired does not encumber any other asset of the Borrower or such Subsidiary;

(viii) customary restrictions imposed by licensors of software or trademarks on users thereof;

(ix) interests of licensees and sublicensees in any trademarks or other intellectual property license or sublicense by the Borrower or any of its Subsidiaries; and

(x) Environmental Liens less than $5,000,000, which are being contested in good faith by appropriate proceedings.

"DESIGNATED BANK" means a special purpose corporation that (i) shall have become a party to this Agreement pursuant to Section 14.1(f), and (ii) is not otherwise a Lender.

"DESIGNATED BANK NOTES" means promissory notes of the Borrower, substantially in the form of EXHIBIT B-2 hereto, evidencing the obligation of the Borrower to repay Competitive Bid Loans made by Designated Banks, as the same may be amended, supplemented, modified or restated from time to time, and "Designated Bank Note" means any one of such promissory notes issued under Section 14.1(f) hereof.

"DESIGNATED LENDER" has the meaning set forth in Section 13.4.

"DESIGNATING LENDER" shall have the meaning set forth in Section 14.1(f) hereof.

"DESIGNATION AGREEMENT" means a designation agreement in substantially the form of EXHIBIT K attached hereto, entered into by a Lender and a Designated Bank and accepted by the Agent.

"DOCUMENTATION AGENT" means Deutsche Bank, in its capacity as documentation agent for the Lenders.

"DOL" means the United States Department of Labor and any Person succeeding to the functions thereof.

"DOLLARS" and "$" mean the lawful money of the United States.

"DOMESTIC LENDING OFFICE" means, with respect to any Lender, such Lender's office, located in the United States, specified as the "Domestic Lending Office" under its name on the signature pages hereof or on the Assignment and Acceptance by which it became a Lender or such other United States office of such Lender as it may from time to time specify by written notice to the Borrower and the Administrative Agent.

"DUFF & PHELPS" means Duff & Phelps Credit Rating Co. or any successor thereto.

"ELIGIBLE ASSIGNEE" means (i) a Lender or any Affiliate thereof; (ii) a commercial bank having total assets in excess of $5,000,000,000; (iii) the central bank of any country which is a member of the organization for Economic Cooperation and Development having total assets in excess of $10,000,000,000; or (iv) a finance company or other financial institution reasonably acceptable to the Administrative Agent, which is regularly engaged in making, purchasing or investing in loans and having total assets in excess of $1,000,000,000 or is otherwise reasonably acceptable to the Administrative Agent.

"ENVIRONMENTAL, HEALTH OR SAFETY REQUIREMENTS OF LAW" means all Requirements of Law derived from or relating to any federal, state or local law, ordinance, rule, regulation, Permit, license or other binding determination of any Governmental Authority relating to, imposing liability or standards concerning, or otherwise addressing the environment, health and/or safety, including, but not limited to the Clean Air Act, the Clean Water Act, CERCLA, RCRA, any so-called "Superfund" or "Superlien" law, the Toxic Substances Control Act and OSHA, and public health codes, each as from time to time in effect.

"ENVIRONMENTAL LIEN" means a Lien in favor of any Governmental Authority for any (i) liabilities under any Environmental, Health or Safety Requirement of Law, or (ii) damages arising from, or costs incurred by such Governmental Authority in response to, a Release or threatened Release of a Contaminant into the environment.

"ENVIRONMENTAL PROPERTY TRANSFER ACT" means any applicable Requirement of Law that conditions, restricts, prohibits or requires any notification or disclosure triggered by the transfer, sale, lease or closure of any Property or deed or title for any Property for environmental reasons, including, but not limited to, any so-called "Environmental Cleanup Responsibility Act" or "Responsible Property Transfer Act".

"EQUIPMENT" means equipment used in connection with the maintenance of Projects and Properties.

"ERISA" means the Employee Retirement Income Security Act of 1974, 29 U.S.C.ss.ss.1000 et seq., any amendments thereto, any -- --- successor statutes, and any regulations or guidance promulgated thereunder.

"ERISA AFFILIATE" means (i) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414 (b) of the Internal Revenue Code) as the Borrower; (ii) a partnership or other trade or business (whether or not incorporated) which is under common control (within the meaning of Section 414 (c) of the Internal Revenue Code) with the Borrower; and (iii) a member of the same affiliated service group (within the meaning of Section 414 (m) of the Internal Revenue Code) as the Borrower, any corporation described in clause (i) above or any partnership or trade or business described in clause (ii) above.

"ERISA TERMINATION EVENT" means (i) a Reportable Event with respect to any Benefit Plan or Multiemployer Plan; (ii) the withdrawal of the Borrower or any ERISA Affiliate from a Benefit Plan during a plan year in which the Borrower or such ERISA Affiliate was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or the cessation of operations which results in the termination of employment of 20% of Benefit Plan participants who are employees of the Borrower or any ERISA Affiliate; (iii) the imposition of an obligation on the Borrower or any ERISA Affiliate under Section 4041 of ERISA to provide affected parties written notice of intent to terminate a Benefit Plan in a distress termination described in Section 4041(c) of ERISA; (iv) the institution by the PBGC of proceedings to terminate a Benefit Plan; (v) any event or condition which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Benefit Plan; or (vi) the partial or complete withdrawal of the Borrower or any ERISA Affiliate from a Multiemployer Plan.

"EURODOLLAR AFFILIATE" means, with respect to each Lender, the Affiliate of such Lender (if any) set forth below such Lender's name under the heading "Eurodollar Affiliate" on the signature pages hereof or on the Assignment and Acceptance by which it became a Lender or such Affiliate of a

Lender as it may from time to time specify by written notice to the Borrower and the Administrative Agent.

"EURODOLLAR INTEREST PERIOD" has the meaning set forth in Section 5.2(b).

"EURODOLLAR INTEREST RATE DETERMINATION DATE" has the meaning set forth in Section 5.2(c).

"EURODOLLAR LENDING OFFICE" means, with respect to any Lender, such Lender's office (if any) specified as the "Eurodollar Lending Office" under its name on the signature pages hereof or on the Assignment and Acceptance by which it became a Lender or such other office or offices of such Lender as it may from time to time specify by written notice to the Borrower and the Administrative Agent.

"EURODOLLAR RATE" means, for any Eurodollar Interest Period with respect to any Eurodollar Rate Loan or a Competitive Bid Loan, an interest rate per annum equal to the rate per annum obtained by multiplying (a) a rate per annum equal to the rate for Dollar deposits with maturities comparable to such Eurodollar Interest Period which appears on Telerate Page 3750 as of 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Eurodollar Interest Period, provided, however, that if such rate does not appear on Telerate Page 3750, the "Eurodollar Rate" applicable to a particular Eurodollar Interest Period shall mean a rate per annum equal to the rate at which Dollar deposits in an amount approximately equal to the principal balance (or the portion thereof which will bear interest at a rate determined by reference to the Eurodollar Rate during the Eurodollar Interest Period to which such Eurodollar Rate is applicable in accordance with the provisions hereof), and with maturities comparable to the last day of the Eurodollar Interest Period with respect to which such Eurodollar Rate is applicable, are offered in immediately available funds in the London Interbank Market to the London office of Chase by leading banks in the Eurodollar market at 11:00 a.m., London time, two (2) Business Days prior to the commencement of the Eurodollar Interest Period to which such Eurodollar Rate is applicable, by (b) a fraction (expressed as a decimal) the numerator of which shall be the number one and the denominator of which shall be the number one minus the Eurodollar Reserve Percentage for each day during such Eurodollar Interest Period.

"EURODOLLAR RATE LOAN" means (i) a Committed Loan which bears interest at a rate determined by reference to the Eurodollar Rate and the Applicable Margin for Eurodollar Rate Loans, as provided in Section 5.1(a) or (ii) an overdue amount which was a Eurodollar Rate Loan immediately before

it became due or (iii) for purpose of Section 5.2, any Loan which bears interest at a rate determined by reference to the Eurodollar Rate.

"EURODOLLAR RESERVE PERCENTAGE" means, for any day, that percentage which is in effect on such day, as prescribed by the Federal Reserve Board for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for a member bank of the Federal Reserve System in New York, New York with deposits exceeding five billion Dollars in respect of "Eurocurrency Liabilities" (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Eurodollar Rate Loans is determined or any category of extensions of credit or other assets which includes loans by a non United States office of any bank to United States residents).

"EVENT OF DEFAULT" means any of the occurrences set forth in Section 11.1 after the expiration of any applicable grace period and the giving of any applicable notice, in each case as expressly provided in Section 11.1.

"EXISTING PERMITTED LIENS" means each of the Liens set forth on SCHEDULE 1.1.1 hereto.

"FEDERAL FUNDS RATE" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day in New York, New York, for the next preceding Business Day) in New York, New York by the Federal Reserve Bank of New York, or if such rate is not so published for any day which is a Business Day in New York, New York, the average of the quotations for such day on such transactions by the Reference Bank, as determined by the Administrative Agent.

"FEDERAL RESERVE BOARD" means the Board of Governors of the Federal Reserve System or any Governmental Authority succeeding to its functions.

"FFO" means "funds from operations" as defined in accordance with resolutions adopted by the Board of Governors of the National Association of Real Estate Investment Trusts as in effect from time to time.

"FINANCIAL STATEMENTS" means (i) quarterly and annual consolidated statements of income and retained earnings, statements of cash flow, and balance sheets, prepared in accordance with GAAP, consistently applied, and (ii) such other financial statements of the Borrower, the Company and the

other Consolidated Businesses or Joint Ventures that the Company shall routinely and regularly prepare and that the Arrangers or the Requisite Lenders may from time to time reasonably request.

"FISCAL YEAR" means the fiscal year of the Company and the Borrower for accounting and tax purposes, which shall be the 12-month period ending on December 31 of each calendar year.

"FITCH" means Fitch IBCA, Inc. or any successor thereto.

"FIXED CHARGES" means, with respect to any fiscal period, the sum of (a) Total Interest Expense, (b) the aggregate of all scheduled principal payments on Total Outstanding Indebtedness according to GAAP made or required to be made during such fiscal period for the Consolidated Businesses and Joint Ventures (but excluding balloon payments of principal due upon the stated maturity of an Indebtedness), and (c) the aggregate of all dividends or distributions payable (whether paid or accrued) on all preferred stock and other preferred securities or preferential arrangements of the Consolidated Businesses, including, without limitation, preferred distributions payable to holders of preferred OP Units. As used herein, "OP Units" means limited partnership interests in Reckson.

"FUNDING DATE" means, with respect to any Loan, the date of funding of such Loan.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the American Institute of Certified Public Accountants' Accounting Principles Board and Financial Accounting Standards Board or in such other statements by such other entity as may be in general use by significant segments of the accounting profession as in effect on the Closing Date (unless otherwise specified herein as in effect on another date or dates).

"GENERAL PARTNER" means the Company and any successor general partner(s) of the Borrower.

"GOVERNMENTAL APPROVAL" means all right, title and interest in any existing or future certificates, licenses, permits, variances, authorizations and approvals issued by any Governmental Authority having jurisdiction with respect to any Project.

"GOVERNMENTAL AUTHORITY" means any nation or government, any federal, state, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"GUARANTIES" means, collectively, the Unconditional Guaranties of Payment, made by each of the Company, Reckson FS Limited Partnership and the other Guarantors for the benefit of the Lenders, in substantially the form of EXHIBIT L hereto.

"GUARANTORS" means, collectively, the Company, Reckson FS Limited Partnership, Reckson 120 White Plains Road LLC, Reckson Short Hills LLC, Reckson/Stamford Towers LLC, 360 Hamilton Plaza LLC, and any other Affiliate of the Borrower executing a Guaranty. Any Guarantor that is the owner or ground lessor of an Unencumbered Project shall be a wholly-owned Subsidiary of the Borrower.

"IMPROVEMENTS" means all buildings, fixtures, structures, parking areas, landscaping and all other improvements whether existing now or hereafter constructed, together with all machinery and mechanical, electrical, HVAC and plumbing systems presently located thereon and used in the operation thereof, excluding (a) any such items owned by utility service providers, (b) any such items owned by tenants or other third-parties unaffiliated with the Borrower and (c) any items of personal property.

"INDEBTEDNESS", as applied to any Person, means, at any time, without duplication, (a) all indebtedness, obligations or other liabilities of such Person (whether consolidated or representing the proportionate interest in any other Person) (i) for borrowed money (including construction loans) or evidenced by debt securities, debentures, acceptances, notes or other similar instruments, and any accrued interest and fees relating thereto, (ii) under profit payment agreements or in respect of obligations to redeem, repurchase or exchange any Securities of such Person or to pay dividends in respect of any preferred stock (but only to the extent that such Person shall be contractually obligated to pay the same), (iii) with respect to letters of credit issued for such Person's account or for which such Person otherwise has reimbursement obligations, (iv) to pay the deferred purchase price of property or services, except accounts payable and accrued expenses arising in the ordinary course of business, (v) in respect of Capital Leases, (vi) which are Contingent Obligations or (vii) under indemnities but only at such time as a claim shall have been made thereunder; (b) all indebtedness, obligations or other liabilities of such Person or others secured by a Lien on any property of such Person, whether or not such indebtedness, obligations or liabilities are assumed by such Person, all as of such time; (c) all indebtedness, obligations or other liabilities of such Person in respect of interest rate contracts and foreign exchange contracts, net of liabilities owed to such Person by the counterparties thereon; (d) all preferred stock and preferred equity interests subject (upon the occurrence of any contingency or otherwise) to mandatory redemption in cash by the holder of such preferred stock or equity interest; (e) all preferred stock and preferred

equity interests in any Consolidated Business (other than the Company and the Borrower) which has not provided a Guaranty of the Obligations (excluding the Metropolitan Preferred Equity); and (f) all Contractual Obligations with respect to any of the foregoing.

"INDEMNIFIED MATTERS" has the meaning set forth in Section 14.3.

"INDEMNITEES" has the meaning set forth in Section 14.3.

"INITIAL FUNDING DATE" means the date on or after the Closing Date on which all of the conditions described in Section 6.1 have been satisfied (or waived) in a manner satisfactory to the Administrative Agent and the Lenders and on which the initial Loans under this Agreement are made by the Lenders to the Borrower.

"INTERNAL REVENUE CODE" means the Internal Revenue Code of 1986, as amended to the date hereof and from time to time hereafter, any successor statute and any regulations or guidance promulgated thereunder.

"INVESTMENT" means, with respect to any Person, (i) any purchase or other acquisition by that Person of Securities, or of a beneficial interest in Securities, issued by any other Person, (ii) any purchase by that Person of all or substantially all of the assets of a business conducted by another Person, (iii) any loan, advance (other than deposits with financial institutions available for withdrawal on demand, prepaid expenses, accounts receivable, advances to employees and similar items made or incurred in the ordinary course of business) or capital contribution by that Person to any other Person, including all Indebtedness to such Person arising from a sale of property by such Person other than in the ordinary course of its business, and (iv) any purchase or other acquisition by that Person of Real Property, whether directly or indirectly. The amount of any Investment shall be the original cost of such Investment (together with all capital improvement costs thereafter paid with respect to such Investment), without any adjustments for increases or decreases in value or write-ups, write-downs or write-offs with respect to such Investment.

"INVESTMENT FUNDS" means (i) Reckson Strategic Venture Partners LLC, and (ii) a Person in which FrontLine Capital Group or a Subsidiary thereof is a general partner or a managing member, in the case of a partnership or limited liability company, and which, in the case of a corporation, has the right to elect a majority of the board of directors.

"INVESTMENT GRADE RATING" means a rating for a Person's senior long-term unsecured debt of BBB- or better from S&P, and a rating of Baa3

or better from Moody's or a rating equivalent to the foregoing from Duff & Phelps/Fitch or another Rating Agency.

"INVITATION FOR COMPETITIVE BID QUOTES" means an Invitation for Competitive Bid Quotes substantially in the form of EXHIBIT I hereto.

"IRS" means the Internal Revenue Service and any Person succeeding to the functions thereof.

"ISSUING BANK" means Chase, or with the consent of the Arrangers and the Borrower, another Lender.

"JOINT VENTURES" means any interests in partnerships, joint ventures, limited liability companies, trusts, associations and corporations held or owned directly or indirectly by the Borrower and/or the Company which are not wholly-owned by the Borrower and/or the Company, but excluding in any event Metropolitan, MOP and the wholly-owned Subsidiaries of MOP (for so long as the Company and its Subsidiaries directly or indirectly own all of the common equity interests in Metropolitan).

"JOINT VENTURE UNENCUMBERED VALUE" means the portion of Total Unencumbered Value from Joint Ventures attributable to Unencumbered Projects and Unencumbered New York City Assets.

"KNOWLEDGE" with reference to the Company, the Borrower or any Subsidiary of any of them, means the actual knowledge of such Person after reasonable inquiry (which reasonable inquiry shall include, without limitation, interviewing and questioning such other Persons as the Company, the Borrower or such Subsidiary, as applicable, deems reasonably necessary).

"LEASE" means a lease, license, concession agreement or other agreement providing for the use or occupancy of any portion of any Project, including all amendments, supplements, modifications and assignments thereof and all side letters or side agreements relating thereto.

"LENDER" means (i) each financial institution a signatory hereto as a Lender as of the Closing Date and, at any other given time, each financial institution which is a party hereto as Lender, whether as a signatory hereto or pursuant to an Assignment and Acceptance, and (ii) each Designated Bank; provided, however, that the term "Lender" shall exclude each Designated Bank when used in reference to a Committed Loan, the Revolving Credit Commitments or terms relating to the Committed Loans and the Revolving Credit Commitments and shall further exclude each Designated Bank for all other purposes hereunder except that any Designated Bank which funds a Competitive Bid Loan shall, subject to Section 14.1(f), have the

rights (including, without limitation, the rights given to a Lender contained in Section 14.2 and otherwise in Article XIV) and obligations of a Lender associated with holding such Competitive Bid Loan.

"LETTER OF CREDIT" means any Commercial Letter of Credit or Standby Letter of Credit.

"LETTER OF CREDIT FEE" has the meaning set forth in Section 5.3(a).

"LETTER OF CREDIT OBLIGATIONS" means, at any particular time, the sum of (i) all outstanding Reimbursement Obligations, and (ii) the aggregate undrawn face amount of all outstanding Letters of Credit, and (iii) the aggregate face amount of all Letters of Credit requested by the Borrower but not yet issued.

"LETTER OF CREDIT REIMBURSEMENT AGREEMENT" means, with respect to a Letter of Credit, such form of application therefor and form of reimbursement agreement therefor (whether in a single or several documents, taken together) as an Issuing Bank may employ in the ordinary course of business for its own account, with such modifications thereto as may be agreed upon by such Issuing Bank and the Borrower and as are not materially adverse (in the judgment of such Issuing Bank and the Administrative Agent) to the interests of the Lenders; provided, however, in the event of any conflict between the terms of any Letter of Credit Reimbursement Agreement and this Agreement, the terms of this Agreement shall control.

"LIABILITIES AND COSTS" means all liabilities, obligations, responsibilities, losses, damages, personal injury, death, punitive damages, economic damages, consequential damages, treble damages, intentional, willful or wanton injury, damage or threat to the environment, natural resources or public health or welfare, costs and expenses (including, without limitation, attorney, expert and consulting fees and costs of investigation, feasibility or Remedial Action studies), fines, penalties and monetary sanctions, interest, direct or indirect, known or unknown, absolute or contingent, past, present or future.

"LIBOR AUCTION" means a solicitation of Competitive Bid Quotes setting forth Competitive Bid Margins based on the Eurodollar Rate pursuant to Section 2.2.

"LIEN" means any mortgage, deed of trust, pledge, hypothecation, assignment, conditional sale agreement, deposit arrangement, security interest, encumbrance, lien (statutory or other and including, without limitation, any Environmental Lien), preference, priority or other security

agreement or preferential arrangement of any kind or nature whatsoever in respect of any property of a Person, whether granted voluntarily or imposed by law, and includes the interest of a lessor under a Capital Lease or under any financing lease having substantially the same economic effect as any of the foregoing and the filing of any financing statement or similar notice (other than a financing statement filed by a "true" lessor pursuant to ss. 9-408 of the Uniform Commercial Code); naming the owner of such property as debtor, under the Uniform Commercial Code or other comparable law of any jurisdiction.

"LIMITED PARTNERS" means those Persons who from time to time are limited partners of the Borrower; and "LIMITED PARTNER" means each of the Limited Partners, individually.

"LOAN ACCOUNT" has the meaning set forth in Section 4.3(b).

"LOAN DOCUMENTS" means this Agreement, the Notes and the Guaranties.

"LOANS" means Committed Loans and Competitive Bid Loans.

"MANAGEMENT COMPANY" means, collectively (i) Reckson Management Group, Inc., a Delaware corporation, RANY Management Group, Inc. and their respective wholly-owned or controlled Subsidiaries and (ii) such other property management companies controlled (directly or indirectly) by the Company or the Borrower and which property management companies manage properties owned by the Company, the Borrower and its Subsidiaries and for which the Borrower has previously provided the Administrative Agent with: (1) notice of such property management company, (2) evidence reasonably satisfactory to the Administrative Agent that such property management company is controlled (directly or indirectly) by the Company or the Borrower, and (3) evidence reasonably satisfactory to the Administrative Agent that such property management company manages properties owned, in whole or in part by the Company or the Borrower or its Subsidiaries.

"MARGIN STOCK" means "margin stock" or "margin security" as such terms are defined in Regulation U and Regulation X.

"MATERIAL ADVERSE EFFECT" means a material adverse effect upon (i) the financial condition or assets of the Company, the Borrower and their Subsidiaries taken as a whole, (ii) the ability of the Borrower to perform its material obligations under the Loan Documents, (iii) the ability of the Guarantors to perform their material obligations under the Guaranties, or

(iv) the ability of the Lenders or the Administrative Agent to enforce any of the Loan Documents.

"MAXIMUM REVOLVING CREDIT AMOUNT" means, at any particular time, the Revolving Credit Commitments at such time.

"METROPOLITAN" means Metropolitan Partners, LLC, a Delaware limited liability company, in which the Borrower currently owns 100% of the common equity interests.

"METROPOLITAN CONVERSION" means the earlier date on which either (a) Metropolitan redeems Crescent Real Estate Equities Company's Metropolitan Preferred Equity or (b) Crescent Real Estate Equities Company converts its Metropolitan Preferred Equity into (i) common equity interests in Metropolitan or (ii) shares of common stock in the Company.

"METROPOLITAN PREFERRED EQUITY" means the $85 million preferred equity interest in Metropolitan owned by Crescent Real Estate Equities Company.

"MOODY'S" means Moody's Investors Service, Inc.

"MOP" means Metropolitan Operating Partnership, L.P., a Delaware limited partnership, a Subsidiary of Metropolitan.

"MULTIEMPLOYER PLAN" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA which is, or within the immediately preceding six (6) years was, contributed to by either the Borrower or any ERISA Affiliate or in respect of which the Borrower or any ERISA Affiliate has assumed any liability.

"NET CASH PROCEEDS" means all cash when and as received in connection with the sale or refinancing of any asset, less reasonable costs and expenses, repayment of secured indebtedness with respect to the applicable asset, and net of an amount equal to taxable capital gains and real estate transfer taxes payable in connection with any asset sale.

"NET INCOME" means, with respect to any Person, the net income of such Person determined in accordance with GAAP.

"NET OFFERING PROCEEDS" means all cash or other assets received by the Company as a result of the sale of common shares, preferred shares, partnership interests, limited liability company interests, convertible securities or other ownership or equity interests in the Company, less customary costs, expenses and discounts of issuance paid by the Company.

"NEW YORK CITY ASSET" means Real Property which is Class A office property located in the borough of Manhattan, New York, New York and which is owned by one of the Consolidated Businesses or Joint Ventures. The 919 Third Avenue Property shall be deemed to be a New York City Asset for the purposes of this Agreement so long as a Consolidated Business owns fee and ground leasehold title to such property or continues to hold the Secured Indebtedness on such property which provides for such Consolidated Business' receipt of 100% of the cash flow from such property, unless a Consolidated Business fails to obtain fee and ground leasehold title to such property by March 31, 2001, at which time the 919 Third Avenue Property will be treated as a mortgage note receivable for purposes of Section 10.11 of this Agreement and the associated definitions (provided that it shall not count toward (x) the 10% limitation on notes, notes receivable and other investments in Real Property set forth in clause (viii) of the definition of Total Value and (y) the 25% limitation on items (a)(iv), (vii) and (viii) in the definition of Total Value set forth in the proviso at the end of such definition).

"919 THIRD AVENUE PROPERTY" means the Real Property and Improvements located at 919 Third Avenue, New York, New York, upon which a Consolidated Business holds the Secured Indebtedness as of the Closing Date.

"NOI" means (x) net operating income determined in accordance with GAAP, before gains or losses from extraordinary items relating to any Real Property, plus (y) (i) any interest expense relating to such Real Property, (ii) depreciation and amortization relating to such Real Property, and (iii) Property Level G&A to the extent included in the calculation of net operating income, less (z) (i) free rent and accrued rent with respect to tenants that are more than 90 days in arrears in the payment of rent, and further adjusted to omit the straight line treatment of rent, so as to account for rent on an accrual basis, (ii) any interest income relating to such Real Property, and (iii) the greater of Property Level G&A to the extent included in the calculation of net operating income and an amount equal to 3% of gross revenues with respect to such Real Property.

"NON PRO RATA LOAN" has the meaning set forth in Section 4.2(b)(v).

"NOTE" means the Borrower Notes and the Designated Lender Notes; "Notes" means, collectively, all of such Notes outstanding at any given time.

"NOTICE OF BORROWING" means a Notice of Committed Borrowing or a Notice of Competitive Bid Borrowing.

"NOTICE OF COMMITTED BORROWING" means a notice substantially in the form of EXHIBIT C attached hereto and made a part hereof.

"NOTICE OF COMPETITIVE BID BORROWING" has the meaning set forth in Section 2.2(f).

"NOTICE OF CONVERSION/CONTINUATION" means a notice substantially in the form of EXHIBIT D attached hereto and made a part hereof with respect to a proposed conversion or continuation of a Loan pursuant to Section 5.1(c).

"OBLIGATIONS" means all Loans, advances, debts, liabilities and monetary obligations owing by the Borrower to the Administrative Agent, the Syndication Agent, the Documentation Agent, any Lender, or any Person entitled to indemnification pursuant to Section 14.3 of this Agreement, of any kind or nature, arising under this Agreement, the Notes or any other Loan Document. The term includes, without limitation, all interest, charges, reasonable expenses, fees, reasonable attorneys' fees and disbursements and any other sum chargeable to the Borrower under this Agreement or any other Loan Document.

"OFFICER'S CERTIFICATE" means, as to a corporation, a certificate executed on behalf of such corporation by the chairman of its board of directors (if an officer of such corporation) or its chief executive officer, president, any of its vice-presidents, its chief financial officer, or its treasurer and, as to a partnership, a certificate executed on behalf of such partnership by the chairman of the board of directors (if an officer of such corporation) or chief executive officer, president, any vice-president, or treasurer of the general partner of such partnership.

"OLD REVOLVING CREDIT AGREEMENT" has the meaning set forth in the recitals.

"OLD TERM LOAN AGREEMENT" has the meaning set forth in the recitals.

"120 MINEOLA BOULEVARD PROPERTY" means the Real Property and Improvements located at 120 Mineola Boulevard, Mineola, New York owned by Tower Mineola L.P., a wholly-owned Subsidiary of Metropolitan.

"OPERATING ACCOUNT" has the meaning set forth in Section 9.11 hereof.

"OPERATING LEASE" means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee which is not a Capital Lease.

"ORGANIZATIONAL DOCUMENTS" means, with respect to any corporation, limited liability company, or partnership (i) the

articles/certificate of incorporation (or the equivalent organizational documents) of such corporation or limited liability company, (ii) the partnership agreement executed by the partners in such partnership, (iii) the by-laws (or the equivalent governing documents) of such corporation, limited liability company or partnership, and (iv) any document setting forth the designation, amount and/or relative rights, limitations and preferences of any class or series of such corporation's Capital Stock or such limited liability company's or partnership's equity or ownership interests.

"OSHA" means the Occupational Safety and Health Act of 1970, 29 U.S.C.ss.ss. 651 et seq., any amendments thereto, any successor statutes and any regulations or guidance promulgated thereunder.

"OTHER MANAGEMENT COMPANY" means property management companies controlled (directly or indirectly) by the Company or the Borrower which may manage properties owned by third parties.

"OTHER UNENCUMBERED VALUE" means the portion of Total Unencumbered Value which is attributable to Unencumbered assets other than New York City Assets, Projects, Investment Funds, land and development, and service company income.

"PBGC" means the Pension Benefit Guaranty Corporation and any Person succeeding to the functions thereof.

"PERMITS" means any permit, consent, approval, authorization license, variance, or permission required from any Person, including any Governmental Approvals.

"PERMITTED SECURITIES OPTIONS" means the subscriptions, options, warrants, rights, convertible Securities and other agreements or commitments relating to the issuance of the Borrower's Securities or the Company's Capital Stock identified as such on SCHEDULE 1.1.2.

"PERSON" means any natural person, corporation, limited liability company, limited partnership, general partnership, joint stock company, joint venture, association, company, trust, bank, trust company, land trust, business trust or other organization, whether or not a legal entity, and any Governmental Authority.

"PLAN" means a Benefit Plan or a Multiemployer Plan.

"POTENTIAL EVENT OF DEFAULT" means an event which, with the giving of notice or the lapse of time, or both, would constitute an Event of Default.

"PREPAYMENT DATE" has the meaning set forth in Section 4.1(d).

"PROJECT" means any office or industrial properties owned, directly or indirectly, by any of the Consolidated Businesses or Joint Ventures.

"PROPERTY" means any Real Property or personal property, plant, building, facility, structure, equipment, general intangible, receivable, or other asset owned or leased by any Consolidated Business or any Joint Venture. The definition of "Property" shall specifically exclude items of Real Property or personal property owned or leased by members of the Rechler family.

"PROPERTY LEVEL G&A" means general and administrative expenses allocated to the Properties.

"PRO RATA SHARE" means, with respect to any Lender, the percentage obtained by dividing (i) such Lender's Revolving Credit Commitment (in each case, as adjusted from time to time in accordance with the provisions of this Agreement or any Assignment and Acceptance to which such Lender is a party) by (ii) the aggregate amount of all of the Revolving Credit Commitments. The Pro Rata Share of each Lender is set forth opposite such Lender's name on signature pages hereof or the Assignment and Acceptance by which it became a Lender, and shall be modified from time to time pursuant to this Agreement.

"QUARTERLY CAPITAL EXPENDITURE RESERVE AMOUNTS" means, as of the first day of any calendar quarter for the immediately preceding quarter, one quarter of the Capital Expenditure Reserve Amounts.

"RATING AGENCY" means Moody's, S&P, Duff & Phelps/Fitch or another nationally-recognized rating agency reasonably satisfactory to the Administrative Agent.

"RCRA" means the Resource Conservation and Recovery Act of 1976, 42 U.S.C.ss.ss.6901 et seq., any amendments thereto, any successor statutes, and any regulations or guidance promulgated thereunder.

"REAL PROPERTY" means all of the Borrower's and the consolidated Subsidiaries' present and future right, title and interest (including, without limitation, any leasehold estate) in (i) any plots, pieces or parcels of land, (ii) any Improvements of every nature whatsoever (the rights and interests described in clauses (i) and (ii) above being the "PREMISES"), (iii) all easements, rights of way, gores of land or any lands occupied by streets, ways, alleys, passages, sewer rights, water courses, water rights and powers, and public places adjoining such land, and any other interests in property

constituting appurtenances to the Premises, or which hereafter shall in any way belong, relate or be appurtenant thereto, and (iv) all other rights and privileges thereunto belonging or appertaining and all extensions, additions, improvements, betterments, renewals, substitutions and replacements to or of any of the rights and interests described in clause (iii) above.

"RECKSON" means Reckson Operating Partnership, L.P., a Delaware limited partnership.

"REFERENCE BANK" means Chase.

"REGISTER" has the meaning set forth in Section 14.1(c).

"REGULATION A" means Regulation A of the Federal Reserve Board as in effect from time to time.

"REGULATION T" means Regulation T of the Federal Reserve Board as in effect from time to time.

"REGULATION U" means Regulation U of the Federal Reserve Board as in effect from time to time.

"REGULATION X" means Regulation X of the Federal Reserve Board as in effect from time to time.

"REIMBURSEMENT DATE" has the meaning set forth in Section 3.1(d)(i)(A).

"REIMBURSEMENT OBLIGATIONS" means the aggregate non-contingent reimbursement or repayment obligations of the Borrower with respect to amounts drawn under Letters of Credit.

"REIT" means a domestic trust or corporation that qualifies as a real estate investment trust under the provisions of Sections 856, et seq., of the Internal Revenue Code.

"RELEASE" means any release, spill, emission, leaking, pumping, pouring, dumping, injection, deposit, disposal, abandonment, or discarding of barrels, containers or other receptacles, discharge, emptying, escape, dispersal, leaching or migration into the indoor or outdoor environment or into or out of any Property, including the movement of Contaminants through or in the air, soil, surface water, groundwater or Property.

"REMEDIAL ACTION" means actions required to (i) clean up, remove, treat or in any other way address Contaminants in the indoor or outdoor environment; (ii) prevent the Release or threat of Release or minimize the

further Release of Contaminants; or (iii) investigate and determine if a remedial response is needed and to design such a response and post-remedial investigation, monitoring, operation and maintenance and care.

"REPORTABLE EVENT" means any of the events described in Section 4043(c) of ERISA and the regulations promulgated thereunder as in effect from time to time but not including any such event as to which the thirty (30) day notice requirement has been waived by applicable PBGC regulations.

"REQUIREMENTS OF LAW" means, as to any Person, the charter and by-laws or other organizational or governing documents of such Person, and any law, rule or regulation, or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject including, without limitation, the Securities Act, the Securities Exchange Act, Regulations T, U and X, ERISA, the Fair Labor Standards Act, the Worker Adjustment and Retraining Notification Act, Americans with Disabilities Act of 1990, and any certificate of occupancy, zoning ordinance, building, environmental or land use requirement or Permit and Environmental, Health or Safety Requirement of Law.

"REQUISITE LENDERS" means Lenders whose Pro Rata Shares, in the aggregate, are equal to or greater than sixty-six and two-thirds percent (66.67%); provided, however, that, in the event any of the Lenders shall have failed to fund its Pro Rata Share of any Loan requested by the Borrower which such Lenders are obligated to fund under the terms of this Agreement and any such failure has not been cured as provided in Section 4.2(b)(v)(B), then for so long as such failure continues, "Requisite Lenders" means Lenders (excluding all Lenders whose failure to fund their respective Pro Rata Shares of such Loans have not been so cured) whose Pro Rata Shares represent sixty-six and two-thirds percent (66.67%) or more of the aggregate Pro Rata Shares of such Lenders; provided, further, however, that, in the event that the Revolving Credit Commitments have been terminated pursuant to the terms of this Agreement, "Requisite Lenders" means Lenders (without regard to such Lenders' performance of their respective obligations hereunder) whose aggregate ratable shares (stated as a percentage) of the aggregate outstanding principal balance of all Loans are sixty-six and two-thirds percent (66.67%) or more.

"RESTRICTED PAYMENT" has the meaning set forth in Section 10.11(h).

"REVOLVING CREDIT AVAILABILITY" means, at any particular time, the amount by which the Maximum Revolving Credit Amount at such time exceeds the Revolving Credit Obligations at such time.

"REVOLVING CREDIT COMMITMENT" means, with respect to any Lender, the obligation of such Lender to make Committed Loans and to participate in Letters of Credit pursuant to the terms and conditions of this Agreement, and which shall not exceed the principal amount set forth opposite such Lender's name under the heading "Revolving Credit Commitment" on the signature pages hereof or the signature page of the Assignment and Acceptance by which it became a Lender, as modified from time to time pursuant to the terms of this Agreement or to give effect to any applicable Assignment and Acceptance, and "REVOLVING CREDIT COMMITMENTS" means the aggregate principal amount of the Revolving Credit Commitments of all the Lenders, the maximum amount of which shall be $575,000,000 as reduced from time to time pursuant to Section 4.1.

"REVOLVING CREDIT OBLIGATIONS" means, at any particular time, the sum of (i) the outstanding principal amount of the Committed Loans at such time, plus (ii) the Letter of Credit Obligations at such time, plus (iii) the outstanding principal amount of the Competitive Bid Loans at such time.

"REVOLVING CREDIT PERIOD" means the period from the Initial Funding Date to the Business Day next preceding the Revolving Credit Termination Date.

"REVOLVING CREDIT TERMINATION DATE" means the earlier to occur of (i) September 7, 2003 (or, if not a Business Day, the next preceding Business Day); and (ii) the date of termination of the Revolving Credit Commitments pursuant to the terms of this Agreement.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc.

"SECURED INDEBTEDNESS" means any Indebtedness secured by a Lien.

"SECURED LOAN-TO-VALUE RATIO" means, the ratio, expressed as a percentage, of the aggregate amount of any Secured Indebtedness as of the date of the determination to the value with respect to the Real Property encumbered thereby as of such date, which value shall be determined by reference to the formula set forth in the definition of "Total Value" with respect to each such Real Property.

"SECURITIES" means any stock, shares, voting trust certificates, partnership interests, bonds, debentures, notes or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities", including, without limitation, any "security" as such term is defined in Section 8-102 of the Uniform Commercial Code, or any certificates of interest, shares, or

participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire any of the foregoing, but shall not include the Notes or any other evidence of the obligations.

"SECURITIES ACT" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"SECURITIES EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

"SERVICING EBITDA" means, with respect to the Management Company or any other service company owned by the Borrower or the Company, as of the first day of each fiscal quarter for the immediately preceding fiscal quarter, an amount, determined in accordance with GAAP, equal to (i) total earnings relating to such companies' operations adjusted to exclude amounts that are more than 90 days delinquent, less (ii) total operating expenses relating to such operations, including corporate marketing, general and administrative expenses.

"SOLVENT", when used with respect to any Person, means that at the time of determination:

(i) the fair saleable value of its assets is in excess of the total amount of its liabilities (including, without limitation, contingent liabilities); and

(ii) the present fair saleable value of its assets is greater than its probable liability on its existing debts as such debts become absolute and matured; and

(iii) it is then able and expects to be able to pay its debts (including, without limitation, contingent debts and other commitments) as they mature; and

(iv) it has capital sufficient to carry on its business as conducted and as proposed to be conducted.

"STANDBY LETTER OF CREDIT" means any letter of credit issued by an Issuing Bank pursuant to Section 3.1 for the account of the Borrower, which is not a Commercial Letter of Credit.

"SUBSIDIARY" of a Person means any corporation, limited liability company, general or limited partnership, or other entity of which securities or other ownership interests having ordinary voting power to elect a majority

of the board of directors or other persons performing similar functions are at the time directly or indirectly owned or controlled by such Person, one or more of the other subsidiaries of such Person or any combination thereof.

"SYNDICATION AGENT" means UBSW, in its capacity as syndication agent for the Lenders.

"TAXES" has the meaning set forth in Section 13.1(a).

"TELERATE PAGE 3750" means the display designated as "Page 3750" on the Associated Press-Dow Jones Market Service (or such other page as may replace Page 3750 on the Associated Press - Dow Jones Market Service or such other service as may be nominated by the British Bankers' Association as the information vendor for the purpose of displaying British Bankers' Association interest settlement rates for U.S. Dollar deposits). Any Eurodollar Rate determined on the basis of the rate displayed on Telerate Page 3750 in accordance with the provisions hereof shall be displayed by the Associated Press-Dow Jones Telerate Service within one hour of the time when such rate is first displayed by such service.

"TENANT ALLOWANCE" means a cash allowance paid to a tenant by the landlord pursuant to a Lease.

"TI WORK" means any construction or other "build out" of tenant leasehold improvement to the space demised to such tenant under Leases (excluding such tenant's furniture, fixtures and equipment) performed pursuant to the terms of such Leases, whether or not such tenant improvement work is performed by or on behalf of the landlord or as part of a Tenant Allowance.

"TOTAL ADJUSTED EBITDA" means, for any period, (i) net income determined in accordance with GAAP, plus (ii) depreciation and amortization deducted in the calculation of such net income, plus (iii) taxes on income deducted in the calculation of such net income, less (iv) the gains (and plus the losses) from extraordinary items, asset sales, write-ups, or debt forgiveness included in the calculation of such net income, less (v) the aggregate Capital Expenditure Reserve Amounts for such period.

"TOTAL INTEREST EXPENSE" means the sum of (i) interest expense of the Consolidated Businesses paid during such period and (ii) interest expense of the Consolidated Businesses accrued and/or capitalized for such period and (iii) the portion of the interest expense of Joint Ventures allocable to the Borrower in accordance with GAAP and paid during such period and (iv) the portion of the interest expense of Joint Ventures allocable to the Borrower in accordance with GAAP and accrued and/or capitalized for such period, in

each case including participating interest expense but excluding extraordinary interest expense, and net of amortization of deferred costs associated with new financings or refinancings of existing Indebtedness.

"TOTAL OUTSTANDING INDEBTEDNESS" means, for any period, the sum of (i) the amount of Indebtedness of the Consolidated Businesses set forth on the then most recent quarterly financial statements of the Borrower, prepared in accordance with GAAP, plus any additional Indebtedness incurred by the Consolidated Businesses since the time of such statements, less any Indebtedness repaid by the Consolidated Businesses since the time of such statements, and (ii) the outstanding amount of Joint Venture Indebtedness set forth on the then most recent quarterly financial statements of the Borrower or the applicable Joint Venture, prepared in accordance with GAAP and allocable in accordance with GAAP to any of the Consolidated Businesses, plus any additional Joint Venture Indebtedness incurred by the Joint Ventures allocable in accordance with GAAP to any of the Consolidated Businesses since the time of such statements, less any Indebtedness repaid by the Joint Ventures allocable in accordance with GAAP to any of the Consolidated Businesses since the time of such statements, and (iii) the Contingent Obligations of the Consolidated Businesses and, to the extent allocable to the Consolidated Businesses in accordance with GAAP, of the Joint Ventures.

"TOTAL RECOURSE SECURED OUTSTANDING INDEBTEDNESS" means Total Secured Outstanding Indebtedness under the terms of which any of the Consolidated Businesses guarantees or is directly obligated for any portion of such Indebtedness or interest payments thereon (other than exceptions to non-recourse obligations, such as fraud and misappropriation, which are usual and customary in like transactions involving institutional lenders), including, without limitation, the portion of such recourse Indebtedness of Joint Ventures allocable to any of the Consolidated Businesses.

"TOTAL SECURED OUTSTANDING INDEBTEDNESS" means the sum of (i) that portion of Total Outstanding Indebtedness that is secured by a Lien, plus (ii) that portion of Total Outstanding Indebtedness attributable to Consolidated Subsidiaries of the Borrower which is recourse to the Borrower or any of the Consolidated Subsidiaries (other than exceptions to non-recourse obligations, such as fraud and misappropriation, which are usual and customary in like transactions involving institutional lenders), regardless of whether it is secured by a Lien (it being understood that this definition shall not include the Loans hereunder).

"TOTAL UNENCUMBERED VALUE" means the portion of Total Value attributable to Unencumbered assets (including, without limitation, the

Unencumbered Projects, but excluding Investment Funds, land and development, and service company income) owned by the Consolidated Businesses and the Joint Ventures, subject to the following conditions and limitations: (i) Other Unencumbered Value shall be included only to the extent it does not exceed twelve and one-half percent (12.5%) of Total Unencumbered Value; (ii) Joint Venture Unencumbered Value shall be included to the extent that (A) the Borrower's beneficial economic interest in such Joint Ventures is fifty-one percent (51%) or greater and (B) the sale or financing of any Property owned by such Joint Venture is substantially controlled by the Borrower, subject to customary provisions set forth in the organizational documents of such Joint Venture with respect to financings, sales or rights of first refusal granted to other members of such Joint Venture, and (iii) the sum of Other Unencumbered Value and Joint Venture Unencumbered Value shall not exceed twenty percent (20%) of Total Unencumbered Value.

"TOTAL UNSECURED OUTSTANDING INDEBTEDNESS" means that portion of Total Outstanding Indebtedness that is not secured by a Lien. Without limiting the foregoing, Total Unsecured Outstanding Indebtedness shall include, without double counting, (i) all amounts outstanding under this Agreement, (ii) all Indebtedness of the Consolidated Businesses, including the Borrower's share of Indebtedness of Joint Ventures, which is not secured by a Lien, (iii) all outstanding undrawn letters of credit of the Consolidated Business less those outstanding undrawn letters of credit for the benefit of any tenant, prospective tenant or lender at any Real Property to secure the Borrower's leasing obligations relating to tenant improvement work or third party leasing commissions which have previously been paid, as evidenced by a schedule provided by the Borrower to the Administrative Agent upon the request of the Administrative Agent.

"TOTAL VALUE" means (a) the sum of (i) Valuation NOI divided by (A) eight and three-quarters percent (8.75%) for all New York City Assets, (B) nine and one-quarter percent (9.25%) for all other office Real Property, and (C) ten percent (10%) for industrial Real Property; (ii) the Investment in office and industrial Projects owned by the Consolidated Businesses for less than four fiscal quarters which have not achieved an occupancy rate of eighty-five percent (85%) for one fiscal quarter; (iii) unrestricted Cash and Cash Equivalents; (iv) land cost (at book value) and Construction Asset Cost, which credit will be limited to twenty percent (20%) (exclusive of build-to-suit Projects that are seventy-five percent (75%) pre-leased or Projects which are less than seventy-five percent (75%) pre-leased but have a pro-forma yield of twelve percent (12%) or more, based upon executed leases and the cost of acquisition plus the estimated cost to complete the same, which estimated cost to complete shall be determined in a manner reasonably acceptable to

the Administrative Agent and the Syndication Agent) of Total Value; (v) NOI from all other Real Property not otherwise set forth in this definition, divided by twelve percent (12%); (vi) Servicing EBITDA of the Management Company or other such service companies for the immediately preceding two (2) consecutive quarters multiplied by two (2), divided by twenty percent (20%); (vii) any investment in or loan to (based on the actual cash investment in or loan to), directly or indirectly, an affiliated or unaffiliated operating company and investments in or loans to Investment Funds either directly or indirectly or joint venture arrangements with Investment Funds, which credit will be limited to $250,000,000 (valued at the lower of cost or market in accordance with GAAP); and (viii) mortgage notes, notes receivable and other investments in Real Property (other than investments described in paragraph (vii) above) which have current interest payments payable in cash (valued at the lower of cost or market in accordance with GAAP) and which are not past due or otherwise in default, which credit will be limited in the aggregate to ten percent (10%) of Total Value (subject to the exception in the definition of New York City Asset with respect to the 919 Third Avenue Property, which provides that the interest in the 919 Third Avenue Property, if then treated as a mortgage note, will not count against such 10% limitation);

less (b) the sum of (i) the quotient of (x) the Capital Expenditure Reserve Amounts for such period, divided by (y) (A) eight and three-quarters percent (8.75%) for all New York City Assets, (B) nine and one-quarter percent (9.25%) for all other office Property, and (C) ten percent (10%) for industrial Property and (ii) the amount of the Metropolitan Preferred Equity until the Metropolitan Conversion; and

provided, the sum of items (a) (iv), (vii) and (viii) above shall not exceed twenty-five percent (25%) of Total Value (subject to the exception in the definition of New York City Asset with respect to the 919 Third Avenue Property, which provides that the interest in the 919 Third Avenue Property, if then treated as a mortgage note, will not count against such 25% limitation).

"UBS" means UBS AG, Stamford Branch.

"UBSW" means UBS Warburg LLC.

"UNENCUMBERED CAPITAL EXPENDITURE RESERVE AMOUNTS" means, for any period, the aggregate of Capital Expenditure Reserve Amounts with respect to Real Property that is Unencumbered.

"UNENCUMBERED" means, with respect to any asset (other than a Project) as of any date of determination, that such asset, the equity interests

in such asset and the revenues generated by such asset are not subject to any Liens (excluding Customary Permitted Liens) or preferred equity interests; provided that so long as the Borrower is in compliance with Section 10.13 hereof, (x) the Borrower's interest in the 919 Third Avenue Property shall be deemed to be Unencumbered notwithstanding the existence of the Metropolitan Preferred Equity and Metropolitan's inability to provide a Guaranty so long as Total Unencumbered Value is reduced by the amount of the Metropolitan Preferred Equity and (y) the 120 Mineola Boulevard Property shall be deemed to be Unencumbered notwithstanding Tower Mineola L.P.'s inability to provide a Guaranty (it being understood that no other assets owned directly or indirectly by Metropolitan or MOP shall be deemed Unencumbered until the Metropolitan Conversion).

"UNENCUMBERED PROJECT" means any Project located in the United States that on any date of determination: (a) is not subject (nor are any equity interests therein subject) to any Liens (excluding Customary Permitted Liens) or preferred equity interests, (b) has been improved with Improvements which (1) have been issued a certificate of occupancy (where available) or is otherwise lawfully occupied for its intended use, and (2) are fully operational, including in each case, an Unencumbered Project that is being renovated and such renovation is proceeding to completion without undue delay from Permit denial, construction delays or otherwise, (c) has not been the subject of an event or occurrence that has had a Material Adverse Effect, and (d) if owned by a wholly-owned Subsidiary of the Borrower, such Subsidiary has executed and delivered a Guaranty; provided that so long as the Borrower is in compliance with Section 10.13 hereof, (x) the Borrower's interest in the 919 Third Avenue Property shall be deemed to be Unencumbered notwithstanding the existence of the Metropolitan Preferred Equity and Metropolitan's inability to provide a Guaranty so long as Total Unencumbered Value is reduced by the amount of the Metropolitan Preferred Equity and (y) the 120 Mineola Boulevard Property shall be deemed to be an Unencumbered Project notwithstanding Tower Mineola L.P.'s inability to provide a Guaranty (it being understood that no other assets owned directly or indirectly by Metropolitan or MOP shall be deemed to be an Unencumbered Project until the Metropolitan Conversion).

"UNIFORM COMMERCIAL CODE" means the Uniform Commercial Code as enacted in the State of New York, as it may be amended from time to time.

"UNSECURED INTEREST EXPENSE" means the interest expense paid, accrued or capitalized on the Total Unsecured Outstanding Indebtedness for the applicable period.

"VALUATION NOI" means, the sum of (x) with respect to any office or industrial Project or any office or industrial Joint Venture (exclusive of projects under development), which has been owned by the Borrower for not less than four consecutive quarters, as of the first day of each fiscal quarter, an amount equal to the product of (i) NOI relating to such Project or the Borrower's pro rata share of such Joint Venture for the immediately preceding consecutive two fiscal quarters and (ii) two (2), (y) with respect to any office or industrial Project or Joint Venture, which has been owned by the Borrower for less than four consecutive quarters but which has achieved an occupancy rate of not less than 85% for the immediately preceding quarter (exclusive of projects under development), as of the first day of each quarter until such time as such Project or Joint Venture shall qualify under clause (x) above, an amount equal to the product of (i) the NOI relating to such Project or the Borrower's pro rata share of such Joint Venture for the immediately preceding quarter, and (ii) four (4), and (z) until March 31, 2002, the NOI from the 919 Third Avenue Property, calculated on a pro forma basis for executed leases (i.e., at a rental rate deemed to be at the level of initial rent), provided that no Potential Event of Default or Event of Default has occurred and is continuing and that a Consolidated Business continues to hold the Secured Indebtedness on such property which provides for such Consolidated Business' receipt of 100% of the cash flow from such property. If a Consolidated Business fails to obtain the fee and ground leasehold interest to the 919 Third Avenue property by March 31, 2001, clause (z) above shall no longer apply and said property will thereafter be treated as a mortgage note for the purpose of calculating Total Value and the financial covenants contained in this Agreement until a Consolidated Business obtains fee title, provided, however, said property will not count toward the ten percent (10%) limitation on notes, notes receivable and other investments in Real Property set forth in clause (viii) of the definition of Total Value.

An example of the foregoing calculation is set forth on EXHIBIT G hereto.

1.2. COMPUTATION OF TIME PERIODS. In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word "FROM" means "from and including" and the words "TO" and "UNTIL" each mean "to but excluding". Periods of days referred to in this Agreement shall be counted in calendar days unless Business Days are expressly prescribed. Any period determined hereunder by reference to a month or months or year or years shall end on the day in the relevant calendar month in the relevant year, if applicable, immediately preceding the date numerically corresponding to the first day of such period, provided that if such period commences on the last day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month

during which such period is to end), such period shall, unless otherwise expressly required by the other provisions of this Agreement, end on the last day of the calendar month.

1.3. ACCOUNTING TERMS. Subject to Section 14.4, for purposes of this Agreement, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with GAAP.

1.4. OTHER TERMS. All other terms contained in this Agreement shall, unless the context indicates otherwise, have the meanings assigned to such terms by the Uniform Commercial Code to the extent the same are defined therein.

1.5. RULES OF INTERPRETATION.

(a) A reference to any document or agreement shall include such document or agreement as amended, modified or supplemented from time to time in accordance with its terms and the terms of this Agreement.

(b) The singular includes the plural and the plural includes the singular.

(c) A reference to any law includes any amendment or modification to such law.

(d) A reference to any Person includes its permitted successors and permitted assigns.

(e) The words "include", "includes" and "including" are not limiting.

(f) Reference to a particular "Section" refers to that section of this Agreement unless otherwise indicated, and reference to a particular "Exhibit" or "Schedule" refers to that exhibit or schedule to this Agreement unless otherwise indicated.

ARTICLE II.
AMOUNTS AND TERMS OF LOANS

2.1. COMMITTED LOANS.

(a) Availability. Subject to the terms and conditions set forth in this Agreement, each Lender hereby severally and not jointly agrees to make revolving loans, in Dollars (each individually, a "COMMITTED LOAN" and, collectively, the "COMMITTED LOANS") to the Borrower from time to time during the Revolving Credit Period, in an amount not to exceed such Lender's

Pro Rata Share of the Revolving Credit Availability at such time. The aggregate amount of Loans to be made hereunder together with the Letter of Credit Obligations with respect to the Borrower, shall not exceed Five Hundred Seventy-Five Million Dollars ($575,000,000). All Committed Loans comprising the same Borrowing under this Agreement shall be made by the Lenders simultaneously and proportionately to their then respective Pro Rata Shares, it being understood that no Lender shall be responsible for any failure by any other Lender to perform its obligation to make a Committed Loan hereunder nor shall the Revolving Credit Commitment of any Lender be increased or decreased as a result of any such failure. Subject to the provisions of this Agreement, the Borrower may repay any outstanding Committed Loan on any day which is a Business Day and any amounts so repaid may be reborrowed, up to the amount available under this Section 2.1(a) at the time of such Borrowing, until the Business Day next preceding the Revolving Credit Termination Date. Each requested Borrowing of Committed Loans funded on any Funding Date shall be in a principal amount of at least $3,000,000 and with integral multiples of $500,000; provided, however, that if the aggregate Revolving Credit Availability outstanding at the time of such requested Borrowing is less than $3,000,000, then the requested Borrowing shall be for the total amount of such outstanding aggregate Revolving Credit Availability.

(b) Notice of Borrowing. When the Borrower desires to borrow under this Section 2.1, the Borrower shall deliver to the Administrative Agent a Notice of Borrowing, signed by it (x) no later than 12:00 noon (New York time) on the Business Day immediately preceding the proposed Funding Date, in the case of a Borrowing of Base Rate Loans and (y) no later than 11:00 a.m. (New York time) at least three (3) Business Days in advance of the proposed Funding Date, in the case of a Borrowing of Eurodollar Rate Loans; provided, however, that no more than two (2) Borrowings may be made within any five (5) Business Day period. Such Notice of Borrowing shall specify (i) the proposed Funding Date (which shall be a Business Day), (ii) the amount of the proposed Borrowing, (iii) the Revolving Credit Availability as of the date of such Notice of Borrowing, (iv), whether the proposed Borrowing will be of Base Rate Loans or Eurodollar Rate Loans, (v) in the case of Eurodollar Rate Loans, the requested Eurodollar Interest Period, (vi) instructions for the disbursement of the proceeds of the proposed Borrowing, (vii) an Officer's Certificate of the Borrower with respect to compliance with (including calculation thereof) Sections 10.11(a) and 10.11(e), and (viii) that no Potential Event of Default or Event of Default shall have occurred and be continuing or would result therefrom. Any Notice of Borrowing (or telephonic notice in lieu thereof) given pursuant to this Section 2.1(b) shall be irrevocable.

(c) Making of Loans. (i) Promptly after receipt of a Notice of Borrowing under Section 2.1(b), the Administrative Agent shall notify each Lender by facsimile transmission, or other similar form of transmission, of the proposed Borrowing (which notice to the Lenders, in the case of a Borrowing of Eurodollar Rate Loans, shall be at least three (3) Business Days in advance of the proposed Funding Date for such Loans). Each Lender shall deposit an amount equal to its Pro Rata Share of the Borrowing requested by the Borrower with the Administrative Agent at its office in New York, New York, in immediately available funds, not later than 12:00 noon (New York time) on the respective Funding Date therefor. Subject to the fulfillment of the conditions precedent set forth in Section 6.1 or Section 6.2, as applicable, the Administrative Agent shall make the proceeds of such amounts received by it available to the Borrower at the Administrative Agent's office in New York, New York on such Funding Date (or on the date received if later than such Funding Date) and shall disburse such proceeds in accordance with the Borrower's disbursement instructions set forth in the applicable Notice of Borrowing. The failure of any Lender to deposit the amount described above with the Administrative Agent on the applicable Funding Date shall not relieve any other Lender of its obligations hereunder to make its Loan on such Funding Date In the event the conditions precedent set forth in Section 6.1 or 6.2 are not fulfilled as of the proposed Funding Date for any Borrowing, the Administrative Agent shall promptly return, by wire transfer of immediately available funds, the amount deposited by each Lender to such Lender.

(ii) Unless the Administrative Agent shall have been notified by any Lender on the Business Day immediately preceding the applicable Funding Date in respect of any Borrowing that such Lender does not intend to fund its Loan requested to be made on such Funding Date, the Administrative Agent may assume that such Lender has funded its Loan and is depositing the proceeds thereof with the Administrative Agent on the Funding Date therefor, and the Administrative Agent in its sole discretion may, but shall not be obligated to, disburse a corresponding amount to the Borrower on the applicable Funding Date. If the Loan proceeds corresponding to that amount are advanced to the Borrower by the Administrative Agent but are not in fact deposited with the Administrative Agent by such Lender on or prior to the applicable Funding Date, such Lender agrees to pay, and in addition the Borrower, agrees to repay, to the Administrative Agent forthwith on demand such corresponding amount, together with interest thereon, for each day from the date such amount is disbursed to or for the benefit of the Borrower until the date such amount is paid or repaid to the Administrative Agent, at the average Federal Funds Rate for such period. If such Lender shall pay to the Administrative Agent the corresponding amount, the amount so paid shall constitute such Lender's

Loan as of the Funding Date thereof, and if both such Lender and the Borrower shall pay and repay such corresponding amount, the Administrative Agent shall promptly pay to the Borrower such corresponding amount. This Section 2.1(c)(ii) does not relieve any Lender of its obligation to make its Loan on any applicable Funding Date.

2.2. COMPETITIVE BID LOANS.

(a) The Competitive Bid Option. For so long as the Borrower shall maintain an Investment Grade Rating from at least two (2) Rating Agencies, one (1) of which shall be Moody's or S&P, from time to time during the Revolving Credit Period, the Borrower may, as set forth in this Section 2.2, request the Lenders during the Revolving Credit Period to make offers to make Competitive Bid Loans to the Borrower (a "COMPETITIVE BID QUOTE REQUEST"), such Competitive Bid Loan not to exceed, at such time (i) together with all Competitive Bid Loans then outstanding, $287,500,000 (which amount shall be decreased by an amount equal to 50% of any decrease in the Revolving Credit Commitments pursuant to Sections 4.1(b) or (d)), or (ii) the Revolving Credit Availability. Subject to the provisions of this Agreement, the Borrower may repay any outstanding Competitive Bid Loan on any day which is a Business Day and any amounts so repaid may be reborrowed, up to the amount available under this Section 2.2(a) at the time of such Borrowing, until the Business Day next preceding the Revolving Credit Termination Date. The Lenders may, but shall have no obligation to, make such offers and the Borrower may, but shall have no obligation to, accept any such offers in the manner set forth in this Section 2.2.

(b) Competitive Bid Quote Request. When the Borrower wishes to request offers to make Competitive Bid Loans under this Section, the Borrower shall transmit to the Administrative Agent by telex or facsimile transmission a Competitive Bid Quote Request substantially in the form of EXHIBIT H hereto so as to be received not later than 10:30 A.M. (New York City time) on the fourth (4th) Business Day prior to the date of Borrowing proposed therein (or such other time or date as the Borrower and the Administrative Agent shall have mutually agreed and shall have notified to the Lenders not later than the date of the Competitive Bid Quote Request for the first LIBOR Auction for which such change is to be effective) specifying:

(i) the proposed date of Borrowing, which shall be a Business Day;

(ii) the aggregate amount of such Borrowing, which shall be $20,000,000 or a larger multiple of $1,000,000 (which shall not exceed the Revolving Credit Availability);

(iii) the duration of the Eurodollar Interest Period applicable thereto, subject to the provisions of Section 5.2(b); and

(iv) the amount of all Competitive Bid Loans then outstanding (which, together with the requested Borrowing shall not exceed, in the aggregate, $287,500,000 (which amount shall be decreased by an amount equal to 50% of any decrease in the Commitments pursuant to Sections 4.1(b) or (d))).

The Borrower may request offers to make Competitive Bid Loans for one, two or three Eurodollar Interest Periods in a single Competitive Bid Quote Request. Borrower may not make more than two (2) Competitive Bid Quote Requests in any thirty-day period.

(c) Invitation for Competitive Bid Quotes. Promptly upon receipt of a Competitive Bid Quote Request, the Administrative Agent shall send to the Lenders by telex or facsimile transmission an Invitation for Competitive Bid Quotes substantially in the form of EXHIBIT I hereto, which shall constitute an invitation by the Borrower to each Lender to submit Competitive Bid Quotes offering to make the Competitive Bid Loans to which such competitive Bid Quote Request relates in accordance with this Section.

(d) Submission and Contents of Competitive Bid Quotes. (i) Each Lender may submit a Competitive Bid Quote containing an offer or offers to make Competitive Bid Loans in response to any Invitation for Competitive Bid Quotes. Each Competitive Bid Quote must comply with the requirements of this subsection (d) and must be submitted to the Administrative Agent by telex or facsimile transmission not later than 9:30 A.M. (New York City time) on the third (3rd) Business Day prior to the proposed date of Borrowing (or such other time or date as the Borrower and the Administrative Agent shall have mutually agreed and shall have notified the Lenders not later than the date of the Competitive Bid Quote Request for the first LIBOR Auction for which such change is to be effective); provided that Competitive Bid Quotes submitted by the Administrative Agent (or any affiliate of the Administrative Agent) in the capacity of a Lender may be submitted, and may only be submitted, if the Administrative Agent or such affiliate notifies the Borrower of the terms of the offer or offers contained therein not later than one-quarter (1/4) hour prior to the deadline for the other Lenders. Any Competitive Bid Quote so made shall be irrevocable. Competitive Bid Loans to be funded pursuant to a Competitive Bid Quote may, as provided in Section 14.1(f), be funded by a Lender's Designated Bank. A Lender making a Competitive Bid Quote may, but shall not be required to, specify in its Competitive Bid Quote whether the related

Competitive Bid Loans are intended to be funded by such Lender's Designated Bank, as provided in Section 14.1(f).

(ii) Each Competitive Bid Quote shall be in substantially the form of EXHIBIT J hereto and shall in any case specify:

(A) the proposed date of Borrowing;

(B) the principal amount of the Competitive Bid Loan for which each such offer is being made, which principal amount (w) may be greater than or less than the Revolving Credit Commitment of the quoting Lender, (x) must be $5,000,000 or a larger multiple of $1,000,000 (or, if the Revolving Credit Availability then is less than $5,000,000, such lesser amount), (y) may not exceed the principal amount of Competitive Bid Loans for which offers were requested and (z) may be subject to an aggregate limitation as to the principal amount of Competitive Bid Loans for which offers being made by such quoting Lender may be accepted;

(C) the margin above or below the applicable Eurodollar Rate (the "COMPETITIVE BID MARGIN") offered for each such Competitive Bid Loan, expressed as a percentage (specified to the nearest 1/10,000th of 1%) to be added to or subtracted from such base rate offered for each Competitive Bid Loan; and

(D) the identity of the quoting Lender.

(iii) Any Competitive Bid Quote shall be disregarded if it:

(A) is not substantially in conformity with EXHIBIT J hereto or does not specify all of the information required by subsection (d)(ii) above;

(B) except as provided in subsection (d)(ii)(B)(z) above, proposes terms other than or in addition to those set forth in the applicable Invitation for Competitive Bid Quotes; or

(C) arrives after the time set forth in subsection (d)(i) above.

(e) Notice to Borrower. The Administrative Agent shall promptly notify the Borrower, of the terms (x) of any Competitive Bid Quote submitted by a Lender that is in accordance with subsection (d) and (y) of any

Competitive Bid Quote that amends, modifies or is otherwise inconsistent with a previous Competitive Bid Quote submitted by such Lender with respect to the same Competitive Bid Quote Request. Any such subsequent Competitive Bid Quote shall be disregarded by the Administrative Agent unless such subsequent Competitive Bid Quote is submitted solely to correct a manifest error in such former Competitive Bid Quote. The Administrative Agent's notice to the Borrower shall specify (A) the aggregate principal amount of Competitive Bid Loans for which offers have been received for each Interest Period specified in the related Competitive Bid Quote Request, (B) the principal amounts and Competitive Bid Margins so offered and (C) if applicable, limitations on the aggregate principal amount of Competitive Bid Loans for which offers in any single Competitive Bid Quote may be accepted.

(f) Acceptance and Notice by Borrower. Not later than 11:00 A.M. (New York City time) on the third (3rd) Business Day prior to the proposed date of Borrowing (or such other time or date as the Borrower and the Administrative Agent shall have mutually agreed and shall have notified the Lenders not later than the date of the Competitive Bid Quote Request for the first LIBOR Auction for which such change is to be effective), the Borrower shall telephonically notify the Administrative Agent of its acceptance or non-acceptance of the offers so notified to it pursuant to subsection (e), and the Borrower shall confirm such telephonic notification in writing not later than the third Business Day prior to the proposed date of Borrowing. In the case of acceptance, such notice (a "NOTICE OF COMPETITIVE BID BORROWING"), whether telephonic or in writing, shall specify the aggregate principal amount of offers for each Eurodollar Interest Period that are accepted and shall be accompanied by an Officer's Certificate of the Borrower with respect to compliance with (including calculation of) Sections 10.11(a) and (e). The Borrower may accept any Competitive Bid Quote in whole or in part; provided that:

(i) the aggregate principal amount of each Competitive Bid Loan Borrowing may not exceed the applicable amount set forth in the related Competitive Bid Quote Request;

(ii) the principal amount of each Competitive Bid Loan Borrowing must be $20,000,000 or a larger multiple of $1,000,000 (or, if the Revolving Credit Availability then is less than $20,000,000, such lesser amount);

(iii) acceptance of offers may only be made on the basis of ascending Competitive Bid Quotes; and

(iv) the Borrower may not accept any offer that is described in subsection (d)(iii) or that otherwise fails to comply with the requirements of this Agreement.

(g) Allocation by Administrative Agent. If offers are made by two or more Lenders with the same Competitive Bid Margins for a greater aggregate principal amount than the amount in respect of which such offers are permitted to be accepted for the related Eurodollar Interest Period, the principal amount of Competitive Bid Loans in respect of which such offers are accepted shall be allocated by the Administrative Agent among such Lenders as nearly as possible (in multiples of $1,000,000, as the Administrative Agent may deem appropriate) in proportion to the aggregate principal amounts of such offers; provided, that the principal amount of such Competitive Bid Loans shall be allocated among such Lenders, in ascending order from those subject to the lowest Competitive Bid Margin to those subject to the highest Competitive Bid Margin, as applicable to provide to the Borrower the lowest effective cost based on offers accepted. Determinations by the Administrative Agent of the amounts of Competitive Bid Loans shall be conclusive in the absence of manifest error. The Administrative Agent shall notify the Borrower of all offers.

(h) Notification by Administrative Agent. Upon receipt of the Borrower's Notice of Competitive Bid Borrowing in accordance with Section 2.2(f) hereof, the Administrative Agent shall, on the date such Notice of Competitive Bid Borrowing is received by the Administrative Agent, notify each Lender of the principal amount of the Competitive Bid Loan Borrowing accepted by the Borrower and of such Lender's share (if any) of such Competitive Bid Loan Borrowing and such Notice of Competitive Bid Borrowing shall not thereafter be revocable by the Borrower. A Lender who is notified that it has been selected to make a Competitive Bid Loan may designate its Designated Bank (if any) to fund such Competitive Bid Loan on its behalf, as described in Section 14.1(f). Any Designated Bank which funds a Competitive Bid Loan shall on and after the time of such funding become the obligee under such Competitive Bid Loan and be entitled to receive payment thereof when due. No Lender shall be relieved of its obligation to fund a Competitive Bid Loan, and no Designated Bank shall assume such obligation, prior to the time the applicable Competitive Bid Loan is funded.

2.3. USE OF PROCEEDS OF LOANS AND LETTERS OF CREDIT. The proceeds of the Loans and the Letters of Credit issued for the account of the Borrower hereunder may be used for the purposes of:

(a) investments in direct or indirect interests in industrial and office properties (and notes secured by such properties) located in

the United States (and other assets which are incidental to portfolio acquisitions of predominantly office and industrial properties);

(b) renovation and redevelopment of Properties owned and operated by the Borrower;

(c) funding of TI Work and Tenant Allowances;

(d) financing expansions, renovations and new construction related to Properties owned and operated by the Borrower;

(e) refinancing of existing Indebtedness for borrowed money secured by Projects;

(f) funding, directly or indirectly, of investments in and loans to Investment Funds, FrontLine Capital Group, Subsidiaries, Affiliates and Joint Ventures;

(g) working capital needs of the Borrower;

(h) loans to Persons in connection with such Person's contribution of real property to the Consolidated Businesses or Joint Ventures; and

(i) payment and satisfaction of the Borrower's obligations under the Old Term Loan Agreement.

2.4. REVOLVING CREDIT TERMINATION DATE; MATURITY OF COMPETITIVE BID LOANS. (a) The Revolving Credit Commitments shall terminate, and all outstanding Revolving Credit Obligations shall be paid in full (or, in the case of unmatured Letter of Credit Obligations, provision for payment in cash shall be made to the satisfaction of the Issuing Banks actually issuing Letters of Credit and the Requisite Lenders), on the Revolving Credit Termination Date. Each Lender's obligation to make Loans shall terminate on the Business Day next preceding the Revolving Credit Termination Date.

(b) Each Competitive Bid Loan included in any Competitive Bid Loan Borrowing shall mature, and the principal amount thereof shall be due and payable, together with the accrued interest thereon, on the last day of the Eurodollar Interest Period applicable to such Borrowing.

2.5. MAXIMUM CREDIT FACILITY. Notwithstanding anything in this Agreement to the contrary, in no event shall the aggregate principal amount of Revolving Credit Obligations exceed the Maximum Revolving Credit Amount.

2.6. AUTHORIZED AGENTS. On the Closing Date and from time to time thereafter, the Borrower shall deliver to the Administrative Agent an Officer's Certificate setting forth the names of the employees and agents authorized to request Loans and Letters of Credit and to request a conversion/continuation of any Loan and containing a specimen signature of each such employee or agent. The employees and agents so authorized shall also be authorized to act for the Borrower in respect of all other matters relating to the Loan Documents. The Administrative Agent, the Documentation Agent, the Syndication Agent, the Arrangers, the Lenders and any Issuing Bank shall be entitled to rely conclusively on such employee's or agent's authority to request such Loan or Letter of Credit or such conversion/continuation until the Administrative Agent and the Arrangers receive written notice to the contrary. None of the Administrative Agent or the Arrangers shall have any duty to verify the authenticity of the signature appearing on any written Notice of Borrowing or Notice of Conversion/Continuation or any other document, and, with respect to an oral request for such a Loan or Letter of Credit or such conversion/continuation, the Administrative Agent and the Arrangers shall have no duty to verify the identity of any person representing himself or herself as one of the employees or agents authorized to make such request or otherwise to act on behalf of the Borrower. None of the Administrative Agent, the Arrangers or the Lenders shall incur any liability to the Borrower or any other Person in acting upon any telephonic or facsimile notice referred to above which the Administrative Agent or the Arrangers believe to have been given by a person duly authorized to act on behalf of the Borrower and the Borrower hereby indemnifies and holds harmless the Administrative Agent, each Arranger and each Lender from any loss or expense the Administrative Agent, the Arrangers or the Lenders might incur in acting in good faith as provided in this Section 2.6; provided, however, that Borrower shall not indemnify the applicable party for acts resulting from its own gross negligence or willful misconduct.

ARTICLE III.
LETTERS OF CREDIT

3.1. LETTERS OF CREDIT. Subject to the terms and conditions set forth in this Agreement, including, without limitation, Section 3.1(c)(ii), each Issuing Bank hereby severally agrees to issue for the account of the Borrower one or more Letters of Credit, subject to the following provisions:

(a) Types and Amounts. An Issuing Bank shall not have any obligation to issue, amend or extend, and shall not issue, amend or extend, any Letter of Credit at any time:

(i) if the aggregate Letter of Credit Obligations with respect to such Issuing Bank, after giving effect to the issuance, amendment or extension of the Letter of Credit requested hereunder, shall exceed any limit imposed by law or regulation upon such Issuing Bank;

(ii) if, immediately after giving effect to the issuance, amendment or extension of such Letter of Credit, (1) the Letter of Credit Obligations at such time would exceed $100,000,000 or (2) the Revolving Credit Obligations at such time would exceed the Maximum Revolving Credit Amount at such time, or (3) one or more of the conditions precedent contained in Sections 6.1 or 6.2, as applicable, would not on such date be satisfied, unless such conditions are thereafter satisfied and written notice of such satisfaction is given to such Issuing Bank by the Administrative Agent (and such Issuing Bank shall not otherwise be required to determine that, or take notice whether, the conditions precedent set forth in Sections 6.1 or 6.2, as applicable, have been satisfied);

(iii) which has an expiration date later than the earlier of (A) the date one (1) year after the date of issuance (without regard to any automatic renewal provisions thereof) or (B) ten Business Days preceding the scheduled Revolving Credit Termination Date; or

(iv) which is in a currency other than Dollars.

(b) Conditions. In addition to being subject to the satisfaction of the conditions precedent contained in Sections 6.1 and 6.2, as applicable, the obligation of an Issuing Bank to issue, amend or extend any Letter of Credit is subject to the satisfaction in full of the following conditions:

(i) if the Issuing Bank so requests, the Borrower shall have executed and delivered to such Issuing Bank and the Administrative Agent a Letter of Credit Reimbursement Agreement and such other documents and materials as may be required pursuant to the terms thereof; and

(ii) the terms of the proposed Letter of Credit shall be satisfactory to the Issuing Bank in its sole discretion.

(c) Issuance of Letters of Credit. (i) The Borrower shall give the Administrative Agent written notice that it requires the issuance a Letter of Credit not later than 11:00 a.m. (New York time) on the third (3rd) Business Day preceding the requested date for issuance thereof under this Agreement. Such notice shall be irrevocable unless and until such request is

denied by the Issuing Bank and shall specify (A) that the requested Letter of Credit is either a Commercial Letter of Credit or a Standby Letter of Credit, (B) the stated amount of the Letter of Credit requested, (C) the effective date (which shall be a Business Day) of issuance of such Letter of Credit, (D) the date on which such Letter of Credit is to expire (which shall be a Business Day and no later than ten Business Days preceding the scheduled Revolving Credit Termination Date), (E) the Person for whose benefit such Letter of Credit is to be issued, (F) other relevant terms of such Letter of Credit, (G) the Revolving Credit Availability at such time, and (H) the amount of the then outstanding Letter of Credit Obligations. Such request shall be accompanied by an Officer's Certificate of the Borrower with respect to compliance with (and calculation of) Sections 10.11(a) and (e).

(ii) The Issuing Bank shall give the Administrative Agent written notice, or telephonic notice confirmed promptly thereafter in writing, of the issuance, amendment or extension of a Letter of Credit (which notice the Administrative Agent shall promptly transmit by telegram, facsimile transmission, or similar transmission to the Borrower and each Lender).

(d) Reimbursement Obligations; Duties of Issuing Bank and other Lenders; Funding of a Loan.

(i) Notwithstanding any provisions to the contrary in any Letter of Credit Reimbursement Agreement:

(A) the Borrower shall reimburse each Issuing Bank for amounts drawn under its Letter of Credit, in Dollars, no later than the date (the "REIMBURSEMENT DATE") which is the earlier of (I) the time specified in the applicable Letter of Credit Reimbursement Agreement and (II) the date that payment has been made under such Letter of Credit by each Issuing Bank; and

(B) all Reimbursement Obligations with respect to any Letter of Credit shall bear interest at the rate applicable to Base Rate Loans in accordance with Section 5.1(a) from the date of the relevant drawing under such Letter of Credit until the Reimbursement Date and thereafter at the rate applicable to Base Rate Loans in accordance with Section 5.1(d).

(ii) Each Issuing Bank shall give the Administrative Agent written notice, or telephonic notice confirmed promptly thereafter in writing, of all drawings under a Letter of Credit and the payment (or the failure to pay when due) by the Borrower on account of a Reimbursement Obligation (which notice the Administrative Agent

shall promptly transmit by telegram, facsimile transmission or similar transmission to each Lender).

(iii) Solely as between the Issuing Bank and the other Lenders, in determining whether to pay under any Letter of Credit, the Issuing Bank shall have no obligation to the other Lenders other than to confirm that any documents required to be delivered under a respective Letter of Credit appear to have been delivered and that they appear on their face to comply with the requirements of such Letter of Credit.

(iv) If any draft shall be presented or other demand for payment shall be made under any Letter of Credit, the Issuing Bank shall notify the Administrative Agent (and the Administrative Agent shall notify the Borrower and the Lenders) of the date and amount of the draft presented or demand for payment and of the date and time when it expects to pay such draft or honor such demand for payment, and, except as provided in this Section 3.1(d)(iv), the Borrower shall reimburse the Issuing Bank, as set forth in Section 3.1(d)(i) above. Notwithstanding anything contained in Section 3.1(d)(i) above or this Section 3.1(d)(iv) to the contrary, however, unless the Borrower shall have notified the Administrative Agent and the Issuing Bank prior to 11:00 a.m. (New York time) on the Business Day immediately prior to the date of such drawing that the Borrower intends to reimburse the Issuing Bank for the amount of such drawing with funds other than the proceeds of Committed Loans, the Borrower shall be deemed to have timely given a Notice of Borrowing pursuant to Section 2.1(b) to the Administrative Agent, requesting a Base Rate Loan on the date on which such drawing is honored and in an amount equal to the amount of such drawing. The Borrower may thereafter convert any such Base Rate Loan in accordance with Section 5.1(c). Each Lender shall, in accordance with Section 2.1(c), make available such Lender's Pro Rata Share of such Borrowing to the Administrative Agent, the proceeds of which shall be applied directly by the Administrative Agent to reimburse the Issuing Bank for the amount of such draw. In the event that any Lender fails to make available to the Administrative Agent the amount of such Lender's Pro Rata Share of such Borrowing on the date of the drawing, the Administrative Agent shall be entitled to recover such amount on demand from such Lender plus any additional amounts payable under Section 2.1(c)(ii) in the event of a late funding by a Lender.

(e) Participations. (i) Immediately upon issuance by an Issuing Bank of any Letter of Credit in accordance with the procedures set

forth in this Section 3.1, each Lender shall be deemed to have irrevocably and unconditionally purchased and received from that Issuing Bank, without recourse or warranty, an undivided interest and participation in such Letter of Credit to the extent of such Lender's Pro Rata Share, including, without limitation, all obligations of the Borrower with respect thereto (other than amounts owing to that Issuing Bank under Section 3.1) and any security therefor and guaranty pertaining thereto.

(ii) If any Issuing Bank makes any payment under any Letter of Credit and the Borrower does not repay such amount to that Issuing Bank on the Reimbursement Date and a Base Rate Loan has not been made with respect to such payment pursuant to Section 3.1(d)(iv), that Issuing Bank shall promptly notify the Administrative Agent, which shall promptly notify each other Lender, and each Lender shall promptly and unconditionally pay to the Administrative Agent for the account of such Issuing Bank, in immediately available funds, the amount of such Lender's Pro Rata Share of such payment (net of that portion of such payment, if any, made by such Issuing Bank in its capacity as an issuer of a Letter of Credit), and the Administrative Agent shall promptly pay to such Issuing Bank such amounts received by it, and any other amounts received by the Administrative Agent for such Issuing Bank's account, pursuant to this Section 3.1(e). If a Lender does not make its Pro Rata Share of the amount of such payment available to the Administrative Agent, such Lender agrees to pay to the Administrative Agent for the account of the Issuing Bank, forthwith on demand, such amount together with interest thereon at the interest rate then applicable to Base Rate Loans in accordance with Section 5.1(a). The failure of any Lender to make available to the Administrative Agent for the account of an Issuing Bank its Pro Rata Share of any such payment shall neither relieve any other Lender of its obligation hereunder to make available to the Administrative Agent for the account of such Issuing Bank such other Lender's Pro Rata Share of any payment on the date such payment is to be made nor increase the obligation of any other Lender to make such payment to the Administrative Agent. Notwithstanding anything to the contrary set forth herein, the aggregate amount to be paid by any Lender with respect any drawing under a Letter of Credit (whether as a payment pursuant to this Section 3.1(e) or as a Loan pursuant to Section 3.1(d)(iv)) shall not exceed its Pro Rata Share of such drawing.

(iii) Whenever an Issuing Bank receives a payment on account of a Reimbursement Obligation, including any interest thereon, as to which the Administrative Agent has previously received payments from any other Lender for the account of such Issuing Bank pursuant to this Section 3.1(e), such Issuing Bank shall promptly pay to the Administrative Agent and the Administrative Agent shall promptly pay to each other Lender an amount

equal to such other Lender's Pro Rata Share thereof. Each such payment shall be made by such reimbursed Issuing Bank or the Administrative Agent, as the case may be, on the Business Day on which such Person receives the funds paid to such Person pursuant to the preceding sentence, if received prior to 11:00 a.m. (New York time) on such Business Day, and otherwise on the next succeeding Business Day.

(iv) The Issuing Banks shall furnish the Lenders copies of any Letter of Credit, Letter of Credit Reimbursement Agreement, and related amendment to which such Issuing Bank is party and such other documentation as may be deemed reasonable.

(v) The obligations of a Lender to make payments to the Administrative Agent for the account of any Issuing Bank with respect to a Letter of Credit shall be irrevocable, shall not be subject to any qualification or exception whatsoever except willful misconduct or gross negligence of such Issuing Bank, and shall be honored in accordance with this Article III (irrespective of the satisfaction of the conditions described in Sections 6.1 and 6.2, as applicable) under all circumstances, including, without limitation, any of the following circumstances:

(A) any lack of validity or enforceability of this Agreement or any of the other Loan Documents;

(B) the existence of any claim, setoff, defense or other right which the Borrower may have at any time against a beneficiary named in a Letter of Credit or any transferee of a beneficiary named in a Letter of Credit (or any Person for whom any such transferee may be acting), any Lender, or any other Person, whether in connection with this Agreement, any Letter of Credit, the transactions contemplated herein or any unrelated transactions (including any underlying transactions between the account party and beneficiary named in any Letter of Credit);

(C) any draft, certificate or any other document presented under any Letter of Credit having been determined to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(D) the surrender or impairment of any security for the performance or observance of any of the terms of any of the Loan Documents;

(E) any failure by that Issuing Bank to make any reports required pursuant to Section 3.1(h) or the inaccuracy of any such report; or

(F) the occurrence of any Event of Default or Potential Event of Default.

(f) Payment of Reimbursement Obligations. (i) The Borrower unconditionally agrees to pay to each Issuing Bank, in Dollars, the amount of all Reimbursement Obligations, interest and other amounts payable to such Issuing Bank under or in connection with the Letters of Credit when such amounts are due and payable, irrespective of any claim, setoff, defense or other right which the Borrower may have at any time against any Issuing Bank or any other Person.

(ii) In the event any payment by the Borrower received by an Issuing Bank with respect to a Letter of Credit and distributed by the Administrative Agent to the Lenders on account of their participations is thereafter set aside, avoided or recovered from such Issuing Bank in connection with any receivership, liquidation or bankruptcy proceeding, each Lender which received such distribution shall, upon demand by such Issuing Bank, contribute such Lender's Pro Rata Share of the amount set aside, avoided or recovered together with interest at the rate required to be paid by such Issuing Bank upon the amount required to be repaid by it.

(g) Letter of Credit Fee Charges. In connection with each Letter of Credit, Borrower hereby covenants to pay to the Administrative Agent the following fees each payable quarterly in arrears (on the first Business Day of each calendar quarter following the issuance of each Letter of Credit): (1) a fee for the account of the Lenders, computed daily on the amount of such Letter of Credit issued and outstanding at a rate per annum equal to the "Banks' L/C Fee Rate" (as hereinafter defined) and (2) a fee, for the Issuing Bank's own account, computed daily on the amount of such Letter of Credit issued and outstanding at a rate per annum equal to 0.125%. For purposes of this Agreement, the "BANKS' L/C FEE RATE" shall mean, at any time, a rate per annum equal to the Applicable Margin for Eurodollar Rate Loans then in effect. In addition, the Borrower shall pay to each Issuing Bank, solely for its own account, the standard charges assessed by such Issuing Bank in connection with the issuance, administration, amendment and payment or cancellation of Letters of Credit and such compensation in respect of such Letters of Credit for the Borrower's account as may be agreed upon by the Borrower and such Issuing Bank in writing from time to time.

(h) Letter of Credit Reporting Requirement. Each Issuing Bank shall, no later than the tenth (10th) Business Day following the last

day of each calendar quarter, provide to the Administrative Agent (who shall promptly provide to the Borrower and each other Lender) separate schedules for Commercial Letters of Credit and Standby Letters of Credit issued as Letters of Credit, in form and substance reasonably satisfactory to the Administrative Agent, setting forth the aggregate Letter of Credit Obligations outstanding to it at the end of each month and, to the extent not otherwise provided in accordance with the provisions of Section 3.1(c), any information requested by the Administrative Agent or the Borrower relating to the date of issue, account party, amount, expiration date and reference number of each Letter of Credit issued by it.

(i) Indemnification; Exoneration. (i) In addition to all other amounts payable to an Issuing Bank, the Borrower hereby agrees to defend, indemnify, and save the Administrative Agent, each Issuing Bank, and each other Lender harmless from and against any and all claims, demands, liabilities, penalties, damages, losses (other than loss of profits), reasonable costs, reasonable charges and reasonable expenses (including reasonable attorneys' fees but excluding taxes) which the Administrative Agent, the Issuing Banks, or such other Lender may incur or be subject to as a consequence, direct or indirect, of (A) the issuance of any Letter of Credit other than as a result of the gross negligence or willful misconduct of the Issuing Bank, as determined by a court of competent jurisdiction, or (B) the failure of the Issuing Bank to honor a drawing under such Letter of Credit as a result of any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority.

(ii) As between the Borrower on the one hand and the Lenders on the other hand, the Borrower assumes all risks of the acts and omissions of, or misuse of Letters of Credit by, the respective beneficiaries of the Letters of Credit. In furtherance and not in limitation of the foregoing, subject to the provisions of the Letter of Credit Reimbursement Agreements, the Administrative Agent, the Issuing Bank and the other Lenders shall not be responsible for: (A) the form, validity, legality, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of the Letters of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (B) the validity, legality or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (C) failure of the beneficiary of a Letter of Credit to duly comply with conditions required in order to draw upon such Letter of Credit; (D) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they

be in cipher; (E) errors in interpretation of technical terms; (F) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Letter of Credit or of the proceeds thereof; (G) the misapplication by the beneficiary of a Letter of Credit of the proceeds of any drawing under such Letter of Credit; and (H) any consequences arising from causes beyond the control of the Administrative Agent, the Issuing Banks or the other Lenders, other than any of the foregoing resulting from the gross negligence or willful misconduct of the Issuing Bank.

3.2. OBLIGATIONS SEVERAL. The obligations of the Administrative Agent, each Issuing Bank, and each other Lender under this Article III are several and not joint, and no Issuing Bank or other Lender shall be responsible for the obligation to issue Letters of Credit or participation obligations hereunder, respectively, of any other Issuing Bank or other Lender.

ARTICLE IV.
PAYMENTS AND PREPAYMENTS

4.1. PREPAYMENTS; REDUCTIONS IN REVOLVING CREDIT COMMITMENTS.

(a) Voluntary Prepayments. The Borrower may, at any time and from time to time, prepay the Loans, other than Competitive Bid Loans, in part or in their entirety, subject to the following limitations. The Borrower shall give at least three (3) Business Days prior written notice to the Administrative Agent (which the Administrative Agent shall promptly transmit to each Lender) of any prepayment in the entirety to be made prior to the occurrence of an Event of Default, which notice of prepayment shall specify the date (which shall be a Business Day) of prepayment. When notice of prepayment is delivered as provided herein, the outstanding principal amount of the Loans on the prepayment date specified in the notice shall become due and payable on such prepayment date. Each voluntary partial prepayment of the Loans shall be in a minimum amount of $1,000,000 and in integral multiples of $500,000 in excess of that amount (or such lesser amount in the event the unpaid principal amount of any Loan is less than such minimum prepayment amount). Eurodollar Rate Loans may be prepaid in part or in their entirety only upon payment of the amounts described in Section 5.2(f). Notwithstanding anything contained in this Agreement to the contrary, Competitive Bid Loans may not be voluntarily prepaid without the consent of the Lender(s) making such Loans.

(b) Voluntary Reductions In Revolving Credit Commitments. The Borrower may, upon at least three (3) Business Days' prior written notice to the Administrative Agent (which the Administrative Agent shall promptly

transmit to each Lender), at any time and from time to time, terminate in whole or permanently reduce in part the Revolving Credit Commitments, provided that (i) the Borrower shall have made whatever payment may be required to reduce the Revolving Credit Obligations to an amount less than or equal to the Revolving Credit Commitments as reduced, which amount shall become due and payable on the date specified in such notice and (ii) in the case of a reduction, the minimum Revolving Credit Commitments that shall remain outstanding shall be $100,000,000. Any partial reduction of the Revolving Credit Commitments shall be in an aggregate minimum amount of $1,000,000 and integral multiples of $1,000,000 in excess of that amount, and shall reduce the Revolving Credit Commitment of each Lender proportionately in accordance with its Pro Rata Share. Any notice of termination or reduction given to the Administrative Agent under this Section 4.l(b) shall specify the date (which shall be a Business Day) of such termination or reduction and, with respect to a partial reduction, the aggregate principal amount thereof.

(c) No Penalty. The prepayments and payments in respect of reductions and terminations described in clauses (a) and (b) of this Section 4.1 may be made without premium or penalty (except as provided in Section 5.2(f)).

(d) Mandatory Prepayment. If at any time from and after the Closing Date, the Company, the Borrower, or any of its Consolidated Subsidiaries receives proceeds from the sale, transfer, assignment, conveyance or refinancing of an Unencumbered Project, the Borrower shall be required to prepay a portion of the Loans in an amount equal to the Net Cash Proceeds received by the Borrower or the Company or the Borrower's pro rata share of Net Cash Proceeds received by such Consolidated Subsidiary. If at any time from and after the Closing Date: (i) the Company or the Borrower merges or consolidates with another Person and the Company or Borrower, as the case may be, is not the surviving entity and does not control the management of such surviving entity, or (ii) the Company, the Borrower, any of its Affiliates or Consolidated Subsidiaries or the Management Company ceases to provide property management and leasing services to at least 80% of the total number of Projects in which the Borrower has a direct ownership interest (the date any such event shall occur being the "PREPAYMENT DATE"), the Borrower shall be required to prepay the Loans in their entirety as if the Prepayment Date were the Revolving Credit Termination Date and, the Revolving Credit Commitments thereupon shall be terminated. The Borrower shall immediately make such prepayment together with interest accrued to the date of the prepayment on the principal amount prepaid and shall return or cause to be returned all Letters of Credit to the applicable Issuing Bank. In connection with the prepayment of any Loan prior to the

maturity thereof, the Borrower shall also pay any applicable expenses pursuant to Section 5.2(f). Each such prepayment shall be applied to prepay ratably the Loans of the Lenders. Amounts prepaid pursuant to this Section 4.1(d) (other than amounts prepaid pursuant to the first sentence of this Section 4.1(d)) may not be reborrowed. As used in this Section 4.1(d) only, the phrase "sale, transfer, assignment or conveyance" shall not include (i) sales or conveyances among Borrower and any of its Consolidated Subsidiaries, or (ii) mortgages or other security interests secured by Real Property or other Property which are permitted under this Agreement. Such prepayment shall not affect any rights and remedies that the Agents and Lenders may otherwise have hereunder.

4.2. PAYMENTS.

(a) Manner and Time of Payment. All payments of principal of and interest on the Loans and Reimbursement Obligations and other Obligations (including, without limitation, fees and expenses) which are payable to the Administrative Agent, the Arrangers or any Lender shall be made without condition or reservation of right, in immediately available funds, delivered to the Administrative Agent not later than 12:00 noon (New York time) on the date and at the place due, to such account of the Administrative Agent (or such Arranger) as it may designate, for the account of the Administrative Agent, an Arranger, or such Lender, as the case may be; and funds received by the Administrative Agent (or such Arranger), including, without limitation, funds in respect of any Loans to be made on that date, not later than 12:00 noon (New York time) on any given Business Day shall be credited against payment to be made that day and funds received by the Administrative Agent (or such Arranger) after that time shall be deemed to have been paid on the next succeeding Business Day. Payments actually received by the Administrative Agent for the account of the Documentation Agent, the Syndication Agent and the Lenders, or any of them, shall be paid to them by the Administrative Agent promptly after receipt thereof.

(b) Apportionment of Payments. (i) Subject to the provisions of Section 4.2(b)(v), all payments of principal and interest in respect of outstanding Loans, all payments in respect of Reimbursement Obligations, all payments of fees and all other payments in respect of any other Obligations, shall be allocated among such of the Lenders as are entitled thereto, in proportion to their respective Pro Rata Shares or otherwise as provided herein. Subject to the provisions of Section 4.2(b)(ii), all such payments and any other amounts received by the Administrative Agent from or for the benefit of the Borrower shall be applied in the following order:

(A) to pay principal of and interest on any portion of the Loans which the Administrative Agent may have advanced on behalf of any Lender other than Chase for which the Administrative Agent has not then been reimbursed by such Lender or the Borrower;

(B) to pay all other Obligations then due and payable, and

(C) as the Borrower so designates.

Unless otherwise designated by the Borrower, all principal payments in respect of its Committed Loans shall be applied first, to repay its outstanding Base Rate Loans, and then to repay its outstanding Eurodollar Rate Loans with those Eurodollar Rate Loans which have earlier expiring Eurodollar Interest Periods being repaid prior to those which have later expiring Eurodollar Interest Periods.

(ii) After the occurrence of an Event of Default and while the same is continuing which results in an acceleration of the Obligations in accordance with Section 11.2, the Administrative Agent shall apply all payments in respect of any Obligations in the following order:

(A) first, to pay principal of and interest on any portion of the Loans which the Administrative Agent may have advanced on behalf of any Lender other than Chase for which the Administrative Agent has not then been reimbursed by such Lender or the Borrower;

(B) second, to pay Obligations in respect of any fees, expense reimbursements or indemnities then due to the Administrative Agent;

(C) third, to pay principal of and interest on Letter of Credit Obligations (or, to the extent such Obligations are contingent, deposited with the Administrative Agent to provide cash collateral in respect of such Obligations);

(D) fourth, to pay Obligations in respect of any fees, expense reimbursements or indemnities then due to the Lenders;

(E) fifth, to pay interest due in respect of Loans;

(F) sixth, to the ratable payment or prepayment of principal outstanding on Loans; and

(G) seventh, to the ratable payment of all other Obligations.

The order of priority set forth in this Section 4.2(b)(ii) and the related provisions of this Agreement are set forth solely to determine the rights and priorities of the Administrative Agent and the Lenders as among themselves. The order of priority set forth in clauses (A) and (B) of this Section 4.2(b)(ii) may be changed only with the prior written consent of the Administrative Agent.

(iii) The Administrative Agent, in its sole discretion subject only to the terms of this Section 4.2(b)(iii), may pay from the proceeds of Loans made to the Borrower hereunder, whether made following a request by the Borrower pursuant to Section 2.1 or a deemed request as provided in this Section 4.2(b)(iii), all amounts payable by the Borrower hereunder, including, without limitation, amounts payable with respect to payments of principal, interest, Reimbursement Obligations and fees. The Borrower hereby irrevocably authorizes the Lenders to make Loans, which Loans shall be Base Rate Loans, in each case, upon notice from the Administrative Agent as described in the following sentence for the purpose of paying principal, interest, Reimbursement Obligations and fees due from the Borrower, and agrees that all such Loans so made shall be deemed to have been requested by it pursuant to Section 2.1 as of the date of the aforementioned notice. The Administrative Agent shall request Loans on behalf of the Borrower as described in the preceding sentence by notifying the Lenders by facsimile transmission or other similar form of transmission (which notice the Administrative Agent shall thereafter promptly transmit to the Borrower), of the amount and Funding Date of the proposed Borrowing and that such Borrowing is being requested on the Borrower's behalf pursuant to this Section 4.2(b)(iii). On the proposed Funding Date, the Lenders shall make the requested Loans in accordance with the procedures and subject to the conditions specified in Section 2.1.

(iv) Subject to Section 4.2(b)(v), the Administrative Agent shall promptly distribute to each Arranger and each Lender at its primary address set forth on the appropriate signature page hereof or the signature page to the Assignment and Acceptance by which it became a Lender, or at such other address as a Lender may request in writing, such funds as such Person may be entitled to receive, subject to the provisions of Article XII; provided that the Administrative Agent shall under no circumstances be bound to inquire into or determine the validity, scope or priority of any interest or entitlement of any Lender

and may suspend all payments or seek appropriate relief (including, without limitation, instructions from the Requisite Lenders or an action in the nature of interpleader) in the event of any doubt or dispute as to any apportionment or distribution contemplated hereby.

(v) In the event that any Lender fails to fund its Pro Rata Share of any Loan requested by the Borrower which such Lender is obligated to fund under the terms of this Agreement (the funded portion of such Loan being hereinafter referred to as a "NON PRO RATA LOAN"), until the earlier of such Lender's cure of such failure and the termination of the Revolving Credit Commitments, the proceeds of all amounts thereafter repaid to the Administrative Agent by the Borrower and otherwise required to be applied to such Lender's share of all other Obligations pursuant to the terms of this Agreement shall be advanced to the Borrower by the Administrative Agent on behalf of such Lender to cure, in full or in part, such failure by such Lender, but shall nevertheless be deemed to have been paid to such Lender in satisfaction of such other Obligations. Notwithstanding anything in this Agreement to the contrary:

(A) the foregoing provisions of this Section 4.2(b)(v) shall apply only with respect to the proceeds of payments of Obligations and shall not affect the conversion or continuation of Loans pursuant to Section 5.1(c);

(B) a Lender shall be deemed to have cured its failure to fund its Pro Rata Share of any Loan at such time as an amount equal to such Lender's original Pro Rata Share of the requested principal portion of such Loan is fully funded to the Borrower, whether made by such Lender itself or by operation of the terms of this Section 4.2(b)(v), and whether or not the Non Pro Rata Loan with respect thereto has been repaid, converted or continued;

(C) amounts advanced to the Borrower to cure, in full or in part, any such Lender's failure to fund its Pro Rata Share of any Loan ("CURE LOANS") shall bear interest at the Base Rate in effect from time to time, and for all other purposes of this Agreement shall be treated as if they were Base Rate Loans; and

(D) regardless of whether or not an Event of Default has occurred or is continuing, and notwithstanding the instructions of the Borrower as to its desired application, all repayments of principal which, in accordance with the other terms of this Section 4.2, would be applied to its outstanding

Base Rate Loans shall be applied first, ratably to its Base Rate Loans constituting Non Pro Rata Loans, second, ratably to its Base Rate Loans other than those constituting Non Pro Rata Loans or Cure Loans and, third, ratably to its Base Rate Loans constituting Cure Loans.

(c) Payments on Non-Business Days. Whenever any payment to be made by the Borrower hereunder or under the Notes is stated to be due on a day which is not a Business Day, the payment shall instead be due on the next succeeding Business Day (or, as set forth in Section 5.2(b)(iv), the next preceding Business Day).

4.3. PROMISE TO REPAY; EVIDENCE OF INDEBTEDNESS.

(a) Promise to Repay. The Borrower hereby agrees to pay when due the principal amount of each Loan which is made to it, and further agrees to pay all unpaid interest accrued thereon, in accordance with the terms of this Agreement and the Notes. The Borrower shall execute and deliver to each Lender on the Closing Date, a promissory note, in the form of EXHIBIT B-1 attached hereto with blanks appropriately completed, evidencing the Loans and thereafter shall execute and deliver such other promissory notes as are necessary to evidence the Loans made to it owing to the Lenders after giving effect to any assignment thereof pursuant to Section 14.1, all in the form of EXHIBIT B-1 attached hereto with blanks appropriately completed (all such promissory notes and all amendments thereto, replacements thereof and substitutions therefor being collectively referred to as the "BORROWER NOTES"; and "BORROWER NOTE" means any one of the Borrower Notes).

(b) Loan Account. Each Lender shall maintain in accordance with its usual practice an account or accounts (a "LOAN ACCOUNT") evidencing the Indebtedness of the Borrower to such Lender resulting from each Loan owing to such Lender from time to time, including the amount of principal and interest payable and paid to such Lender from time to time hereunder and under the Notes.

(c) Control Account. The Register maintained by the Administrative Agent pursuant to Section 14.1(c) shall include a control account, and a subsidiary account for each Lender, in which accounts (taken together) shall be recorded (i) the date and amount of each Borrowing made hereunder, the type of Loan comprising such Borrowing and any Eurodollar Interest Period applicable thereto, (ii) the effective date and amount of each Assignment and Acceptance delivered to and accepted by it and the parties thereto, (iii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder or

under the Notes and (iv) the amount of any sum received by the Administrative Agent from the Borrower hereunder and each Lender's share thereof.

(d) Entries Binding. The entries made in the Register and each Loan Account shall be conclusive and binding for all purposes, absent manifest error.

(e) No Recourse. Notwithstanding anything contained in this Agreement, any Note, or the Guaranties to the contrary, it is expressly understood and agreed that nothing herein or therein shall be construed as creating any liability on any Limited Partner, or any partner, officer, shareholder or director of any Limited Partner or any officer, trustee, member, director, or employee of the Borrower or any Guarantor, to pay any of the Obligations other than liability arising under applicable law from or in connection with (i) its own fraud or (ii) the misappropriation or misapplication by it of proceeds of the Loans; but nothing contained in this Section 4.3(e) shall be construed to prevent the exercise of any remedy allowed to the Administrative Agent, the Arrangers or the Lenders by law or by the terms of this Agreement or the other Loan Documents which does not relate to or result in such an obligation by any Limited Partner or such other Persons to pay money.

ARTICLE V.
INTEREST AND FEES

5.1. INTEREST ON THE LOANS AND OTHER OBLIGATIONS.

(a) Rate of Interest. All Loans and the outstanding principal balance of all other Obligations shall bear interest on the unpaid principal amount thereof from the date such Loans are made and such other Obligations are due and payable until paid in full, except as otherwise provided in Section 5.1(d), as follows:

(i) If a Base Rate Loan or such other Obligation, at a rate per annum equal to the sum of (A) the Base Rate, as in effect from time to time as interest accrues, plus (B) the then Applicable Margin for Base Rate Loans;

(ii) If a Eurodollar Rate Loan, at a rate per annum equal to the sum of (A) the Eurodollar Rate determined for the applicable Eurodollar Interest Period, plus (B) the then Applicable Margin for Eurodollar Loans; and

(iii) If a Competitive Bid Loan, at a rate per annum equal to the sum of (A) the Eurodollar Rate determined for the applicable Eurodollar Interest Period (determined as if the related Competitive Bid Loan were a Committed Loan which is Eurodollar Rate Loan) plus (B) the Competitive Bid Margin quoted by the Lender making such Competitive Bid Loan in accordance with Section 2.2.

The applicable basis for determining the rate of interest on the Loans shall be selected by the Borrower at the time a Notice of Borrowing or a Notice of Conversion/Continuation is delivered by the Borrower to the Administrative Agent; provided, however, the Borrower may not select the Eurodollar Rate as the applicable basis for determining the rate of interest on such a Loan if at the time of such selection an Event of Default has occurred and is continuing or if Eurodollar Rate Loans are not available pursuant to Section 5.2(d) or (e). If on any day any Loan is outstanding with respect to which notice has not been timely delivered to the Administrative Agent in accordance with the terms of this Agreement specifying the basis for determining the rate of interest on that day, then for that day interest on that Loan shall be determined by reference to the Base Rate.

(b) Interest Payments. (i) Interest accrued on each Loan, whether a Base Rate Loan, a Eurodollar Loan or a Competitive Bid Loan shall be calculated on the last day of each calendar month and shall be

payable in arrears (A) on the first day of each calendar month, commencing on the first such day following the making of such Loan, and on the last day of the applicable Eurodollar Interest Period with respect to a Competitive Bid Loan, (B) upon the payment or prepayment thereof in full or in part, and (C) if not theretofore paid in full, at maturity (whether by acceleration or otherwise) of such Loan.

(ii) Interest accrued on the principal balance of all other Obligations shall be calculated on the last day of each calendar month and shall be payable in arrears (A) on the first Business Day of each calendar month, commencing on the first such day following the incurrence of such Obligation, (B) upon repayment thereof in full or in part, and (C) if not theretofore paid in full, at the time such other Obligation becomes due and payable (whether by acceleration or otherwise).

(c) Conversion or Continuation. (i) The Borrower shall have the option (A) to convert at any time all or any part of outstanding Base Rate Loans to Eurodollar Rate Loans; (B) to convert all or any part of outstanding Eurodollar Rate Loans having Eurodollar Interest Periods which expire on the same date to Base Rate Loans on such expiration date; or (C) to continue all or any part of outstanding Eurodollar Rate Loans having Eurodollar Interest Periods which expire on the same date as Eurodollar Rate Loans, and the succeeding Eurodollar Interest Period of such continued Loans shall commence on such expiration date; provided, however, no such outstanding Loan may be continued as, or be converted into, a Eurodollar Rate Loan (i) if the continuation of, or the conversion into, would violate any of the provisions of Section 5.2 or (ii) if an Event of Default has occurred and is continuing. Any conversion into or continuation of Eurodollar Rate Loans under this Section 5.1(c) shall be in a minimum amount of $3,000,000 and in integral multiples of $500,000 in excess of that amount, except in the case of a conversion into or a continuation of an entire Borrowing of Non Pro Rata Loans.

(ii) To convert or continue a Committed Loan under Section 5.1(c)(i), the Borrower shall deliver a Notice of Conversion/Continuation to the Administrative Agent no later than 11:00 a.m. (New York time) at least three (3) Business Days in advance of the proposed conversion/continuation date. A Notice of Conversion/ Continuation shall specify (A) the proposed conversion/continuation date (which shall be a Business Day), (B) the principal amount of the Committed Loan to be converted/continued, (C) whether such Loan shall be converted and/or continued, and (D) in the case of a conversion to, or continuation of, a Eurodollar Rate Loan, the requested Eurodollar Interest Period. Promptly after receipt of a Notice of Conversion/Continuation under this Section 5.1(c)(ii), the Administrative Agent

shall notify each Lender by facsimile transmission, or other similar form of transmission, of the proposed conversion/continuation. Any Notice of Conversion/Continuation for conversion to, or continuation of, a Loan (or telephonic notice in lieu thereof) given pursuant to this Section 5.1(c)(ii) shall be irrevocable, and the Borrower shall be bound to convert or continue in accordance therewith. In the event no Notice of Conversion/Continuation is delivered as and when specified in this Section 5.1(c)(ii) with respect to outstanding Eurodollar Rate Loans, upon the expiration of the Eurodollar Interest Period applicable thereto, such Loans shall automatically be converted to a Base Rate Loan.

(d) Default Interest. Notwithstanding the rates of interest specified in Section 5.1(a) or elsewhere in this Agreement, effective immediately upon the occurrence of an Event of Default, and for as long thereafter as such Event of Default shall be continuing, the principal balance of all Loans and other Obligations shall bear interest at a rate equal to (A) in the case of any Eurodollar Rate Loans outstanding as of the date of occurrence of any Event of Default, the sum of (x) the applicable Eurodollar Rate, plus (y) six percent (6.0%) per annum, and (B) in the case of any Base Rate Loan (including any Eurodollar Loan that is converted to a Base Rate Loan at maturity) the sum of (x) the Base Rate, as in effect from time to time as interest accrues, plus (y) five percent (5.0%) per annum.

(e) Computation of Interest. Interest on all obligations shall be computed on the basis of the actual number of days elapsed in the period during which interest accrues and a year of 360 days. In computing interest on any Loan, the date of the making of such Loan or the first day of a Eurodollar Interest Period, as the case may be, shall be included and the date of payment or the expiration date of a Eurodollar Interest Period, as the case may be, shall be excluded.

(f) Eurodollar Rate Information. Upon the request of the Borrower, the Administrative Agent shall promptly provide to the Borrower such information with respect to the applicable Eurodollar Rate as may be so requested.

5.2. SPECIAL PROVISIONS GOVERNING EURODOLLAR RATE LOANS AND COMPETITIVE BID LOANS.

(a) Amount of Eurodollar Rate Loans. Each Eurodollar Rate Loan shall be in a minimum principal amount of $3,000,000 and in integral multiples of $500,000 in excess of that amount.

(b) Determination of Eurodollar Interest Period. By giving notice as set forth in Section 2.1(b) (with respect to a Borrowing of Eurodollar

Rate Loans), Section 2.2 (with respect to a Borrowing of Competitive Bid Loans) or Section 5.1(c) (with respect to a conversion into or continuation of Eurodollar Rate Loans), the Borrower shall have the option, subject to the other provisions of this Section 5.2, to select an interest period (each, a "EURODOLLAR INTEREST PERIOD") to apply to the Loans described in such notice, subject to the following provisions:

(i) The Borrower may only select, as to a particular Borrowing of Eurodollar Rate Loans, a Eurodollar Interest Period of one, two, three or six months in duration;

(ii) The Borrower may only select, as to a particular Borrowing of Competitive Bid Loans, a Eurodollar Interest Period of one, two, or three months in duration;

(iii) In the case of immediately successive Eurodollar Interest Periods applicable to a Borrowing of Eurodollar Rate Loans, each successive Eurodollar Interest Period shall commence on the day on which the next preceding Eurodollar Interest Period expires;

(iv) If any Eurodollar Interest Period would otherwise expire on a day which is not a Business Day, such Eurodollar Interest Period shall be extended to expire on the next succeeding Business Day if the next succeeding Business Day occurs in the same calendar month, and if there will be no succeeding Business Day in such calendar month, such Eurodollar Interest Period shall expire on the immediately preceding Business Day;

(v) The Borrower may not select a Eurodollar Interest Period as to any Loan if such Eurodollar Interest Period terminates later than the Revolving Credit Termination Date;

(vi) The Borrower may not select a Eurodollar Interest Period with respect to any portion of principal of a Loan which extends beyond a date on which the Borrower is required to make a scheduled payment of such portion of principal of which the Borrower is aware on the date of such request, in the case of a payment pursuant to Section 4.1(d) hereof; and

(vii) There shall be no more than ten (10) Eurodollar Interest Periods in effect at any one time with respect to Eurodollar Rate Loans.

(c) Determination of Eurodollar Interest Rate. As soon as practicable on the second Business Day prior to the first day of each

Eurodollar Interest Period (the "EURODOLLAR INTEREST RATE DETERMINATION DATE"), the Administrative Agent shall determine (pursuant to the procedures set forth in the definition of "Eurodollar Rate") the interest rate which shall apply to the Eurodollar Rate Loans or Competitive Bid Loans for which an interest rate is then being determined for the applicable Eurodollar Interest Period and shall promptly give notice thereof (in writing or by telephone or by facsimile confirmed in writing) to the Borrower and to each Lender. The Administrative Agent's determination shall be presumed to be correct, absent manifest error, and shall be binding upon the Borrower.

(d) Interest Rate Unascertainable, Inadequate or Unfair. In the event that at least one (1) Business Day before the Eurodollar Interest Rate Determination Date:

(i) the Administrative Agent is advised by the Reference Bank that deposits in Dollars (in the applicable amounts) are not being offered by the Reference Bank in the London interbank market for such Eurodollar Interest Period; or

(ii) the Administrative Agent determines that adequate and fair means do not exist for ascertaining the applicable interest rates by reference to which the Eurodollar Rate then being determined is to be fixed;

(iii) the Requisite Lenders advise the Administrative Agent that the Eurodollar Rate for Eurodollar Rate Loans comprising such Borrowing will not adequately reflect the cost to such Requisite Lenders of obtaining funds in Dollars in the London interbank market in the amount substantially equal to such Lenders' Eurodollar Rate Loans in Dollars and for a period equal to such Eurodollar Interest Period; or

(iv) the applicable Lender(s) advise the Administrative Agent that the Eurodollar Rate for Competitive Bid Loans comprising such Borrowing will not adequately reflect the cost to such Lender(s) of obtaining funds in Dollars in the London interbank market in the amount substantially equal to such Lender(s)' Competitive Bid Loans in Dollars and for a period equal to such Eurodollar Interest Period;

then the Administrative Agent shall forthwith give notice thereof to the Borrower and the Lenders, whereupon (until the Administrative Agent notifies the Borrower that the circumstances giving rise to such suspension no longer exist) the right of the Borrower to elect to have Loans bear interest based upon the Eurodollar Rate shall be suspended and each outstanding Eurodollar Rate Loan and Competitive Bid Loan shall be converted into a

Base Rate Loan on the last day of the then current Eurodollar Interest Period therefor, notwithstanding any prior election by the Borrower to the contrary.

(e) Illegality. (i) If at any time any Lender determines (which determination shall, absent manifest error, be final and conclusive and binding upon all parties) that the making or continuation of any Eurodollar Rate Loan or Competitive Bid Loan has become unlawful or impermissible by compliance by that Lender with any law, governmental rule, regulation or order of any Governmental Authority (whether or not having the force of law and whether or not failure to comply therewith would be unlawful or would result in costs or penalties), then, and in any such event, such Lender may give notice of that determination, in writing, to the Borrower and the Administrative Agent, and the Administrative Agent shall promptly transmit the notice to each other Lender.

(ii) When notice is given by a Lender under Section 5.2(e)(i), (A) the Borrower's right to request from such Lender and such Lender's obligation, if any, to make Eurodollar Rate Loans to the Borrower shall be immediately suspended, and such Lender shall make a Base Rate Loan as part of any requested Borrowing of Eurodollar Rate Loans and (B) if the affected Eurodollar Rate Loan or Loans or Competitive Bid Loans are then outstanding, the Borrower shall immediately, or if permitted by applicable law, no later than the date permitted thereby, upon at least one (1) Business Day's prior written notice to the Administrative Agent and the affected Lender, convert each such Loan into a Base Rate Loan.

(iii) If at any time after a Lender gives notice under Section 5.2(e)(i) such Lender determines that it may lawfully make Eurodollar Rate Loans, such Lender shall promptly give notice of that determination, in writing, to the Borrower and the Administrative Agent, and the Administrative Agent shall promptly transmit the notice to each other Lender. The Borrower's right to request, and such Lender's obligation, if any, to make Eurodollar Rate Loans to the Borrower shall thereupon be restored.

(f) Compensation. In addition to all amounts required to be paid by the Borrower pursuant to Section 5.1 and Article XIII, the Borrower shall compensate each Lender, upon demand, for all losses, expenses and liabilities (including, without limitation, any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund or maintain such Lender's Eurodollar Rate Loans or Competitive Bid Loans to the Borrower, but excluding any loss of Applicable Margin on the relevant Loans) which that Lender may sustain (i) if for any reason a Borrowing, conversion into or continuation of Eurodollar Rate Loans and/or Competitive Bid Loans does not occur on a date specified therefor in a

Notice of Borrowing or a Notice of Conversion/Continuation given by the Borrower or in a telephonic request by it for borrowing or conversion/ continuation or a successive Eurodollar Interest Period does not commence after notice therefor is given pursuant to Section 5.1(c), other than pursuant to Sections 5.2(d) or (e), or (ii) if for any reason any Eurodollar Rate Loan is prepaid (other than pursuant to Section 5.2(d) or (e)) or converted on a date which is not the last day of the applicable Eurodollar Interest Period or (iii) as a consequence of any failure by the Borrower to repay a Eurodollar Rate Loan or Competitive Bid Loan when required by the terms of this Agreement. The Lender making demand for such compensation shall deliver to the Borrower concurrently with such demand a written statement in reasonable detail as to such losses, expenses and liabilities, and this statement shall be conclusive as to the amount of compensation due to that Lender, absent manifest error.

(g) Booking of Eurodollar Rate Loans and Competitive Bid Loans. Any Lender may make, carry or transfer Eurodollar Rate Loans and Competitive Bid Loans at, to, or for the account of, its Eurodollar Lending Office or Eurodollar Affiliate or its other offices or Affiliates. No Lender shall be entitled, however, to receive any greater amount under Sections 4.2 or 5.2(f) or Article XIII as a result of the transfer of any such Eurodollar Rate Loan or Competitive Bid Loan to any office (other than such Eurodollar Lending Office) or any Affiliate (other than such Eurodollar Affiliate) than such Lender would have been entitled to receive immediately prior thereto, unless (i) the transfer occurred at a time when circumstances giving rise to the claim for such greater amount did not exist and (ii) such claim would have arisen even if such transfer had not occurred.

(h) Affiliates Not Obligated. No Eurodollar Affiliate or other Affiliate of any Lender shall be deemed a party to this Agreement or shall have any liability or obligation under this Agreement.

(i) Adjusted Eurodollar Rate. Any failure by any Lender to take into account the Eurodollar Reserve Percentage when calculating interest due on Eurodollar Rate Loans or Competitive Bid Loans shall not constitute, whether by course of dealing or otherwise, a waiver by such Lender of its right to collect such amount for any future period.

(j) Application of Mandatory Prepayments. The principal amount of any mandatory prepayment pursuant to Section 4.1(d) hereof, shall be applied, first, to the outstanding Base Rate Loans and then, to the outstanding Eurodollar Rate Loans. Unless the Borrower otherwise pays breakage costs in accordance with Section 5.2(f), the Administrative Agent shall hold such principal amounts allocated for prepayment of Eurodollar

Rate Loans until the end of the applicable Eurodollar Interest Periods) and, during the interim period, shall invest said sums in Cash Equivalents. Interest earned thereon shall be forwarded to the Borrower upon the payment of the Eurodollar Rate Loans at the end of said Eurodollar Interest Period. Interest shall continue to accrue on the principal amount of such Eurodollar Rate Loans until so paid.

5.3. FEES.

(a) Letter of Credit Fee. The Borrower shall pay to the Administrative Agent, for the account of the Lenders in proportion to their interests in respective undrawn Letters of Credit, a Letter of Credit Fee as more particularly set forth in Section 3.1(g) hereof.

(b) Facility Fee. The Borrower shall pay to the Administrative Agent for the account of the Lenders based on their respective Pro Rata Shares, a facility fee on the Revolving Credit Commitments at the respective percentages per annum based upon the Borrower's Credit Rating in accordance with the following table:

Range of the Borrower's Credit Rating (S&P/Moody's Ratings)	Facility Fee (% per annum)
A-/A3 or higher	0.15
BBB+/Baa1	0.175
BBB/Baa2	0.20
BBB-/Baa3	0.20
Below BBB-/Baa3 or unrated	0.375

The facility fee shall be payable quarterly, in arrears, on the first Business Day of each January, April, July and October, commencing on the first such day after the Closing Date. Any change in the Borrower's Credit Rating causing it to move into a different range on the table shall effect an immediate change in the applicable percentage per annum. The Borrower shall maintain Credit Ratings from at least two (2) Rating Agencies, one of

which must be Moody's or S&P so long as such Persons are in the business of providing debt ratings for the REIT industry; provided that if the Borrower fails to maintain at least two Credit Ratings, the applicable percentage shall be based upon an S&P rating of less than BBB- in the table above. In the event that the Borrower's Credit Rating is such that the Rating Agencies' ratings are split between a higher and a lower rating, the applicable percentage per annum shall be based upon the lower of such two (2) Credit Ratings. In the event that the Borrower receives more than two (2) Credit Ratings and such Credit Ratings are not equivalent, the applicable fee shall be determined by the lower of the two (2) highest ratings, provided that each of said two (2) highest ratings shall be Investment Grade Ratings and at least one of which shall be an Investment Grade Rating from S&P or Moody's.

Notwithstanding the foregoing, in the event that any Lender fails to fund its Pro Rata Share of any Loan requested by the Borrower which such Lender is obligated to fund under the terms of this Agreement, (A) such Lender shall not be entitled to any portion of the facility fee with respect to its Revolving Credit Commitment until such failure has been cured in accordance with Section 4.2(b)(v)(B) and (B) until such time, the facility fee shall accrue in favor of the Lenders which have funded their respective Pro Rata Shares of such requested Loan, and shall be allocated among such performing Lenders ratably based upon their relative Revolving Credit Commitments.

(c) Competitive Bid Fee. Simultaneously with the delivery of each Notice of Competitive Bid Borrowing, the Borrower shall pay to the Administrative Agent for its own account, a fee equal to $2,500.

(d) Calculation and Payment of Fees. All fees shall be calculated on the basis of the actual number of days elapsed in a 360-day year. All fees shall be payable in addition to, and not in lieu of, interest, compensation, expense reimbursements, indemnification and other Obligations. Fees shall be payable to the Administrative Agent at its office in New York, New York in immediately available funds unless otherwise set forth herein. All fees shall be fully earned and nonrefundable when paid. All fees due to any Arranger or any Lender, including, without limitation, those referred to in this Section 5.3, shall bear interest, if not paid when due, at the interest rate specified in Section 5.1(d) and shall constitute Obligations.

ARTICLE VI.
CONDITIONS TO LOANS AND LETTERS OF CREDIT

6.1. CONDITIONS PRECEDENT TO THE INITIAL LOANS AND LETTERS OF CREDIT. The obligation of each Lender on the Initial Funding Date to make

any Loan requested to be made by it, and to issue Letters of Credit, shall be subject to the satisfaction of all of the following conditions precedent:

(a) Documents. The Administrative Agent shall have received on or before the Initial Funding Date all of the following:

(i) this Agreement, the Notes, and, to the extent not otherwise specifically referenced in this Section 6.1(a), all other Loan Documents and agreements, documents and instruments described in the List of Closing Documents attached hereto as EXHIBIT E and made a part hereof, each duly executed, and in form and substance satisfactory to the Agents; without limiting the foregoing, the Borrower hereby directs its counsel, Brown & Wood LLP to prepare and deliver to the Agents, the Lenders, and Bingham Dana LLP the legal opinions referred to in such List of Closing Documents; and

(ii) such additional documentation as the Agents may reasonably request.

(b) No Legal Impediments. No law, regulation, order, judgment or decree of any Governmental Authority shall, and the Administrative Agent shall not have received any notice that litigation is pending or threatened which is likely to (i) enjoin, prohibit or restrain the making of the Loans and/or the issuance of Letters of Credit on the Initial Funding Date or (ii) impose or result in the imposition of a Material Adverse Effect.

(c) No Change in Condition. No change in the business, assets, management, operations, financial condition or prospects of the Borrower or any of its Properties shall have occurred since June 30, 2000 which change, in the judgment of the Administrative Agent and the Syndication Agent, will have a Material Adverse Effect.

(d) Interim Liabilities and Equity. Except as disclosed to the Arrangers and the Lenders, since June 30, 2000, neither the Borrower nor the Company shall have (i) entered into any (as determined in good faith by the Administrative Agent and the Syndication Agent) commitment or transaction, including, without limitation, transactions for borrowings and capital expenditures, which are not in the ordinary course of the Borrower's business, (ii) declared or paid any dividends or other distributions other than in the ordinary course of business, (iii) established compensation or employee benefit plans, or (iv) redeemed or issued any equity Securities, other than those described on SCHEDULE 6.1(D) hereto.

(e) No Loss of Material Agreements and Licenses. Since June 30, 2000, no agreement or license relating to the business, operations or

employee relations of the Borrower or any of its Real Properties shall have been terminated, modified, revoked, breached or declared to be in default, the termination, modification, revocation, breach or default under which, in the reasonable judgment of the Administrative Agent and the Syndication Agent, would result in a Material Adverse Effect.

(f) No Market Changes. Since the Closing Date no material adverse change shall have occurred in the conditions in the capital markets.

(g) No Default. No Event of Default or Potential Event of Default shall have occurred and be continuing or would result from the making of the Loans or the issuance of any Letter of Credit.

(h) Representations and Warranties. All of the representations and warranties contained in Sections 7.1, 9.12(b) and 9.14 and in any of the other Loan Documents shall be true and correct in all material respects on and as of the Initial Funding Date.

(i) Termination of Old Term Loan Agreement. The Old Term Loan Agreement shall have been repaid in full and terminated.

(j) Fees and Expenses Paid. There shall have been paid to the Administrative Agent, for the accounts of the Agents and the Lenders, as applicable, all fees due and payable on or before the Initial Funding Date and all expenses due and payable on or before the Initial Funding Date, including, without limitation, reasonable attorneys' fees and expenses, and other costs and expenses incurred in connection with the Loan Documents.

6.2. CONDITIONS PRECEDENT TO ALL SUBSEQUENT LOANS AND LETTERS OF CREDIT. The obligation of each Lender to make any Loan requested to be made by it on any date after the Initial Funding Date and the agreement of each Lender to issue any Letter of Credit on any date after the Initial Funding Date shall be subject to the following conditions precedent as of each such date:

(a) Representations and Warranties. As of such date, both before and after giving effect to the Loans to be made or the Letter of Credit to be issued on such date, all of the representations and warranties of the Borrower contained in Sections 7.1, 9.12(b) and 9.14 and all of the representations of the Borrower and the parties to the Guaranties in any other Loan Document (other than representations and warranties which expressly speak as of a different date) shall be true and correct in all material respects.

(b) No Defaults. No Event of Default or Potential Event of Default shall have occurred and be continuing or would result from the making of the requested Loan or issuance of the requested Letter of Credit. Each of the Lenders shall have received the Officer's Certificate as provided in Section 2.1(b)(vii), 2.2(f) or 3.1(c).

(c) No Legal Impediments. No law, regulation, order, judgment or decree of any Governmental Authority shall, and the Administrative Agent shall not have received from such Lender notice that, in the reasonable judgment of such Lender, litigation is pending or threatened which is likely to, enjoin, prohibit or restrain such Lender's making of the requested Loan or participation in or issuance of the requested Letter of Credit.

(d) No Material Adverse Effect. The Borrower shall not have received written notice from the Requisite Lenders that an event has occurred since the date of this Agreement which has had and continues to have, or is reasonably likely to have, a Material Adverse Effect.

Each submission by the Borrower to the Administrative Agent of a Notice of Borrowing with respect to a Loan, each acceptance by the Borrower of the proceeds of each Loan made hereunder, each submission by the Borrower to a Lender of a request for issuance of a Letter of Credit and the issuance of such Letter of Credit, shall constitute a representation and warranty by the Borrower as of the Funding Date in respect of such Loan and the date of issuance of such Letter of Credit, that all the conditions contained in this Section 6.2 have been satisfied or waived in accordance with Section 14.7 (it being understood that with respect to the condition set forth in Section 6.2(c), the same shall constitute a representation and warranty by the Borrower only to the extent that the Borrower shall have knowledge of any of the events set forth therein).

ARTICLE VII.
REPRESENTATIONS AND WARRANTIES

7.1. REPRESENTATIONS AND WARRANTIES OF THE BORROWER. In order to induce the Lenders to enter into this Agreement and to make the Loans and the other financial accommodations to the Borrower and to issue the Letters of Credit described herein, the Borrower hereby represents and warrants to each Lender that the following statements are true, correct and complete:

(a) Organization; Powers. (i) The Borrower (A) is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware, (B) is duly qualified to do business and is in

good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing will have a Material Adverse Effect, (C) has all requisite power and authority to own, operate and encumber its Property and to conduct its business as presently conducted and as proposed to be conducted in connection with and following the consummation of the transactions contemplated by this Agreement, and (D) is a partnership for federal income tax purposes.

(ii) The Company (A) is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland, (B) is duly authorized and qualified to do business and is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing will have a Material Adverse Effect, and (C) has all requisite corporate power and authority to own, operate and encumber its Property and to conduct its business as presently conducted.

(iii) True, correct and complete copies of the Organizational Documents of the Borrower and the Company identified on SCHEDULE 7.1-A have been delivered to Administrative Agent, each of which is in full force and effect, has not been modified or amended except to the extent set forth or indicated therein or as otherwise permitted hereby and, to the best of the Borrower's knowledge, there are no defaults under such Organizational Documents and no events which, with the passage of time or giving of notice or both, would constitute a default under such Organizational Documents. Borrower shall update SCHEDULE 7.1-A from time to time in order to keep said Schedule true and correct.

(iv) Neither the Borrower nor the Company is a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code.

(b) Authority. (i) The Company has the requisite power and authority to execute and deliver this Agreement on behalf of the Borrower and each of the other Loan Documents which are required to be executed on behalf of the Borrower as required by this Agreement. The Company is the Person who has executed this Agreement and such other Loan Documents on behalf of the Borrower and is the sole general partner of the Borrower.

(ii) The execution, delivery and performance of each of the Loan Documents which must be executed in connection with this Agreement by the Borrower and to which the Borrower is a party and the consummation of the transactions contemplated thereby are within the Borrower's partnership powers, have been duly authorized by all necessary partnership action (and, in the case of the Company acting on behalf of the Borrower in connection therewith, all necessary corporate action of the Company) and such authorization has not been rescinded. No other partnership or corporate

action or proceedings on the part of the Borrower or the Company is necessary to consummate such transactions.

(iii) Each of the Loan Documents to which the Borrower is a party has been duly executed and delivered on behalf of the Borrower and constitutes the Borrower's legal, valid and binding obligation, enforceable against the Borrower in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally or by general principles of equity regardless of whether enforcement is considered in a proceeding at law or in equity. Each of the Loan Documents to which Borrower is a party is in full force and effect and all the terms, provisions, agreements and conditions set forth therein and required to be performed or complied with by the Company, the Borrower and the Borrower's Subsidiaries on or before the Initial Funding Date have been performed or complied with, and no Potential Event of Default or Event of Default exists.

(c) Subsidiaries; Ownership of Capital Stock and Partnership Interests. (i) SCHEDULE 7.1-C (A) contains a diagram indicating the corporate structure of the Company, the Borrower and any other Person in which the Company or the Borrower holds a direct or indirect partnership, joint venture or other equity interest indicating the nature of such interest with respect to each Person included in such diagram; and (B) accurately sets forth (1) the correct legal name of such Person, the jurisdiction of its incorporation or organization and the jurisdictions in which it is qualified to transact business as a foreign corporation, or otherwise, and (2) the authorized, issued and outstanding shares or interests of each class of equity Securities of the Company, the Borrower and the Subsidiaries of the Borrower, and (3) the ownership interest of the Borrower, the Company and the Subsidiaries of the Borrower in all Joint Ventures. None of such issued and outstanding Securities is subject to any vesting, redemption, or repurchase agreement, and there are no warrants or options (other than Permitted Securities options) outstanding with respect to such Securities, except as noted on SCHEDULE 7.1-C. The outstanding Capital Stock of the Company is duly authorized, validly issued, fully paid and nonassessable and the outstanding Securities of the Borrower and its Subsidiaries are duly authorized and validly issued. Attached hereto as part of SCHEDULE 7.1-C is a true, accurate and complete copy of the Borrower Partnership Agreement as in effect on the Closing Date and such Partnership Agreement has not been amended, supplemented, replaced, restated or otherwise modified in any respect since the Closing Date, except as otherwise permitted hereby. Borrower shall update SCHEDULE 7.1-C as of the first day of each fiscal quarter, and shall deliver the same together with the Quarterly Compliance Certificates, to the extent required, in order to keep said Schedule true and correct.

(ii) Except where failure would not have a Material Adverse Effect, each of the Subsidiaries of the Borrower: (A) is a corporation or partnership, as indicated on SCHEDULE 7.1-C, duly organized or formed, validly existing and, if applicable, in good standing under the laws of the jurisdiction of its organization, (B) is duly qualified to do business and, if applicable, is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing would have a Material Adverse Effect, and (C) has all requisite power and authority to own, operate and encumber its Property and to conduct its business as presently conducted and as proposed to be conducted hereafter.

(iii) As to each Guarantor, a provision similar, as applicable to (a), (b) and (c) above shall be included in each such Subsidiary's Guaranty, and the Borrower shall be deemed to make for itself and on behalf of such Subsidiary a representation as to such provisions.

(d) No Conflict. The execution, delivery and performance of each of the Loan Documents to which the Borrower, the Company or any Guarantor is a party, respectively, do not and will not (i) conflict with the Organizational Documents of the Borrower, the Company or such Guarantor, as the case may be, (ii) conflict with, result in a breach of or constitute (with or without notice or lapse of time or both) a default under any Requirement of Law or material Contractual Obligation of the Borrower, the Company or such Guarantor, as the case may be, or require termination of any such material Contractual Obligation which would subject the Administrative Agent or any of the other Lenders to any liability, (iii) result in or require the creation or imposition of any Lien whatsoever upon any of the Property or assets of the Borrower, the Company or such Guarantor, as the case may be, or (iv) require any approval of shareholders of the Company (other than such approvals that have been obtained and are in full force and effect).

(e) Governmental Consents. The execution, delivery and performance of each of the Loan Documents to which the Borrower, the Company or any Guarantor is a party do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by any Governmental Authority, except filings, consents or notices which have been made, obtained or given.

(f) Governmental Regulation. Neither of the Borrower or the Company is subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act, or the Investment Company Act of 1940, or any other federal or state statute or regulation which limits its ability to incur indebtedness as contemplated by this Agreement.

(g) Financial Position. Complete and accurate copies of the following financial statements and materials have been delivered to the Administrative Agent: annual unaudited financial statements of the Borrower, annual audited financial statements of the Company for the fiscal year ended December 31, 1999 and unaudited financial statements of the Company for the fiscal quarter ended June 30, 2000. All annual financial statements of the Borrower shall be accompanied by an Officer's Certificate of the Borrower, and shall be certified by the Chief Financial Officer of the Borrower as fairly presenting in all material respects the financial position of the Borrower. All financial statements included in such materials were prepared in all material respects in conformity with GAAP, except as otherwise noted therein, and fairly present in all material respects the respective consolidated financial positions, and the consolidated results of operations and cash flows for each of the periods covered thereby of the Borrower and the Company as at the respective dates thereof. Neither the Borrower nor the Company has any Contingent Obligation, contingent liability or liability for any taxes, long-term leases or commitments not reflected in its financial statements delivered to the Administrative Agent on or prior to the Closing Date or otherwise disclosed to the Administrative Agent and the Lenders in writing on or prior to the Closing Date, which will have a Material Adverse Effect.

(h) Indebtedness. SCHEDULE 7.1-H sets forth, as of June 30, 2000, all Indebtedness for borrowed money of each of the Borrower, the Company and their respective Subsidiaries and, except as set forth on SCHEDULE 7.1-H, there are no defaults in the payment of principal of or interest on any such Indebtedness and no payments thereunder have been deferred or extended beyond their stated maturity and there has been no material change in the type or amount of such Indebtedness (except for the repayment of certain Indebtedness) since June 30, 2000.

(i) Litigation; Adverse Effects. Except as set forth in SCHEDULE 7.1-I, as of the Closing Date, there is no action, suit, proceeding, investigation or arbitration before or by any Governmental Authority or private arbitrator pending or, to the knowledge of the Borrower, threatened against the Company, the Borrower or any of their respective Subsidiaries, or any Property of any of them (i) challenging the validity or the enforceability of any of the Loan Documents, (ii) which will result in any Material Adverse Effect, or (iii) under the Racketeering Influenced and Corrupt Organizations Act or any similar federal or state statute where such Person is a defendant in a criminal indictment that provides for the forfeiture of assets to any Governmental Authority as a potential criminal penalty. There is no material loss contingency within the meaning of GAAP which has not been reflected in the consolidated financial statements of the Company and the

Borrower. None of the Company, the Borrower or any Subsidiary of the Borrower is (A) in violation of any applicable Requirements of Law which violation will have or is reasonably likely to have a Material Adverse Effect, or (B) in default with respect to any final judgment, writ, injunction, restraining order or order of any nature, decree, rule or regulation of any court or Governmental Authority which will have a Material Adverse Effect.

(j) No Material Adverse Effect. Since June 30, 2000, there has occurred no event which has had a Material Adverse Effect.

(k) Intentionally Omitted.

(l) Payment of Taxes. All material tax returns, reports and similar statements or filings of the Company, the Borrower and their respective Subsidiaries required to be filed have been timely filed (or extensions to file have been obtained), and, except for Customary Permitted Liens, all material taxes, assessments, fees and other charges of Governmental Authorities thereupon and upon or relating to their respective Properties, assets, receipts, sales, use, payroll, employment, income, licenses and franchises which are shown in such returns or reports to be due and payable have been paid, except to the extent (i) such taxes, assessments, fees and other charges of Governmental Authorities are being contested in good faith by an appropriate proceeding diligently pursued as permitted by the terms of Section 9.4 and (ii) such taxes, assessments, fees and other charges of Governmental Authorities pertain to Property of the Borrower or any of its Subsidiaries and the non-payment of the amounts thereof would not, individually or in the aggregate, result in a Material Adverse Effect. All other material taxes (including, without limitation, real estate taxes), assessments, fees and other governmental charges upon or relating to the respective Properties of the Borrower and its Subsidiaries which are due and payable have been paid, except for Customary Permitted Liens and except to the extent described in clauses (i) and (ii) hereinabove. The Borrower has no knowledge of any proposed tax assessment against the Borrower, any of its Subsidiaries, or any of the Projects that will have or is reasonably likely to have a Material Adverse Effect.

(m) Performance. To the knowledge of the Borrower, neither the Company, the Borrower nor any of their Subsidiaries has received any written notice or citation, nor has actual knowledge, that (i) it is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Contractual Obligation applicable to it, or (ii) any condition exists which, with the giving of notice or the lapse of time or both, would constitute a default with respect to any such Contractual

Obligation; in each case, except where such default or defaults, if any, will not have a Material Adverse Effect.

(n) Disclosure. The representations and warranties of the Borrower and the Guarantors contained in the Loan Documents, and all certificates and other documents delivered to the Administrative Agent or any Lender pursuant to the terms thereof, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, taken as a whole, not misleading. Notwithstanding the foregoing, the Lenders acknowledge that the Borrower shall not have liability under this clause (n) with respect to its projections of future events or for any financial projections.

(o) Requirements of Law. The Borrower and each of its Subsidiaries is in compliance with all Requirements of Law applicable to it and its respective businesses and Properties, in each case where the failure to so comply individually or in the aggregate will have a Material Adverse Effect.

(p) Environmental Matters.

(i) Except as disclosed on SCHEDULE 7.1-P (the Borrower shall update SCHEDULE 7.1-P as of the first day of each fiscal quarter, and deliver the same together with the Quarterly Compliance Certificates, to the extent required, in order to keep said Schedule true and correct):

(A) the operations of the Borrower, each of its Subsidiaries, and their respective Properties comply with all applicable Environmental, Health or Safety Requirements of Law, except to the extent any failure to do so would not have a Material Adverse Effect;

(B) the Borrower and each of its Subsidiaries have obtained all material environmental, health and safety Permits necessary for their respective operations, and all such Permits are in good standing and the holder of each such Permit is currently in compliance with all terms and conditions of such Permits, except to the extent any failure to do so would not have a Material Adverse Effect;

(C) to the knowledge of the Borrower, none of the Borrower, its Subsidiaries or any of their respective present or past Properties or operations are subject to or are the subject of

any investigation of any Governmental Authority, judicial or administrative proceeding, order, judgment or decree, negotiations, agreement or settlement respecting (I) any Remedial Action, (II) any Claims or Liabilities and Costs arising from the Release or threatened Release of a Contaminant into the environment, or (III) any violation of or liability under any Environmental, Health or Safety Requirement of Law, except to the extent none of the foregoing would have a Material Adverse Effect;

(D) none of Borrower or any of its Subsidiaries has filed any notice under any applicable Requirement of Law (I) reporting a Release of a Contaminant; (II) indicating past or present treatment, storage or disposal of a hazardous waste, as that term is defined under 40 C.F.R. Part 261 or any state equivalent; or (III) reporting a violation of any applicable Environmental, Health or Safety Requirement of Law with respect to any of the foregoing, the substance of which would have a Material Adverse Effect;

(E) none of the Borrower's or any of its Subsidiaries' present or past Property is listed or, to the knowledge of the Borrower, proposed for listing on the National Priorities List ("NPL") pursuant to CERCLA or on the Comprehensive Environmental Response Compensation Liability Information System List ("CERCLIS") or any similar state list of sites requiring Remedial Action;

(F) to the knowledge of the Borrower, none of the Borrower or any of its Subsidiaries has sent or directly arranged for the transport of any waste to any site listed or proposed for listing on the NPL, CERCLIS or any similar state list;

(G) to the best of the Borrower's knowledge, there is not now, and to the Borrower's knowledge there has never been, on or in any Project (I) any treatment, recycling, storage away from the site of generation or disposal of any hazardous waste, as that term is defined under 40 C.F.R. Part 261 or any state equivalent, (II) any solid waste management facility, (III) any underground storage tanks the presence or use of which is in violation of applicable Environmental, Health or Safety Requirements of Law, (IV) any asbestos-containing material which, in its present state, such Person has any reason to believe could subject such Person or its Property to Liabilities

and Costs arising out of or relating to environmental, health or safety matters that would result in a Material Adverse Effect; or (V) any polychlorinated biphenyls (PCB) used in hydraulic oils, electrical transformers or other Equipment, which, in any such case, would subject the Borrower or its Subsidiaries or their respective Properties to Liabilities and Costs arising out of or relating to environmental, health or safety matters that would result in a Material Adverse Effect;

(H) to the knowledge of the Borrower, none of the Borrower or any of its Subsidiaries has received any notice or Claim to the effect that any of such Persons is or may be liable to any Person as a result of the Release or threatened Release of a Contaminant into the environment which would result in a Material Adverse Effect;

(I) none of the Borrower or any of its Subsidiaries has any contingent liability in connection with any Release or threatened Release of any Contaminants into the environment which will result in a Material Adverse Effect;

(J) no Environmental Lien has attached to any Property of the Borrower or any of its Subsidiaries (other than those otherwise permitted hereunder) or which do not constitute an Event of Default; and

(K) no Property of the Borrower or any of its Subsidiaries is subject to any Environmental Property Transfer Act, or to the extent such acts are applicable to any such Property, the Borrower and/or such Subsidiary whose Property is subject thereto has complied in all material respects with the requirements of such acts.

(q) ERISA. Neither the Borrower nor any ERISA Affiliate maintains or contributes to any Benefit Plan or Multiemployer Plan other than those listed on SCHEDULE 7.1-Q hereto. Each Plan which is intended to be qualified under Section 401(a) of the Internal Revenue Code as currently in effect has been determined by the IRS to be so qualified, and each trust related to any such Plan has been determined to be exempt from federal income tax under Section 501(a) of the Internal Revenue Code as currently in effect. Except as disclosed in SCHEDULE 7.1-Q, neither the Borrower nor any of its Subsidiaries maintains or contributes to any employee welfare benefit plan within the meaning of Section 3(1) of ERISA that provides benefits to employees after termination of employment other than as required by Section 601 of ERISA. The Borrower and each of its Subsidiaries is in compliance in

all material respects with the responsibilities, obligations and duties imposed on it by ERISA, the Internal Revenue Code and regulations promulgated thereunder with respect to all Plans. No Benefit Plan has incurred any accumulated funding deficiency (as defined in Sections 302(a)(2) of ERISA and 412 (a) of the Internal Revenue Code) whether or not waived. Neither the Borrower nor any ERISA Affiliate nor any fiduciary of any Plan which is not a Multiemployer Plan (i) has engaged in a nonexempt prohibited transaction described in Sections 406 of ERISA or 4975 of the Internal Revenue Code or (ii) has taken or failed to take any action which would constitute or result in an ERISA Termination Event. Neither the Borrower nor any ERISA Affiliate is subject to any liability under Sections 4063, 4064, or 4204 of ERISA which would have a Material Adverse Effect. Neither the Borrower nor any ERISA Affiliate is subject to any liability under Sections 4069 or 4212 (c) of ERISA or has incurred any liability to the PBGC which remains outstanding other than the payment of premiums, and there are no premium payments which have become due which are unpaid. Schedule B to the most recent annual report filed with the IRS with respect to each Benefit Plan has been furnished to the Administrative Agent and is complete and accurate in all material respects. Since the date of each such Schedule B, there has been no material adverse change in the funding status or financial condition of the Benefit Plan relating to such Schedule B. Neither the Borrower nor any ERISA Affiliate has (i) failed to make a required contribution or payment to a Multiemployer Plan or (ii) made a complete or partial withdrawal under Sections 4203 or 4205 of ERISA from a Multiemployer Plan which would have a Material Adverse Effect. Neither the Borrower, nor any ERISA Affiliate has failed to make a required installment or any other required payment under Section 412 of the Internal Revenue Code on or before the due date for such installment or other payment. Neither the Borrower nor any ERISA Affiliate is required to provide security to a Benefit Plan under Section 401(a)(29) of the Internal Revenue Code due to a Benefit Plan amendment that results in an increase in current liability for the plan year. Except as disclosed on SCHEDULE 7.1-Q, which shall be updated by Borrower as of the first day of each fiscal quarter, to the extent required, neither the Borrower nor any of its Subsidiaries has, by reason of the transactions contemplated hereby, any obligation to make any payment to any employee pursuant to any Plan or existing contract or arrangement.

(r) Securities Activities. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock except as described on SCHEDULE 7.L-R.

(s) Solvency. After giving effect to the Loans to be made on the Initial Funding Date or such other date as Loans requested hereunder

are made, and the disbursement of the proceeds of such Loans pursuant to the Borrower's instructions, the Borrower and each Guarantor is Solvent.

(t) Insurance. SCHEDULE 7.1-T accurately sets forth as of the Closing Date all insurance policies and programs currently in effect with respect to the respective Property and assets and business of the Borrower and its Subsidiaries, specifying for each such policy and program, (i) the amount thereof, (ii) the risks insured against thereby, (iii) the name of the insurer and each insured party thereunder, (iv) the policy or other identification number thereof, and (v) the expiration date thereof. The Borrower has delivered to the Administrative Agent copies of all insurance policies set forth on SCHEDULE 7.1-T. Such insurance policies and programs are currently in full force and effect, in compliance with the requirements of Section 9.5 hereof and, together with payment by the insured of scheduled deductible payments, are, to the knowledge of the Borrower, in amounts which should reasonably be expected to be sufficient to cover the replacement value of the respective Property and assets of the Borrower and/or its Subsidiaries. Borrower shall update SCHEDULE 7.1-T, which shall be updated by Borrower annually, to the extent required, in order to keep said Schedule true and correct (or more frequently if an insurance policy or program shall be terminated and/or replaced).

(u) REIT Status. The Company qualifies as a REIT under the Internal Revenue Code.

(v) Ownership of Projects, Joint Ventures and Property. Ownership of all wholly owned Projects, Joint Ventures and other Property of the Consolidated Businesses is held by the Borrower and its Subsidiaries and is not held directly by the Company.

(w) Title to Properties. The Borrower, the Guarantors and their respective Subsidiaries that own Real Property each has good title to all of its respective Real Property purported to be owned by it, including, without limitation, that:

(a) Either (i) the Borrower or (ii) a Guarantor is the owner of or the holder of a fee or ground leasehold interest (under an effective ground lease) in the Unencumbered Projects which are wholly-owned by the Borrower and the Consolidated Businesses (other than the 919 Third Avenue Property and the 120 Mineola Boulevard Property), free from any Lien, except for Customary Permitted Liens, or preferred equity interest, except the Metropolitan Preferred Equity.

(b) The Company, the Borrower and their Consolidated Subsidiaries will, as of the Closing Date, own all of the assets as reflected in the financial statements of the Borrower and the Company described in Section 7.1(g) or acquired since the date of such financial statements (except property and assets sold or otherwise disposed of in the ordinary course of business since that date).

ARTICLE VIII.
REPORTING COVENANTS

The Borrower covenants and agrees that so long as any Revolving Credit Commitments are outstanding and thereafter until payment in full of all of the Obligations (other than indemnities pursuant to Section 14.3 not yet due), unless the Requisite Lenders shall otherwise give prior written consent thereto:

8.1. BORROWER ACCOUNTING PRACTICES. The Borrower shall maintain, and cause each of its consolidated Subsidiaries to maintain, a system of accounting established and administered in accordance with sound business practices to permit preparation of consolidated financial statements in conformity with GAAP.

8.2. FINANCIAL REPORTS. The Borrower shall deliver or cause to be delivered to the Administrative Agent (with copies for each of the Lenders):

(a) Quarterly Reports.

(i) Borrower Quarterly Financial Reports. As soon as practicable, and in any event within forty-five (45) days after the end of each fiscal quarter in each Fiscal Year (other than the last fiscal quarter in each Fiscal Year), a consolidated balance sheet of the Borrower and the related consolidated statements of income and cash flow of the Borrower (to be prepared and delivered quarterly in conjunction with the other reports delivered hereunder at the end of each fiscal quarter) for each such fiscal quarter, and, in comparative form, the corresponding figures for the corresponding dates and periods of the previous Fiscal Year, certified by an Authorized Financial Officer of the Borrower as fairly presenting in all material respects the consolidated financial position of the Borrower as of the dates indicated and the consolidated results of its operations and cash flow for the months indicated in accordance with GAAP, subject to normal adjustments.

(ii) Company Quarterly Financial Reports. As soon as practicable, and in any event within forty-five (45) days after the end of each fiscal quarter in each Fiscal Year (other than the last fiscal quarter in each Fiscal Year), the Financial Statements of the Company and its consolidated Subsidiaries on Form 10-Q as at the end of such period and a report setting forth in comparative form the corresponding figures for the corresponding dates and period of the previous Fiscal Year, certified by an Authorized Financial Officer of the Company as fairly presenting in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as at the date indicated and the consolidated results of their operations and cash flow for the period indicated in accordance with GAAP, subject to normal adjustments.

(iii) Quarterly Compliance Certificates. Together with each delivery of any quarterly report pursuant to paragraph (a)(i) of this Section 8.2, Officer's Certificates of the Borrower and the Company in the form of EXHIBIT F hereto (the "QUARTERLY COMPLIANCE CERTIFICATES"), signed by the Borrower's and the Company's respective Authorized Financial Officers representing and certifying (1) that the Authorized Financial Officer signatory thereto has reviewed the terms of the Loan Documents, and has made, or caused to be made under his/her supervision, a review in reasonable detail of the consolidated financial condition of the Company and its Consolidated Subsidiaries, for the fiscal quarter covered by such reports, that such review has not disclosed the existence during or at the end of such fiscal quarter, and that such officer does not have knowledge of the existence as at the date of such Officer's Certificate, of an Event of Default or Potential Event of Default or mandatory prepayment event, or, if any such condition or event existed or exists, the nature and period of existence thereof and what action the Company and/or the Borrower or any of their Subsidiaries has taken, is taking and proposes to take with respect thereto; (2) the calculations in the form of EXHIBIT G hereto for the period then ended which demonstrate compliance with the covenants and financial ratios set forth in Sections 9.9, 9.11, 10.2, 10.6, 10.7, 10.11, and 10.12 hereof and, when applicable, that no Event of Default described in Section 11.1 exists, (3) a schedule of the Borrower's outstanding Indebtedness, including the amount, maturity, interest rate and amortization requirements, as well as such other information regarding such Indebtedness as may be reasonably requested by the Administrative Agent, (4) a schedule of Total Adjusted EBITDA, and (5) a schedule of Adjusted Unencumbered NOI.

(b) Annual Reports.

(i) Borrower Financial Statements. As soon as practicable, and in any event within ninety (90) days after the end of each Fiscal Year, the Financial Statements of the Borrower and its respective Subsidiaries as at the end of such Fiscal Year, accompanied by an Officer's Certificate of the Borrower, signed by the Chief Financial Officer of the Borrower, that the Financial Statements fairly present in all material respects the consolidated financial position of the Borrower and its respective Subsidiaries as of the dates indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP consistently applied, and which Officer's Certificate shall explain any inconsistencies between the Financial Statements of the Borrower and the Financial Statements of the Company.

(ii) Company Financial Statements. As soon as practicable, and in any event within ninety (90) days after the end of each Fiscal Year, (i) the Financial Statements of the Company and its consolidated Subsidiaries on Form 10-K as at the end of such Fiscal Year and a report setting forth in comparative form the corresponding figures from the consolidated Financial Statements of the Company and its Subsidiaries for the prior Fiscal Year; (ii) a report with respect thereto of Ernst & Young LLP or other independent certified public accountants acceptable to the Administrative Agent (it being understood that any "Big Five" certified public accountants are acceptable to the Administrative Agent), which report shall be unqualified and shall state that such financial statements fairly present the consolidated financial position of each of the Company and its consolidated Subsidiaries as at the dates indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP (except for changes with which Ernst & Young LLP or any such other independent certified public accountants, if applicable, shall concur and which shall have been disclosed in the notes to the financial statements) (which report shall be subject to the confidentiality limitations set forth herein); and (iii) in the event that the report referred to in clause (ii) above is qualified, a copy of the management letter or any similar report delivered to the Company or to any officer or employee thereof by such independent certified public accountants in connection with such financial statements. The Administrative Agent and each Lender (through the Administrative Agent) may, with the consent of the Company (which consent shall not be unreasonably withheld), communicate directly with such accountants, with any such communication to occur together with a representative of the Company, at the expense of the Administrative Agent (or the Lender requesting such communication), upon

reasonable notice and at reasonable times during normal business hours.

(iii) Annual Compliance Certificates. Together with each delivery of any annual report pursuant to clauses (i) and (ii) of this Section 8.2(b), Officer's Certificates of the Borrower and the Company in the form of EXHIBIT F hereto (the "ANNUAL COMPLIANCE CERTIFICATES" and, collectively with the Quarterly Compliance Certificates, the "COMPLIANCE CERTIFICATES"), signed by the Borrower's and the Company's respective Authorized Financial Officers, representing and certifying (1) that the officer signatory thereto has reviewed the terms of the Loan Documents, and has made, or caused to be made under his/her supervision, a review in reasonable detail of the consolidated financial condition of the Company and its consolidated Subsidiaries, for the accounting period covered by such reports, that such review has not disclosed the existence at the end of such accounting period, and that such officer does not have knowledge of the existence as at the date of such Officer's Certificate, of an Event of Default or Potential Event of Default or mandatory prepayment event, or, if any such condition or event existed or exists, the nature and period of existence thereof and what action the Company and/or the Borrower or any of their Subsidiaries has taken, is taking and proposes to take with respect thereto; (2) the calculations in the form of EXHIBIT G hereto for the period then ended which demonstrate compliance with the covenants and financial ratios set forth in Sections 9.9, 9.11, 10.2, 10.6, 10.7, 10.11, and 10.12 hereof and, when applicable, that no Event of Default described in Section 11.1 exists, (3) a schedule of the Borrower's outstanding Indebtedness including the amount, maturity, interest rate and amortization requirements, as well as such other information regarding such Indebtedness as may be reasonably requested by the Administrative Agent, (4) a schedule of Total Adjusted EBITDA and (5) a schedule of Adjusted Unencumbered NOI.

(iv) Tenant Bankruptcy Reports. As soon as practicable, and in any event within ninety (90) days after the end of each Fiscal Year, a written report, in form reasonably satisfactory to the Administrative Agent, of all bankruptcy proceedings filed by or against any tenant of any of the Projects, which tenant occupies three and one half percent (3.5%) or more of the gross leasable area in the Projects in the aggregate. The Borrower shall deliver to the Administrative Agent and the Lenders, immediately upon the Borrower's learning thereof, of any bankruptcy proceedings filed by or against, or the cessation of business or operations of, any tenant of any of the Projects which

tenant occupies three and one half percent (3.5%) or more of the gross leasable area in the Projects in the aggregate.

(v) Update of Schedule 7.1-C. As soon as practicable, and in any event within ninety (90) days after the end of each Fiscal Year, the Borrower shall deliver an update of Schedule 7.1-C.

8.3. EVENTS OF DEFAULT. Promptly upon the Borrower obtaining knowledge (a) of any condition or event which constitutes an Event of Default or Potential Event of Default; (b) that any Person has given any notice to the Borrower or any Subsidiary of the Borrower or taken any other action with respect to a claimed default or event or condition of the type referred to in Section 11.1(e); or (c) of any condition or event which has a Material Adverse Effect, the Borrower shall deliver to the Administrative Agent (with copies for each of the Lenders) an Officer's Certificate specifying (i) the nature and period of existence of any such claimed default, Event of Default, Potential Event of Default, condition or event, (ii) the notice given or action taken by such Person in connection therewith, and (iii) what action the Borrower has taken, is taking and proposes to take with respect thereto.

8.4. LAWSUITS. (i) Promptly upon the Borrower's obtaining knowledge of the institution of, or written threat of, any action, suit, proceeding, governmental investigation or arbitration against or affecting the Borrower or any of its Subsidiaries not previously disclosed pursuant to Section 7.1(i), which action, suit, proceeding, governmental investigation or arbitration exposes, or in the case of multiple actions, suits, proceedings, governmental investigations or arbitrations arising out of the same general allegations or circumstances which expose, in the Borrower's reasonable judgment, the Borrower or any of its Subsidiaries to liability in an amount aggregating $1,000,000 or more and is not covered by the Borrower's or such Subsidiary's insurance, the Borrower shall give written notice thereof to the Administrative Agent (with copies for each of the Lenders) and provide such other information as may be reasonably available to enable each Lender and the Administrative Agent and its counsel to evaluate such matters; (ii) as soon as practicable and in any event within forty-five (45) days after the end of each fiscal quarter of the Borrower, the Borrower shall provide a written quarterly report to the Administrative Agent and the Lenders covering the institution of, or written threat of, any action, suit, proceeding, governmental investigation or arbitration in an amount equal to or in excess of $50,000,000 (to the extent not previously reported) against or affecting the Borrower or any of its Subsidiaries or any Property of the Borrower or any of its Subsidiaries not previously disclosed by the Borrower to the Administrative Agent and the Lenders, and shall provide such other information at such time as may be reasonably available to enable each Lender and the

Administrative Agent and its counsel to evaluate such matters; and (iii) in addition to the requirements set forth in clauses (i) and (ii) of this Section 8.4, the Borrower upon request of the Administrative Agent or the Requisite Lenders shall promptly give written notice of the status of any action, suit, proceeding, governmental investigation or arbitration covered by a report delivered pursuant to clause (i) or (ii) above and provide such other information as may be reasonably requested and available to it to enable each Lender and the Administrative Agent and its counsel to evaluate such matters. Notwithstanding the foregoing, the Borrower shall not be required to disclose any information which is subject to the attorney-client privilege.

8.5. INSURANCE. As soon as practicable and in any event by January 31st of each calendar year, the Borrower shall deliver to the Administrative Agent (with copies for each of the Lenders) (i) a report in form and substance reasonably satisfactory to the Administrative Agent, outlining all insurance coverage maintained as of the date of such report by the Borrower and its Subsidiaries and the duration of such coverage and (ii) an Officer's Certificate signed by an Authorized Financial Officer of the Borrower certifying that all premiums with respect to such coverage have been paid when due.

8.6. ERISA NOTICES. The Borrower shall deliver or cause to be delivered to the Administrative Agent (with copies for each of the Lenders), at the Borrower's expense, the following information and notices as soon as reasonably possible, and in any event:

(a) within fifteen (15) Business Days after the Borrower or any ERISA Affiliate knows or has reason to know that an ERISA Termination Event has occurred, a written statement of an Authorized Financial Officer of the Borrower describing such ERISA Termination Event and the action, if any, which the Borrower or any ERISA Affiliate has taken, is taking or proposes to take with respect thereto, and when known, any action taken or threatened by the IRS, DOL or PBGC with respect thereto;

(b) within fifteen (15) Business Days after the Borrower knows or has reason to know that a non-exempt prohibited transaction (as defined in Sections 406 of ERISA and Section 4975 of the Internal Revenue Code) has occurred with respect to the Borrower, any ERISA Affiliate or any Plan, a statement of an Authorized Financial Officer of the Borrower describing such transaction with respect to the Borrower, any ERISA Affiliate or any Plan and the action which the Borrower or any ERISA Affiliate has taken, is taking or proposes to take with respect thereto;

(c) within fifteen (15) Business Days after the filing of the same with the DOL, IRS or PBGC, copies of each annual report (Form 5500 series), including Schedule B thereto, filed with respect to each Benefit Plan;

(d) within fifteen (15) Business Days after receipt by the Borrower or any ERISA Affiliate of each actuarial report for any Benefit Plan or Multiemployer Plan and each annual report for any Multiemployer Plan, copies of each such report;

(e) within fifteen (15) Business Days after the filing of the same with the IRS, a copy of each funding waiver request filed with respect to any Benefit Plan and all written communications received by the Borrower or any ERISA Affiliate with respect to such request;

(f) within fifteen (15) Business Days after the occurrence of any material increase in the benefits of any existing Benefit Plan or Multiemployer Plan or the establishment of any new Benefit Plan or the commencement of contributions to any Benefit Plan or Multiemployer Plan to which the Borrower or any ERISA Affiliate to which the Borrower or any ERISA Affiliate was not previously contributing, notification of such increase, establishment or commencement;

(g) within fifteen (15) Business Days after the Borrower or any ERISA Affiliate receives notice of the PBGC's intention to terminate a Benefit Plan or to have a trustee appointed to administer a Benefit Plan, copies of each such notice;

(h) within fifteen (15) Business Days after the Borrower or any of its Subsidiaries receives notice of any unfavorable determination letter from the IRS regarding the qualification of a Plan under Section 401(a) of the Internal Revenue Code, copies of each such letter to the extent any of the foregoing would have a Material Adverse Effect;

(i) within fifteen (15) Business Days after the Borrower or any ERISA Affiliate receives notice from a Multiemployer Plan regarding the imposition of withdrawal liability, copies of each such notice;

(j) within fifteen (15) Business Days after the Borrower or any ERISA Affiliate fails to make a required installment or any other required payment under Section 412 of the Internal Revenue Code on or before the due date for such installment or payment which failure has not been cured, a notification of such failure; and

(k) within fifteen (15) Business Days after the Borrower or any ERISA Affiliate knows or has reason to know (i) a Multiemployer Plan has been terminated, (ii) the administrator or plan sponsor of a Multiemployer Plan intends to terminate a Multiemployer Plan, or (iii) the PBGC has instituted or has given written notice that it will institute proceedings under Section 4042 of ERISA to terminate a Multiemployer Plan,

notification of such termination, intention to terminate, or institution of proceedings.

For purposes of this Section 8.6, the Borrower and any ERISA Affiliate shall be deemed to know all facts known by the "Administrator" of any Plan of which the Borrower or any ERISA Affiliate is the plan sponsor.

8.7. ENVIRONMENTAL NOTICES. The Borrower shall notify the Administrative Agent (with copies for each of the Lenders) in writing, promptly upon any officer of the Borrower responsible for the environmental matters at any Property of the Borrower learning thereof, of any of the following (together with any material documents and correspondence received or sent in connection therewith):

(a) notice or claim to the effect that the Borrower or any of its Subsidiaries is or may be liable to any Person as a result of the Release or threatened Release of any Contaminant into the environment, if such liability would result in a Material Adverse Effect;

(b) notice that the Borrower or any of its Subsidiaries is subject to investigation by any Governmental Authority evaluating whether any Remedial Action is needed to respond to the Release or threatened Release of any Contaminant into the environment which would have a Material Adverse Effect;

(c) notice that any Property of the Borrower or any of its Subsidiaries is subject to an Environmental Lien if the claim to which such Environmental Lien relates would result in a Material Adverse Effect;

(d) notice of violation by the Borrower or any of its Subsidiaries of any Environmental, Health or Safety Requirement of Law which violation would have a Material Adverse Effect;

(e) commencement or written threat of any judicial or administrative proceeding alleging a violation by the Borrower or any of its Subsidiaries of any Environmental, Health or Safety Requirement of Law, which would result in a Material Adverse Effect; or

(f) any proposed acquisition of stock, assets, real estate, or leasing of Property by the Borrower or any of its Subsidiaries that would subject the Borrower or any of its Subsidiaries to environmental, health or safety Liabilities and Costs which would result in a Material Adverse Effect.

8.8. LABOR MATTERS. The Borrower shall notify the Administrative Agent (with copies for each of the Lenders) in writing, promptly upon the

Borrower's learning thereof, of any labor dispute to which the Borrower or any of its Subsidiaries is reasonably expected to become a party (including, without limitation, any strikes, lockouts or other disputes relating to any Property of such Persons and other facilities) which would result in a Material Adverse Effect.

8.9. NOTICES OF ASSET SALES AND/OR ACQUISITIONS. The Borrower shall deliver to the Administrative Agent and the Lenders written notice of each of the following not less than five (5) Business Days prior to the occurrence thereof: (a) a sale, transfer or other disposition of assets, in a single transaction or series of related transactions, (b) an acquisition of assets, in a single transaction or series of related transactions within the two preceding calendar quarter period, for consideration in excess of $50,000,000, and (c) the grant of a Lien with respect to assets, in a single transaction or series of related transactions. In addition, simultaneously with delivery of any such notice, the Borrower shall deliver to the Administrative Agent a certificate of an Authorized Officer certifying that Borrower is in compliance with this Agreement and the other Loan Documents both on a historical basis and on a pro forma basis, exclusive of the property sold, transferred and/or encumbered and inclusive of the property to be acquired or the indebtedness to be incurred.

To the extent such proposed transaction would result in a failure to comply with the covenants set forth herein, proceeds of such transaction (together with such additional amounts as may be required), in an amount, as determined by the Administrative Agent, equal to that which would be required to reduce the Obligations so that Borrower will be in compliance with the covenants set forth herein upon the consummation of the contemplated transaction, shall be applied to prepay the Obligations.

8.10. NOTICES OF JOINT VENTURES. The Borrower shall deliver to the Administrative Agent and the Lenders written notice of each of the following not less than two (2) Business Days prior to the occurrence thereof: (a) the acquisition of an interest in a Joint Venture in excess of $1,000,000, (b) the investment of an amount in excess of $1,000,000 in a Joint Venture of which the Administrative Agent and the Lenders have not previously received notice, and (c) the sale of an interest in a Subsidiary that results in the same becoming a Joint Venture. Simultaneously with the delivery of the Compliance Certificates, the Borrower shall deliver to the Administrative Agent and the Lenders written notice of the formation of any other Joint Venture.

8.11. TENANT NOTIFICATIONS. The Borrower shall promptly notify the Administrative Agent upon obtaining knowledge of the bankruptcy or

cessation of operations of any tenant to which greater than three and one half percent (3.5%) of the Borrower's share of annual base rent (as reported in the Borrower's most recent quarterly financial statements) is attributable to such tenant.

8.12. OTHER REPORTS. The Borrower shall deliver or cause to be delivered to the Administrative Agent (with copies for each of the Lenders) copies of all financial statements and reports, if any, sent or made available generally by the Company and/or the Borrower to its respective Securities holders, including, without limitation, supplemental quarterly forms, or (to the extent not otherwise provided hereunder), all press releases made available generally by the Company and/or the Borrower or any of its Subsidiaries to the public concerning material adverse developments in the business of the Company, the Borrower or any such Subsidiary and all material notifications received by the Company, the Borrower or their Subsidiaries pursuant to the Securities Exchange Act and the rules promulgated thereunder.

8.13. OTHER INFORMATION. Promptly upon receiving a request therefor from the Administrative Agent or any Arranger, the Borrower shall prepare and deliver to the Administrative Agent (with copies for each of the Lenders) such other information with respect to the Company, the Borrower, or any of their Subsidiaries, as from time to time may be reasonably requested by the Administrative Agent or any Arranger, including without limitation, rent rolls, title reports, environmental site assessments, and tax returns.

ARTICLE IX.
AFFIRMATIVE COVENANTS

Borrower covenants and agrees that so long as any Revolving Credit Commitments are outstanding and thereafter until payment in full of all of the Obligations (other than indemnities pursuant to Section 14.3 not yet due), unless the Requisite Lenders shall otherwise give prior written consent:

9.1. EXISTENCE. ETC. The Borrower shall, and shall cause each of its Subsidiaries and the Company to, at all times maintain its corporate existence or existence as a limited partnership or joint venture, as applicable, and preserve and keep, or cause to be preserved and kept, in full force and effect its rights and franchises material to its businesses, except where the loss or termination of such rights and franchises will not have a Material Adverse Effect.

9.2. POWERS; CONDUCT OF BUSINESS. The Borrower shall remain qualified, and shall cause each of its Subsidiaries and the Company to qualify

and remain qualified, to do business and maintain its good standing in each jurisdiction in which the nature of its business and the ownership of its Property requires it to be so qualified and in good standing if the failure to do so will have a Material Adverse Effect.

9.3. COMPLIANCE WITH LAWS. ETC. The Borrower shall, and shall cause each of its Subsidiaries and the Company to, (a) comply with all Requirements of Law and all restrictive covenants affecting such Person or the business, Property or operations of such Person, and (b) obtain and maintain as needed all Permits necessary for its operations (including, without limitation, the operation of the Projects) and maintain such Permits in good standing, except where noncompliance with either clause (a) or (b) above will not have a Material Adverse Effect.

9.4. PAYMENT OF TAXES AND CLAIMS. (a) The Borrower shall pay, and cause each of its Subsidiaries and the Company to pay, (i) all material taxes, assessments and other governmental charges imposed upon it or on any of its Property or assets or in respect of any of its franchises, licenses, receipts, sales, use, payroll, employment, business, income or Property before any penalty or interest accrues thereon, and (ii) all material Claims (including, without limitation, claims for labor, services, materials and supplies) for sums which have become due and payable and which by law have or may become a Lien (other than a Lien permitted by Section 10.2 or a Customary Permitted Lien for property taxes and assessments not yet due upon any of the Borrower's, the Company's or any of the Borrower's Subsidiaries' Property, prior to the time when any penalty or fine shall be incurred with respect thereto; provided, however, that no such taxes, assessments, fees and governmental charges referred to in clause (i) above or Claims referred to in clause (ii) above need be paid if being contested in good faith by appropriate proceedings diligently instituted and conducted and if such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor.

9.5. INSURANCE. The Borrower shall maintain for itself and its Subsidiaries, or shall cause each of its Subsidiaries to maintain in full force and effect the insurance policies and programs listed on SCHEDULE 7.1-T or substantially similar policies and programs or other policies and programs as are reasonably acceptable to the Administrative Agent. All such policies and programs shall be maintained with insurers having an Alfred M. Best Company, Inc. rating of "A" or better and a financial size category of not less than IX.

9.6. INSPECTION OF PROPERTY, BOOKS AND RECORDS DISCUSSIONS. The Borrower shall permit, and cause each of its Subsidiaries

and the Company to permit, any authorized representative(s) designated by the Administrative Agent or any Arranger or Lender (coordinated through the Administrative Agent) to visit and inspect any of the Projects, to examine, audit, and check their respective financial and accounting records, books, journals, orders, receipts and any correspondence and other data relating to their respective businesses or the transactions contemplated hereby (including, without limitation, in connection with environmental compliance, hazard or liability), and to discuss their affairs, finances and accounts with their officers and independent certified public accountants, upon reasonable notice and at such reasonable times during normal business hours, as often as may be reasonably requested. Each such visitation and inspection shall be at such visitor's expense. The Borrower shall keep and maintain, and cause its Subsidiaries to keep and maintain, in all material respects proper books of record and account in which entries are made in conformity with GAAP.

9.7. ERISA COMPLIANCE. The Borrower shall, and shall cause each of its Subsidiaries and ERISA Affiliates to, establish, maintain and operate all Benefit Plans to comply in all material respects with the provisions of ERISA, the Internal Revenue Code, all other applicable laws, and the regulations and interpretations thereunder and the respective requirements of the governing documents for such Plans.

9.8. MAINTENANCE OF PROPERTY. The Borrower shall, and shall cause each of its Subsidiaries to, maintain in all material respects all of their respective owned and leased Property in good, safe and insurable condition and repair (ordinary wear and tear excepted), and not permit, commit or suffer any waste or abandonment of any such Property and from time to time shall make or cause to be made all material repairs, renewals and replacements thereof, including, without limitation, any capital improvements which may be required to maintain the same; provided, however, that such Property may be altered or renovated in the ordinary course of business of the Borrower or such applicable Subsidiary. Without any limitation on the foregoing, the Borrower shall maintain the Projects in a manner such that each Project can be used in the manner and substantially for the purposes such Project is used on the Closing Date, including, without limitation, maintaining all utilities, access rights, zoning and necessary Permits for such Project.

9.9. COMPANY STATUS. The Borrower shall cause the Company to, and the Company shall, at all times (1) remain a publicly traded company listed on the New York Stock Exchange; (2) maintain its status as a REIT under the Internal Revenue Code, and (3) retain direct or indirect management and control of the Borrower.

9.10. OWNERSHIP OF PROJECTS, JOINT VENTURES AND PROPERTY. The ownership of substantially all wholly owned Projects, Joint Ventures and other Property of the Consolidated Businesses shall be held by the Borrower and its Subsidiaries and shall not be held directly by the Company.

9.11. MAINTENANCE OF OPERATING ACCOUNTS. The Borrower shall at all times during the Revolving Credit Period maintain a demand deposit account held by Administrative Agent (the "OPERATING ACCOUNT") and shall cause funds to be deposited therein in an amount sufficient to permit the Administrative Agent to automatically deduct therefrom the respective interest payments on the obligations at 12:00 p.m. on the first Business Day of each month.

9.12. ADDITIONAL GUARANTORS; SOLVENCY OF GUARANTORS.

(a) If, after the Closing Date, a Subsidiary of the Borrower that is not a Guarantor acquires any Real Property that then or thereafter qualifies under the definition of Unencumbered Project or any other Unencumbered asset and such Property or asset is directly or indirectly wholly-owned or ground leased by the Borrower, the Borrower shall cause such Person (which Person must be or become a wholly-owned Subsidiary of the Borrower) to execute and deliver a Guaranty to the Administrative Agent and the Lenders in substantially the form of EXHIBIT L hereto. Such Guaranty shall evidence consideration and equivalent value.

(b) The Borrower, the Company, and each other Guarantor are Solvent. The Borrower and the Company each acknowledge that, subject to the indefeasible payment and performance in full of the Obligations, the rights of contribution among each of them and the other Guarantors are in accordance with applicable laws and in accordance with each such Person's benefits under the Loans and this Agreement. The Borrower further acknowledges that, subject to the indefeasible payment and performance in full of the Obligations, the rights of subrogation of the Guarantors as against the Borrower and the Company are in accordance with applicable laws.

(c) Other than during the continuance of a Potential Event of Default or Event of Default, at the request of the Borrower following the delivery of the certificate of an Authorized Officer in accordance with Section 8.9 hereof, the Guaranty of any Guarantor shall be released by the Administrative Agent if and when all of the Real Property owned or ground-leased by such Guarantor shall cease (not thereby creating a Potential Event of Default or Event of Default) to be an Unencumbered Project which is wholly-owned by a Consolidated Business, provided the foregoing shall never permit the release of the Company.

9.13. FURTHER ASSURANCES. The Borrower will, and will cause each Guarantor to, cooperate with, and to cause each of its Subsidiaries to cooperate with, the Administrative Agent and the Lenders and execute such further instruments and documents as the Lenders or the Administrative Agent shall reasonably request to carry out to their reasonable satisfaction the transactions contemplated by this Agreement and the other Loan Documents.

9.14. DISTRIBUTIONS IN THE ORDINARY COURSE. In the ordinary course of business the Borrower causes all of its Subsidiaries to make net transfers of cash and cash equivalents upstream to the Borrower and the Company, and shall continue to follow such ordinary course of business. The Borrower shall not make net transfers of cash and cash equivalents downstream to its Subsidiaries except in the ordinary course of business consistent with past practice.

ARTICLE X.
NEGATIVE COVENANTS

Borrower covenants and agrees that it shall comply with the following covenants so long as any Revolving Credit Commitments are outstanding and thereafter until payment in full of all of the Obligations (other than indemnities pursuant to Section 14.3 not yet due), unless the Requisite Lenders shall otherwise give prior written consent:

10.1. INTENTIONALLY OMITTED.

10.2. LIENS. Neither the Borrower nor any of its Subsidiaries shall directly or indirectly create, incur, assume or permit to exist any Lien on or with respect to any Property, except:

(a) Liens with respect to Capital Leases of Equipment entered into in the ordinary course of business of the Borrower or its Subsidiaries pursuant to which the aggregate Indebtedness under such Capital Leases does not exceed $1,000,000 for any Project;

(b) Existing Permitted Liens;

(c) Liens securing permitted Secured Indebtedness; provided that the incurrence of such Liens shall be subject to compliance with Section 4.1(d) and Section 8.9 hereof; and

(d) Customary Permitted Liens.

10.3. INTENTIONALLY OMITTED.

10.4. CONDUCT OF BUSINESS. Neither the Borrower nor any of its Subsidiaries shall engage in any business, enterprise or activity other than (a) the businesses of acquiring, developing, re-developing and managing predominantly office and industrial Projects and portfolios of like Projects, (b) any business or activities which are substantially similar, related or incidental thereto, (c) investments in and loans to Investment Funds, FrontLine Capital Group, Subsidiaries, Affiliates and Joint Ventures and (d) other activities referred to in Section 2.3 hereof.

10.5. TRANSACTIONS WITH PARTNERS AND AFFILIATES. Neither the Borrower nor any of its Subsidiaries shall directly or indirectly enter into or permit to exist any transaction (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with any holder or holders of more than five percent (5%) of any class of equity Securities of the Borrower, or with any Affiliate of the Borrower which is not its Subsidiary, unless such transaction is determined by the Board of Directors of the Company to be no less favorable to the Borrower or any of its Subsidiaries, as applicable, than those that might be obtained in an arm's length transaction at the time from Persons who are not such a holder or Affiliate (other than transactions referred to in Section 2.3). Nothing contained in this Section 10.5 shall prohibit (a) increases in compensation and benefits for officers and employees of the Borrower or any of its Subsidiaries; (b) payment of officers', managers', trustees', directors', partners' and other similar indemnities; (c) performance of any obligations arising under the Loan Documents; or (d) loans to Persons in connection with such Person's contribution of Real Property to the Consolidated Businesses or Joint Ventures.

10.6. RESTRICTION ON FUNDAMENTAL CHANGES. The Borrower shall not enter into any merger or consolidation, or liquidate, wind-up or dissolve (or suffer any liquidation or dissolution), or convey, lease, sell, transfer or otherwise dispose of, in one transaction or series of transactions, all or substantially all of the Borrower's business or Property, whether now or hereafter acquired, except in connection with issuance, transfer, conversion or repurchase of limited partnership interests in the Borrower. Notwithstanding the foregoing, the Borrower shall be permitted to merge with another Person so long as the Borrower is the surviving Person following such merger.

10.7. MARGIN REGULATIONS; SECURITIES LAWS. Neither the Borrower nor any of its Subsidiaries shall use all or any portion of the proceeds of any credit extended under this Agreement to purchase or carry Margin Stock.

10.8. ERISA. The Borrower shall not and shall not permit any of its Subsidiaries or ERISA Affiliates to:

(a) engage in any prohibited transaction described in Sections 406 of ERISA or 4975 of the Internal Revenue Code for which a statutory or class exemption is not available or a private exemption has not been previously obtained from the DOL, except to the extent engaging in such transaction would not have a Material Adverse Effect;

(b) permit to exist any accumulated funding deficiency (as defined in Sections 302 of ERISA and 412 of the Internal Revenue Code), with respect to any Benefit Plan, whether or not waived;

(c) fail to pay timely required contributions or annual installments due with respect to any waived funding deficiency to any Benefit Plan;

(d) terminate any Benefit Plan which would result in any liability of Borrower or any ERISA Affiliate under Title IV of ERISA;

(e) fail to make any contribution or payment to any Multiemployer Plan which Borrower or any ERISA Affiliate may be required to make under any agreement relating to such Multiemployer Plan, or any law pertaining thereto, except to the extent such failure would not have a Material Adverse Effect;

(f) fail to pay any required installment or any other payment required under Section 412 of the Internal Revenue Code on or before the due date for such installment or other payment; or

(g) amend a Benefit Plan resulting in an increase in current liability for the plan year such that the Borrower or any ERISA Affiliate is required to provide security to such Plan under Section 401(a)(29) of the Internal Revenue Code.

10.9. ORGANIZATIONAL DOCUMENTS. Neither the Company nor the Borrower shall, and the Borrower shall not permit any Guarantor to, amend, modify or otherwise change any of the terms or provisions in any of their respective Organizational Documents as in effect on the Closing Date, except amendments to effect (a) a change of name of the Borrower or such Guarantor, provided that the Borrower shall have provided the Administrative Agent with thirty (30) days prior written notice of any such name change, or (b) changes that would not affect such Organizational Documents in any material manner not otherwise prohibited under this Agreement.

10.10. FISCAL YEAR. Neither the Company, the Borrower nor any of their Subsidiaries shall change its Fiscal Year for accounting or tax purposes from a period consisting of the 12-month period ending on December 31 of each calendar year.

10.11. FINANCIAL COVENANTS.

(a) Indebtedness. Neither the Borrower nor any of its Subsidiaries shall directly or indirectly create, incur, assume or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, except (i) Total Outstanding Indebtedness which would not exceed fifty-five percent (55%) of Total Value as of the date of incurrence, (ii) Total Secured Outstanding Indebtedness which would not exceed thirty-five percent (35%) of Total Value as of the date of incurrence or (iii) Total Recourse Secured Outstanding Indebtedness which would not exceed ten percent (10%) of Total Value as of the date of incurrence.

(b) Minimum Combined Equity Value. The Combined Equity Value shall at no time be less than $1,250,000,000, plus an amount equal to seventy percent (70%) of all Net Offering Proceeds received by the Company after the date hereof.

(c) Intentionally Omitted.

(d) Minimum Unsecured Interest Coverage Ratio. As of the first day of each calendar quarter for the immediately preceding calendar quarter, the ratio of (i) Adjusted Unencumbered NOI to (ii) Unsecured Interest Expense shall not be less than (A) 1.75 to 1.0 through December 31, 2000 and (B) 2.0 to 1.0 thereafter.

(e) Limitation on Total Unsecured Outstanding Indebtedness. As of the first day of each calendar quarter for the immediately preceding calendar quarter, the ratio of (i) Total Unsecured Outstanding Indebtedness to (ii) Total Unencumbered Value shall not exceed 0.60 to 1.0.

(f) Minimum Total Interest Coverage Ratio. As of the first day of each calendar quarter for the immediately preceding calendar quarter, the ratio of (i) Total Adjusted EBITDA to (ii) Total Interest Expense shall not be less than 2.0 to 1.0.

(g) Minimum Fixed Charge Coverage Ratio. As of the first day of each calendar quarter for the immediately preceding calendar quarter, the ratio of (i) Total Adjusted EBITDA to (ii) Fixed Charges shall not be less than (x) 1.65 to 1.0 through December 31, 2000 and (y) 1.75 to 1.0 thereafter.

(h) Maximum Dividend Payout Ratio. The Company shall not make any Restricted Payment during any of its fiscal quarters, which, when added to all Restricted Payments made during the three immediately preceding fiscal quarters, exceeds the greater of (i) 90% of FFO, and (ii) the amounts required to maintain its status as a REIT under the Internal Revenue Code, and, provided an Event of Default shall not have occurred and be continuing, to avoid federal income and excise tax liability. For purposes of this provision, "Restricted Payment" means any cash dividend or other cash distribution on any shares of the Company's capital stock (except dividends payable solely in shares of its capital stock or in rights to subscribe for or purchase shares of its capital stock).

(i) Recourse Secured Indebtedness. The Secured Loan-to-Value Ratio with respect to any Project for which the Consolidated Businesses shall create or assume recourse Secured Indebtedness, shall at no time exceed seventy five percent (75%).

(j) Negative Pledge. From and after the date hereof, neither the Borrower nor the Company will, and will not permit any of their respective Subsidiaries, to enter into any agreement containing any provision prohibiting the creation or assumption of any Lien upon its properties (other than with respect to prohibitions on subordinate liens set forth in a mortgage on a particular property or customary restrictions contained in the Organizational Documents of a Joint Venture), revenues or assets, whether now owned or hereafter acquired, or restricting the ability of the Borrower to amend or modify this Agreement or any other Loan Document.

(k) Pro Forma Calculations. The Borrower shall comply with the financial ratios set forth in this Section 10.11 as of the date of each Borrowing. The Borrower shall recalculate the financial ratios by adding the deemed amount equal to the applicable Borrowing to the Indebtedness reflected on the most recently available financial statements, and adding thereto any Indebtedness incurred since the date of such financial statement and adding the value of such assets (determined at cost) acquired with such Indebtedness to Total Value.

10.12. NEGATIVE COVENANTS WITH RESPECT TO THE COMPANY.

(a) From and after the date hereof, the Company will not acquire any assets of any nature whatsoever other than additional units in the Borrower.

(b) From and after the date hereof, the Company will not incur any Indebtedness or any other obligations or liabilities except (x) as the general partner of the Borrower in connection with trade payables incurred

in the ordinary course of business, (y) Indebtedness, the net proceeds of which are contributed to the Borrower simultaneously with the incurrence thereof by the Company, and (z) guarantees of Indebtedness which are recourse to the Borrower.

(c) From and after the date hereof, the Company will not retain any Net Offering Proceeds, and the same will be contributed by the Company to the Borrower simultaneously with receipt thereof by the Company.

(d) The Company shall not enter into any merger or consolidation, or liquidate, wind-up or dissolve (or suffer any liquidation or dissolution), or convey, lease, sell, transfer or otherwise dispose of, in one transaction or series of transactions, any of its business or assets, including its interests in the Borrower. Notwithstanding the foregoing, the Company shall be permitted to merge with another Person so long as the Company is the surviving Person following such merger.

10.13. COVENANTS WITH RESPECT TO METROPOLITAN.

(a) Until the earlier to occur of (i) the Metropolitan Conversion or (ii) each of the 919 Third Avenue Property and the 120 Mineola Boulevard Property is no longer an Unencumbered Project, the Borrower shall not permit Metropolitan or MOP or their Subsidiaries to incur any Indebtedness (other than the refinancing of existing Secured Indebtedness secured by a Lien on assets of such Person, other than the 919 Third Avenue Property and the 120 Mineola Boulevard Property), issue any preferred equity interests (in addition to the Metropolitan Preferred Equity) or incur any Contingent Obligation if the effect thereof is to decrease the value of the equity interests in Metropolitan and MOP held by the Company or to create a preference over the Obligations.

(b) Until the earlier to occur of (i) the execution and delivery of a Guaranty by Tower Mineola L.P. or (ii) the 120 Mineola Boulevard Property is no longer an Unencumbered Project, the Borrower shall not permit Tower Mineola L.P. to incur any Indebtedness, issue any preferred equity interests or incur any Contingent Obligation if the effect thereof is to decrease the value of the equity interests in Tower Mineola L.P. held by the Company or to create a preference over the Obligations.

(c) The Borrower shall cause each of Metropolitan, MOP and Tower Mineola L.P. to execute and deliver a Guaranty promptly after the date on which the Metropolitan Preferred Interest is redeemed by Metropolitan or converted to common stock in the Company by Crescent Real Estate Equities Company.

ARTICLE XI.
EVENTS OF DEFAULT; RIGHTS AND REMEDIES

11.1. EVENTS OF DEFAULT. Each of the following occurrences shall constitute an Event of Default under this Agreement:

(a) Failure to Make Payments When Due. The Borrower shall fail to pay (i) when due any principal payment on the Obligations which is due on the Revolving Credit Termination Date or pursuant to the terms of Section 2.1(a), Section 2.4, Section 4.1(a), or Section 4.1(d) or (ii) when due, any interest payment on the obligations, provided, however, that the Borrower shall be entitled to a five (5) day grace period with respect to any interest payment but not more than one time in any twelve (12) month period during the term hereof, or (iii) when due, any principal payment on the Obligations not referenced in clauses (i) or (ii) hereinabove or (iv) when due, any fees due pursuant to the terms of Section 5.3 and such default shall continue for five (5) days.

(b) Breach of Certain Covenants. The Borrower shall fail duly and punctually to perform or observe any agreement, covenant or obligation binding on such Person under Sections 9.1, 9.4, 9.5, 9.10, 9.11 or Article X.

(c) Breach of Representation or Warranty. Any representation or warranty made by the Borrower or any of the parties to the Guaranties to the Administrative Agent, any Arranger or any Lender herein or by the Borrower or any of the parties to the Guaranties or any of their Subsidiaries in any of the other Loan Documents or in any statement or certificate at any time given by any such Person pursuant to any of the Loan Documents shall be false or misleading in any material respect on the date as of which made.

(d) Other Defaults. The Borrower shall default in the performance of or compliance with any terms contained in this Agreement (other than as identified in paragraphs (a), (b) or (c) of this Section 11.1), or any default or event of default shall occur under any of the other Loan Documents, and such default or event of default shall continue for thirty (30) days after receipt of written notice from the Administrative Agent thereof.

(e) Acceleration of Other Indebtedness. Any breach, default or event of default shall occur and be continuing, or any other condition shall exist under any instrument, agreement or indenture pertaining to any recourse Indebtedness (other than the Obligations) of the

Company, the Borrower or their Subsidiaries aggregating more than $10,000,000, and the effect thereof is to cause an acceleration, mandatory redemption or other required repurchase of such Indebtedness, or permit the holder(s) of such Indebtedness to accelerate the maturity of any such Indebtedness or require a redemption or other repurchase of such Indebtedness; or any such Indebtedness shall be otherwise declared to be due and payable (by acceleration or otherwise) or required to be prepaid, redeemed or otherwise repurchased by the Borrower or any of its Subsidiaries (other than by a regularly scheduled required prepayment) prior to the stated maturity thereof; or any such Indebtedness shall not be repaid at maturity (after taking into account grace and cure periods).

(f) Involuntary Bankruptcy; Appointment of Receiver, Etc.

(i) An involuntary case shall be commenced against the Company, the Borrower or any of its Subsidiaries to which $25,000,000 or more of the Combined Equity Value is attributable, and the petition shall not be dismissed, stayed, bonded or discharged within sixty (60) days after commencement of the case; or a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Company, the Borrower or any such Subsidiaries of the Borrower in an involuntary case, under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect; or any other similar relief shall be granted under any applicable federal, state, local or foreign law; or the respective board of directors of the Company, or General Partner or Limited Partners of the Borrower or the board of directors or partners of any such Subsidiaries of the Borrower (or any committee thereof) adopts any resolution or otherwise authorizes any action to approve any of the foregoing.

(ii) A decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over the Company, the Borrower or any of their Subsidiaries to which $25,000,000 or more of the Combined Equity Value is attributable, or over all or a substantial part of the Property of the Company, the Borrower or any of such Subsidiaries shall be entered; or an interim receiver, trustee or other custodian of the Company, the Borrower or any of such Subsidiaries or of all or a substantial part of the Property of the Company, the Borrower or any of such Subsidiaries shall be appointed or a warrant of attachment, execution or similar process against any substantial part of the Property of any of the Company, the Borrower, or any of such Subsidiaries shall be issued and any such

event shall not be stayed, dismissed, bonded or discharged within sixty (60) days after entry, appointment or issuance; or the respective board of directors of any of the Company or General Partners or Limited Partners of the Borrower or the board of directors or partners of any of Borrower's Subsidiaries (or any committee thereof) adopts any resolution or otherwise authorizes any action to approve any of the foregoing.

(g) Voluntary Bankruptcy; Appointment of Receiver. Etc. The Company, the Borrower or any of their Subsidiaries to which $25,000,000 or more of the Combined Equity Value is attributable, shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its Property; or the Company, the Borrower or any of such Subsidiaries shall make any assignment for the benefit of creditors or shall be unable or fail, or admit in writing its inability, to pay its debts as such debts become due.

(h) Judgments and Unpermitted Liens.

(i) Any money judgment (other than a money judgment covered by insurance as to which the insurance company has acknowledged coverage), writ or warrant of attachment, or similar process against the Borrower or any of its Subsidiaries or any of their respective assets involving in any case an amount in excess of $5,000,000 (other than with respect to Claims arising out of non-recourse Indebtedness) is entered and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty (60) days or in any event later than five (5) days prior to the date of any proposed sale thereunder.

(ii) A federal, state, local or foreign tax Lien is filed against the Borrower which is not discharged of record, bonded over or otherwise secured to the satisfaction of the Administrative Agent within sixty (60) days after the filing thereof or the date upon which the Administrative Agent receives actual knowledge of the filing thereof for an amount which, either separately or when aggregated with the amount of any judgments described in clause (i) above, equals or exceeds $5,000,000.

(iii) An Environmental Lien is filed against any Project with respect to Claims in an amount which, either separately or when

aggregated with the amount of all other such Environmental Liens, equals or exceeds $5,000,000.

(i) Dissolution. Any order, judgment or decree shall be entered against the Borrower or any Guarantor decreeing its involuntary dissolution or split up; or the Borrower or any Guarantor shall otherwise dissolve or cease to exist except as specifically permitted by this Agreement.

(j) Loan Documents. At any time, for any reason, any Loan Document ceases to be in full force and effect or the Borrower or any Guarantor seeks to repudiate its obligations thereunder.

(k) ERISA Termination Event. Any ERISA Termination Event occurs which the Administrative Agent believes could subject any of the Borrower or any ERISA Affiliate to liability in excess of $500,000.

(l) Waiver Application. The plan administrator of any Benefit Plan applies under Section 412 (d) of the Internal Revenue Code for a waiver of the minimum funding standards of Section 412 (a) of the Internal Revenue Code and the Administrative Agent believes that the substantial business hardship upon which the application for the waiver is based could subject either the Borrower or any ERISA Affiliate to liability in excess of $500,000.

(m) Material Adverse Effect. An event shall occur which has a Material Adverse Effect.

(n) Certain Defaults Pertaining to the Company. The Company shall fail to comply with Sections 9.9, or 7.1(a)(ii), (b), (d), (l), or (o).

(o) Merger or Liquidation of the Company, the Borrower. The Company shall merge or liquidate with or into any other Person and, as a result thereof and after giving effect thereto, (i) the Company is not the surviving Person or (ii) such merger or liquidation would effect an acquisition of or Investment in any Person not otherwise permitted under the terms of this Agreement. The Borrower shall merge or liquidate with or into any other Person and, as a result thereof and after giving effect thereto, (i) the Borrower is not the surviving Person or (ii) such merger or liquidation would effect an acquisition of or Investment in any Person not otherwise permitted under the terms of this Agreement.

An Event of Default shall be deemed "continuing" until cured or waived in writing in accordance with Section 14.7.

11.2. RIGHTS AND REMEDIES.

(a) Acceleration and Termination. Upon the occurrence of any Event of Default described in Sections 11.1(f) or 11.1(g), the Revolving Credit Commitments shall automatically and immediately terminate and the unpaid principal amount of, and any and all accrued interest on, the Obligations and all accrued fees and other Obligations shall automatically become immediately due and payable, without presentment, demand, or protest or other requirements of any kind (including, without limitation, valuation and appraisement, diligence, presentment, notice of intent to demand or accelerate and of acceleration), all of which are hereby expressly waived by the Borrower, and, upon the occurrence and during the continuance of any other Event of Default, the Administrative Agent shall at the request, or may with the consent, of the Lenders whose Pro Rata Shares, in the aggregate, are greater than fifty-one percent (51%), by written notice to the Borrower, (i) declare that the Revolving Credit Commitments are terminated, whereupon the Revolving Credit Commitments and the obligation of each Lender to make any Loan hereunder and of each Lender to issue or participate in any Letter of Credit not then issued shall immediately terminate, and/or (ii) declare the unpaid principal amount of and any and all accrued and unpaid interest on the Obligations and all other Obligations to be, and the same shall thereupon be, immediately due and payable, without presentment, demand, or protest or other requirements of any kind (including, without limitation, valuation and appraisement, diligence, presentment, notice of intent to demand or accelerate and of acceleration), all of which are hereby expressly waived by the Borrower and/or (iii) require the Borrower to provide cash collateral for all Reimbursement Obligations.

(b) Rescission. If at any time after termination of the Revolving Credit Commitments and/or acceleration of the maturity of the Loans, the Borrower shall pay all arrears of interest and all payments on account of principal of the Loans and Reimbursement Obligations which shall have become due otherwise than by acceleration (with interest on principal and, to the extent permitted by law, on overdue interest, at the rates specified in this Agreement) and all Events of Default and Potential Events of Default (other than nonpayment of principal of and accrued interest on the Loans due and payable solely by virtue of acceleration) shall be remedied or waived pursuant to Section 14.7, then upon the written consent of the Requisite Lenders and written notice to the Borrower, the termination of the Revolving Credit Commitments and/or the acceleration and their consequences may be rescinded and annulled; but such action shall not affect any subsequent Event of Default or Potential Event of Default or impair any right or remedy consequent thereon. The provisions of the preceding sentence are intended merely to bind the Lenders to a decision which may be made at the election of the Requisite Lenders; they are not intended to benefit the Borrower and do not give the Borrower the right to require the

Lenders to rescind or annul any acceleration hereunder, even if the conditions set forth herein are met.

(c) Enforcement. The Borrower acknowledges that in the event the Borrower, the Guarantors or any of their Subsidiaries fails to perform, observe or discharge any of their respective obligations or liabilities under this Agreement or any other Loan Document, any remedy of law may prove to be inadequate relief to the Administrative Agent, the Arrangers and the Lenders; therefore, the Borrower agrees that the Administrative Agent, the Arrangers and the Lenders shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

ARTICLE XII.
THE AGENTS

12.1. APPOINTMENT. (a) Each Lender hereby designates and appoints Chase as the Administrative Agent, UBSW as the Syndication Agent, Deutsche Bank as the Documentation Agent and the Arrangers as the Arrangers of such Lender under this Agreement, and each Lender hereby irrevocably authorizes the Administrative Agent, the other Agents and the Arrangers to take such actions on its behalf under the provisions of this Agreement and the Loan Documents and to exercise such powers in each case only as are set forth herein or therein together with such other powers as are reasonably incidental thereto. The Administrative Agent, the other Agents and the Arrangers each agrees to act as such on the express conditions contained in this Article XII.

(b) The provisions of this Article XII are solely for the benefit of the Administrative Agent, the Syndication Agent, the Documentation Agent, the Arrangers and the Lenders, and neither the Borrower, the Company nor any Subsidiary of the Borrower shall have any rights to rely on or enforce any of the provisions hereof (other than as expressly set forth in Section 12.7). In performing its respective functions and duties under this Agreement, the Administrative Agent, the Documentation Agent, the Syndication Agent, and each Arranger shall act solely as agents of the Lenders and do not assume and shall not be deemed to have assumed any obligation or relationship of agency, trustee or fiduciary with or for the Company, the Borrower or any Subsidiary of the Borrower. The Administrative Agent, the Documentation Agent, the Syndication Agent and each Arranger may perform any of their respective duties hereunder, or under the Loan Documents, by or through their respective agents or employees.

12.2. NATURE OF DUTIES. The Administrative Agent, the Documentation Agent, the Syndication Agent and the Arrangers shall not have any duties or responsibilities except those expressly set forth in this Agreement or in the Loan Documents. The duties of the Administrative Agent, the Documentation Agent, the Syndication Agent and the Arrangers shall be mechanical and administrative in nature. None of the Administrative Agent, the Documentation Agent, the Syndication Agent or any Arranger shall have by reason of this Agreement a fiduciary relationship in respect of any Lender. Nothing in this Agreement or any of the Loan Documents, expressed or implied, is intended to or shall be construed to impose upon the Administrative Agent, the Documentation Agent, the Syndication Agent or any Arranger any obligations in respect of this Agreement or any of the Loan Documents except as expressly set forth herein or therein. The Administrative Agent, the Documentation Agent, the Syndication Agent and each Arranger each hereby agrees that its duties shall include providing copies of documents received by such Agent from the Borrower which are reasonably requested by any Lender, furnishing copies of documents to each Lender, upon request, of documents sent by such Agent to the Borrower and promptly notifying each Lender upon its obtaining actual knowledge of the occurrence of any Event of Default hereunder. In addition, the Administrative Agent shall deliver to each Lender, promptly after receipt thereof, copies of those documents and reports received by it pursuant to Sections 8.2 (other than clause (b)(iv)), 8.3, 8.4, 8.7 and 8.12.

12.3. RIGHT TO REQUEST INSTRUCTIONS. The Administrative Agent, the Documentation Agent, the Syndication Agent and each Arranger may at any time request instructions from the Lenders with respect to any actions or approvals which by the terms of any of the Loan Documents such Agent is permitted or required to take or to grant, and such Agent shall be absolutely entitled to refrain from taking any action or to withhold any approval and shall not be under any liability whatsoever to any Person for refraining from any action or withholding any approval under any of the Loan Documents until it shall have received such instructions from those Lenders from whom such Agent is required to obtain such instructions for the pertinent matter in accordance with the Loan Documents. Without limiting the generality of the foregoing, such Agent shall take any action, or refrain from taking any action, which is permitted by the terms of the Loan Documents upon receipt of instructions from those Lenders from whom such Agent is required to obtain such instructions for the pertinent matter in accordance with the Loan Documents, provided, that no Lender shall have any right of action whatsoever against the Administrative Agent, the Documentation Agent, the Syndication Agent or any Arranger as a result of such Agent acting or refraining from acting under the Loan Documents in accordance with the

instructions of the Requisite Lenders or, where required by the express terms of this Agreement, a greater proportion of the Lenders.

12.4. RELIANCE. The Administrative Agent, the Documentation Agent, the Syndication Agent and each Arranger shall each be entitled to rely upon any written notices, statements, certificates, orders or other documents believed by it in good faith to be genuine and correct and to have been signed, sent or made by the proper Person, and with respect to all matters pertaining to this Agreement or any of the Loan Documents and its duties hereunder or thereunder, upon advice of legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it.

12.5. INDEMNIFICATION. To the extent that the Administrative Agent, the Documentation Agent, the Syndication Agent or any Arranger is not reimbursed and indemnified by the Borrower, the Lenders will reimburse and indemnify such Agent for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, and reasonable costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against it in any way relating to or arising out of the Loan Documents or any action taken or omitted by such Agent under the Loan Documents, in proportion to each Lender's Pro Rata Share. Notwithstanding anything to the contrary contained herein, the Administrative Agent, the Documentation Agent, the Syndication Agent or any Arranger shall not be indemnified to the extent such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs and expenses result from such Person's gross negligence, willful misconduct or breach of this Article XII. Such Agent agrees to refund to the Lenders any of the foregoing amounts paid to it by the Lenders which amounts are subsequently recovered by such Agent from the Borrower or any other Person on behalf of the Borrower. The obligations of the Lenders under this Section 12.5 shall survive the payment in full of the Loans, the Reimbursement Obligations and all other Obligations and the termination of this Agreement.

12.6. AGENTS INDIVIDUALLY. With respect to their respective Pro Rata Share of the Revolving Credit Commitments hereunder, if any, and the Loans made by them, if any, the Administrative Agent, the Documentation Agent, the Syndication Agent and the Arrangers shall have and may exercise the same rights and powers hereunder and are subject to the same obligations and liabilities as and to the extent set forth herein for any Lender. The terms "LENDERS" or "REQUISITE LENDERS" or any similar terms shall, unless the context clearly otherwise indicates, include Chase, UBS and Deutsche Bank, each in its respective individual capacity as a Lender or as one of the Requisite Lenders. Chase, Chase Securities Inc., UBSW, and each other Arranger and each of their respective Affiliates may accept deposits from,

lend money to, and generally engage in any kind of banking, trust or other business with the Borrower or any of its Subsidiaries as if Chase, Chase Securities Inc., and UBSW, were not acting as an Agent or Arranger pursuant hereto.

12.7. SUCCESSOR AGENTS.

(a) Resignation. Any Agent may resign from the performance of all its functions and duties hereunder at any time by giving at least thirty (30) Business Days' prior written notice to the Borrower and the Lenders, unless applicable law requires a shorter notice period or that there be no notice period, in which instance such applicable law shall control. Such resignation shall take effect upon the acceptance by a successor Agent of appointment pursuant to this Section 12.7.

(b) Appointment by Requisite Lenders. Upon any such resignation becoming effective, (i) if an Arranger shall then be acting with respect to this Agreement, such Arranger shall become the Administrative Agent or (ii) if no Arranger shall then be acting with respect to this Agreement, the Requisite Lenders shall have the right to appoint a successor Administrative Agent selected from among the Lenders with the prior written consent of the Borrower (so long as no Event of Default then exists), which consent shall not be unreasonably withheld.

(c) Appointment by Retiring Agent. If a successor Administrative Agent shall not have been appointed within the thirty (30) Business Day or shorter period provided in paragraph (a) of this Section 12.7, the retiring Agent shall then appoint a successor Agent who shall serve as Administrative Agent until such time, if any, as the Requisite Lenders appoint a successor Agent as provided above with the prior written consent of the Borrower (so long as no Event of Default then exists) which shall not be unreasonably withheld, provided, however, that such successor Administrative Agent shall have total assets of not less than $10,000,000,000.

(d) Rights of the Successor and Retiring Agents. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article XII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Agent under this Agreement.

12.8. RELATIONS AMONG THE LENDERS. Each Lender agrees that it will not take any legal action, nor institute any actions or proceedings, against the Borrower or any other obligor hereunder with respect to any of the Obligations, without the prior written consent of the Lenders. Without limiting the generality of the foregoing, no Lender may accelerate or otherwise enforce its portion of the obligations, or unilaterally terminate its Revolving Credit Commitment except in accordance with Section 11.2(a).

12.9. STANDARD OF CARE. The Administrative Agent, the Documentation Agent, the Syndication Agent and each Arranger shall administer the Loans in the same manner that such Agent administers loans made for its own account.

ARTICLE XIII.
YIELD PROTECTION

13.1. TAXES.

(a) Payment of Taxes. Any and all payments by the Borrower hereunder or under the Notes or other documents evidencing any Obligations of such Person shall be made, in accordance with Section 4.2, free and clear of and without reduction for any and all present or future taxes, levies, imposts, deductions, charges, withholdings, and all stamp or documentary taxes, excise taxes, ad valorem taxes and other taxes which arise from the execution, delivery or registration, or from payment or performance under, or otherwise with respect to, any of the Loan Documents or the Revolving Credit Commitments and all other liabilities with respect thereto excluding, in the case of each Lender, taxes imposed on or measured by net income or overall gross receipts and capital and franchise taxes imposed on it by (i) the United States, (ii) the Governmental Authority of the jurisdiction in which such Lender's Applicable Lending Office is located or any political subdivision thereof or (iii) the Governmental Authority in which such Person is organized, managed and controlled or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges and withholdings being hereinafter referred to as "TAXES"). Except as otherwise provided herein, if the Borrower shall be required by law to withhold or deduct any Taxes from or in respect of any sum payable hereunder or under any such Note or document to any Lender, (x) the sum payable to such Lender shall be increased as may be necessary so that after making all required withholding or deductions (including withholding or deductions applicable to additional sums payable under this Section 13.1) such Lender receives an amount equal to the sum it would have received had no such withholding or deductions been made, (y) the Borrower shall make such withholding or deductions, and (z) the Borrower shall pay the full amount

withheld or deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) Indemnification. Except as otherwise provided herein, the Borrower will indemnify each Lender against, and reimburse each Lender within ten (10) Business Days after written demand for, the full amount of all Taxes (including, without limitation, any Taxes imposed by any Governmental Authority on amounts payable under this Section 13.1 and any additional income or franchise taxes resulting therefrom) incurred or paid by such Lender and any liability (including penalties, interest, and out-of-pocket expenses paid to third parties) arising therefrom or with respect thereto, whether or not such Taxes were lawfully payable, to the extent not paid by the Borrower pursuant to this Section 13.1. A certificate as to any additional amount payable to any Person under this Section 13.1 submitted by it to the Borrower shall, absent manifest error, be final, conclusive and binding upon all parties hereto. Each Lender agrees, within a reasonable time after receiving a written request from the Borrower, to provide the Borrower and the Administrative Agent with such certificates and other documents as are reasonably required, and take such other actions as are reasonably necessary to claim such exemptions as such Lender may be entitled to claim in respect of all or a portion of any Taxes which are otherwise required to be paid or deducted or withheld pursuant to this Section 13.1 in respect of any payments under this Agreement or under the other Loan Documents. If any Lender receives any refund with respect to any Taxes, such Lender shall promptly remit such refund to the Borrower.

(c) Receipts. Within thirty (30) days after the date of any payment of Taxes by the Borrower, the Borrower will furnish to the Administrative Agent, at its address referred to in Section 14.8, the original or a certified copy of a receipt evidencing payment thereof.

(d) Foreign Bank Certifications. (i) Each Lender that is not created or organized under the laws of the United States or a political subdivision thereof shall deliver to each of the Borrower and the Administrative Agent on the Closing Date or the date on which such Lender becomes a Lender pursuant to Section 14.1 hereof a true and accurate certificate executed in duplicate by a duly authorized officer of such Lender to the effect that such Lender is eligible to receive payments hereunder and under the Notes without deduction or withholding of United States federal income tax (I) under the provisions of an applicable tax treaty concluded by the United States (in which case the certificate shall be accompanied by two duly completed copies of IRS Form 1001 (or any successor or substitute form or forms, including W-8ECI)) or (II) under Sections 1442(c)(1) and 1442(a) of the Internal Revenue Code (in which case the certificate shall be

accompanied by two duly completed copies of IRS Form 4224 (or any successor or substitute form or forms, including W-8BEN)).

(ii) Each Lender referred to in Section 13.1(d)(i) further agrees to deliver to each of the Borrower and the Administrative Agent from time to time, a true and accurate certificate executed in duplicate by a duly authorized officer of such Lender before or promptly upon the occurrence of any event requiring a change in the most recent certificate previously delivered by it to the Borrower and the Administrative Agent pursuant to this Section 13.1(d). Each certificate required to be delivered pursuant to this Section 13.1(d)(ii) shall certify as to one of the following:

(A) that such Lender can continue to receive payments hereunder and under the Notes without deduction or withholding of United States federal income tax;

(B) that such Lender cannot continue to receive payments hereunder and under the Notes without deduction or withholding of United States federal income tax as specified therein but does not require additional payments pursuant to Section 13.1(a) because it is entitled to recover the full amount of any such deduction or withholding from a source other than the Borrower; or

(C) that such Lender is no longer capable of receiving payments hereunder and under the Notes without deduction or withholding of United States federal income tax as specified therein and that it is not capable of recovering the full amount of the same from a source other than the Borrower.

Each such Lender agrees to deliver to each of the Borrower and the Administrative Agent further duly completed copies of the above-mentioned IRS forms on or before the earlier of (x) the date that any such form expires or becomes obsolete or otherwise is required to be resubmitted as a condition to obtaining an exemption from withholding from United States federal income tax and (y) fifteen (15) days after the occurrence of any event requiring a change in the most recent form previously delivered by such Lender to the Borrower and Administrative Agent, unless any change in treaty, law, regulation, or official interpretation thereof which would render such form inapplicable or which would prevent such Lender from duly completing and delivering such form has occurred prior to the date on which any such delivery would otherwise be required and such Lender promptly advises the Borrower that it is not capable of receiving payments hereunder and under the Notes without any deduction or withholding of United States federal income tax.

(iii) Notwithstanding anything to the contrary contained in this Section 13.1, the Borrower will not be required to make any additional payment to or for the account of any Lender under Section 13.1(a) or (b) by reason of (x) a breach by such Lender of any certification or representation set forth in any form furnished to the Borrower under this Section 13.1(d), or (y) such Lender's failure or inability to furnish, if required to do so, under this Section 13.1(d) an original of an extension or renewal of a Form 1001 or Form 4224 (or successor form, including W-8ECI or W-8BEN), as applicable, unless such failure or inability results from a change (after the date such Lender became a Lender party hereto) in any applicable law or regulation or in the interpretation thereof by any regulatory authority (including without limitation any change in any applicable tax treaty).

13.2. INCREASED CAPITAL. If after the date hereof any Lender determines that (i) the adoption or implementation of or any change in or in the interpretation or administration of any law or regulation or any guideline or request from any central bank or other Governmental Authority or quasi-governmental authority exercising jurisdiction, power or control over any Lender or banks or financial institutions generally (whether or not having the force of law), compliance with which affects the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender and (ii) the amount of such capital is increased by or based upon (A) the making or maintenance by any Lender of its Loans, any Lender's participation in or obligation to participate in the Loans, Letters of Credit or other advances made hereunder or the existence of any Lender's obligation to make Loans or (B) the issuance or maintenance by any Lender of, or the existence of any Lender's obligation to issue, Letters of Credit, then, in any such case, within ten (10) Business Days after written demand by such Lender (with a copy of such demand to the Administrative Agent), the Borrower shall immediately pay to the Administrative Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender or such corporation therefor. Such demand shall be accompanied by a statement as to the amount of such compensation and include a brief summary of the basis for such demand. Such statement shall be conclusive and binding for all purposes, absent manifest error.

13.3. CHANGES; LEGAL RESTRICTIONS. If after the date hereof any Lender determines that the adoption or implementation of or any change in or in the interpretation or administration of any law or regulation or any guideline or request from any central bank or other Governmental Authority or quasi-governmental authority exercising jurisdiction, power or control over

any Lender, or over banks or financial institutions generally (whether or not having the force of law), compliance with which:

(a) subjects a Lender (or its Applicable Lending Office or Eurodollar Affiliate) to charges (other than taxes) of any kind which such Lender reasonably determines to be applicable to the Revolving Credit Commitments of the Lenders to make Eurodollar Rate Loans or issue and/or participate in Letters of Credit or change the basis of taxation of payments to that Lender of principal, fees, interest, or any other amount payable hereunder with respect to Eurodollar Rate Loans, Competitive Bid Loans or Letters of Credit (other than taxes excluded in Section 13.1(a) hereof); or

(b) imposes, modifies, or holds applicable, in the determination of a Lender, any reserve, special deposit, compulsory loan, FDIC insurance or similar requirement against assets held by, or deposits or other liabilities (including those pertaining to Letters of Credit) in or for the account of, advances or loans by, commitments made, or other credit extended by, or any other acquisition of funds by, a Lender or any Applicable Lending Office or Eurodollar Affiliate of that Lender in respect of Eurodollar Loans or Letters of Credit;

and the result of any of the foregoing is to increase the cost to that Lender of making, renewing or maintaining the Loans or its Revolving Credit Commitment or issuing or participating in the Letters of Credit or to reduce any amount receivable thereunder; then, in any such case, within ten (10) Business Days after written demand by such Lender (with a copy of such demand to the Administrative Agent), the Borrower shall immediately pay to the Administrative Agent for the account of such Lender, from time to time as specified by such Lender, such amount or amounts as may be necessary to compensate such Lender or its Eurodollar Affiliate for any such additional cost incurred or reduced amount received. Such demand shall be accompanied by a statement as to the amount of such compensation and include a brief summary of the basis for such demand. Such statement shall be conclusive and binding for all purposes, absent manifest error.

13.4. REPLACEMENT OF CERTAIN LENDERS. In the event a Lender (a "DESIGNATED LENDER") shall have (i) requested additional compensation from the Borrower under Section 13.1 or under Section 13.2 or under Section 13.3, (ii) failed to make its Pro Rata Share of any Loan requested to be made hereby or (iii) failed to make any Loan at the Eurodollar Rate, the Borrower may, at its sole election, make written demand on such Designated Lender (with a copy to the Administrative Agent) for the Designated Lender to assign, and such Designated Lender shall assign pursuant to one or more

duly executed Assignment and Acceptances to one or more Eligible Assignees which the Borrower or the Administrative Agent shall have identified for such purpose, all of such Designated Lender's right and obligations under this Agreement, the Notes and the other Loan Documents (including, without limitation, its Revolving Credit Commitment, all Loans owing to it, and all of its participation interests in Letters of Credit and all other Obligations owing to it) in accordance with Section 14.1. All out-of-pocket expenses incurred by the Administrative Agent in connection with the foregoing shall be for the sole account of the Borrower and shall constitute Obligations hereunder. In no event shall Borrower's election under the provisions of this Section 13.4 affect its obligation to pay the additional compensation required under either Section 13.1, Section 13.2 or Section 13.3.

13.5. MITIGATION. Each Lender shall notify the Borrower of any event occurring after the date of this Agreement entitling such Lender to compensation under Sections 13.1, 13.2 or 13.3 as promptly as practicable, but in any event, within 45 days, after such Lender obtains actual knowledge thereof; provided that (i) if any Lender fails to give such notice within 45 days after it obtains actual knowledge of such an event, such Lender shall, with respect to compensation payable pursuant to Sections 13.1, 13.2 or 13.3 in respect of any costs resulting from such event, only be entitled to payment under Sections 13.1, 13.2 or 13.3 for costs incurred from and after the date 45 days prior to the date that such Lender does give such notice and (ii) each Lender will designate a different Applicable Lending Office for the Loans of such Lender affected by such event if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the reasonable judgment of such Lender, be disadvantageous to such Lender.

ARTICLE XIV.
MISCELLANEOUS

14.1. ASSIGNMENTS AND PARTICIPATIONS.

(a) Assignments. No assignments or participations of any Lender's rights or obligations under this Agreement shall be made except in accordance with this Section 14.1. Each Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all of its rights and obligations with respect to the Loans and the Letters of Credit) in accordance with the provisions of this Section 14.1.

(b) Limitations on Assignments. For so long as no Event of Default has occurred and is continuing, each assignment shall be subject to the following conditions: (i) each assignment shall be of a constant, and not a

varying, ratable percentage of all of the assigning Lender's rights and obligations under this Agreement and, in the case of a partial assignment to an assignee which is not a Lender or an Affiliate of a Lender, shall be in a minimum principal amount of $5,000,000 (and the assignor shall maintain a minimum amount of $5,000,000 for its own account unless the assignor shall assign or participate its entire interest), (ii) each such assignment shall be to an Eligible Assignee, (iii) each assignment to an assignee which is not a Lender or an Affiliate of a Lender shall be subject to the approval of the Administrative Agent and the Borrower (which approval of the Administrative Agent and the Borrower shall not be unreasonably withheld and which approval of the Borrower shall be deemed to have been given if the Borrower fails to object to such proposed assignment within five (5) Business Days of its receipt of a request for approval), and (iv) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance. Upon the occurrence and continuance of an Event of Default, none of the foregoing restrictions on assignments shall apply, provided, however, that while an Event of Default (other than an Event of Default that shall have required that the Administrative Agent shall have delivered a notice of the underlying default) shall be continuing but prior to acceleration of the Loans, the applicable Lender shall give the Borrower five (5) days written notice by telecopy of its intention to assign any or all of its interest in this Agreement. Upon such execution, delivery, acceptance and recording in the Register, from and after the effective date specified in each Assignment and Acceptance and agreed to by the Administrative Agent, (A) the assignee thereunder shall, in addition to any rights and obligations hereunder held by it immediately prior to such effective date, if any, have the rights and obligations hereunder that have been assigned to it pursuant to such Assignment and Acceptance and shall, to the fullest extent permitted by law, have the same rights and benefits hereunder as if it were an original Lender hereunder, (B) the assigning Lender shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of such assigning Lender's rights and obligations under this Agreement, the assigning Lender shall cease to be a party hereto, except as otherwise provided in Section 14.9) and (C) the Borrower shall execute and deliver to the assignee thereunder a Note evidencing its obligations to such assignee with respect to the Loans.

(c) The Register. The Administrative Agent shall maintain at its address referred to in Section 14.8 a copy of each Assignment and Acceptance delivered to and accepted by it and a register (the "REGISTER") for the recordation of the names and addresses of the Lenders, the Revolving

Credit Commitment of, and the principal amount of the Loans under the Revolving Credit Commitments owing to, each Lender from time to time and whether such Lender is an original Lender or the assignee of another Lender pursuant to an Assignment and Acceptance. The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Administrative Agent and the other Lenders and each other party to a Loan Document may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Fee. Upon its receipt of an Assignment and Acceptance executed by the assigning Lender and an Assignee and a processing and recordation fee of $3,500 (payable by the assignee to the Administrative Agent), the Administrative Agent shall, if such Assignment and Acceptance has been completed and is in compliance with this Agreement and in substantially the form of EXHIBIT A hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower.

(e) Participations. Each Lender may sell participations to one or more other financial institutions or other Person in or to all or a portion of its rights and obligations under and in respect of any and all facilities under this Agreement (including, without limitation, all or a portion of its Revolving Credit Commitment hereunder and the Committed Loans owing to it and its undivided interest in the Letters of Credit); provided, however, that (i) such Lender's obligations under this Agreement (including, without limitation, its Revolving Credit Commitment hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, (iv) each participation (other than a participation to an Affiliate) shall be in a minimum amount of $5,000,000, and (v) such participant's rights to agree or to restrict such Lender's ability to agree to the modification, waiver or release of any of the terms of the Loan Documents, to consent to any action or failure to act by any party to any of the Loan Documents or any of their respective Affiliates, or to exercise or refrain from exercising any powers or rights which any Lender may have under or in respect of the Loan Documents, shall be limited to the right to consent to any (A) increase in the Revolving Credit Commitment of the Lender from whom such participant purchased a participation, (B) reduction of the principal of, or rate or amount of interest on the Loans subject to such participation (other than by the payment or prepayment

thereof), (C) postponement of any date fixed for any payment of principal of, or interest on, the Loans) subject to such participation and (D) release of any guarantor of the Obligations. Participations by a Person in a Competitive Bid Loan of any Lender shall not be deemed "participations" for purposes of this Section 14.1(e) and shall not be subject to the restrictions on "participations" contained herein.

(f) Any Lender (each, a "DESIGNATING LENDER") may at any time designate one Designated Bank to fund Competitive Bid Loans on behalf of such Designating Lender subject to the terms of this Section 14.1(f) and the provisions in Section 14.1(b) and (e) shall not apply to such designation. No Lender may designate more than one (1) Designated Bank. The parties to each such designation shall execute and deliver to the Administrative Agent for its acceptance a Designation Agreement. Upon such receipt of an appropriately completed Designation Agreement executed by a Designating Lender and a designee representing that it is a Designated Bank, the Administrative Agent will accept such Designation Agreement and will give prompt notice thereof to the Borrower, whereupon, (i) the Borrower shall execute and deliver to the Designating Bank a Designated Bank Note payable to the order of the Designated Bank, (ii) from and after the effective date specified in the Designation Agreement, the Designated Bank shall become a party to this Agreement with a right to make Competitive Bid Loans on behalf of its Designating Lender pursuant to Section 2.2 after the Borrower has accepted a Competitive Bid Loan (or portion thereof) of the Designating Lender, and (iii) the Designated Bank shall not be required to make payments with respect to any obligations in this Agreement except to the extent of excess cash flow of such Designated Bank which is not otherwise required to repay obligations of such Designated Bank which are then due and payable; provided, however, that regardless of such designation and assumption by the Designated Bank, the Designating Lender shall be and remain obligated to the Borrower, the Administrative Agent, the Syndication Agent, the Documentation Agent and the other Lenders for each and every of the obligations of the Designating Lender and its related Designated Bank with respect to this Agreement, including, without limitation, any indemnification obligations under Section 12.5 hereof and any sums otherwise payable to the Borrower by the Designated Bank. Each Designating Lender shall serve as the administrative agent of the Designated Bank and shall on behalf of, and to the exclusion of, the Designated Bank: (i) receive any and all payments made for the benefit of the Designated Bank and (ii) give and receive all communications and notices and take all actions hereunder, including, without limitation, votes, approvals, waivers, consents and amendments under or relating to this Agreement and the other Loan Documents. Any such notice, communication, vote, approval, waiver, consent or amendment shall be signed by the Designating Lender as administrative

agent for the Designated Bank and shall not be signed by the Designated Bank on its own behalf but shall be binding on the Designated Bank to the same extent as if actually signed by the Designated Bank. The Borrower, the Administrative Agent, the Documentation Agent, the Syndication Agent and Lenders may rely thereon without any requirement that the Designated Bank sign or acknowledge the same. No Designated Bank may assign or transfer all or any portion of its interest hereunder or under any other Loan Document, other than assignments to the Designating Lender which originally designated such Designated Bank.

(g) Information Regarding the Borrower. Any Lender may, subject to the provisions of Section 14.22, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 14.1, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower or its Subsidiaries furnished to such Lender by the Administrative Agent or by or on behalf of the Borrower.

(h) Payment to Participants. Anything in this Agreement to the contrary notwithstanding, in the case of any participation, all amounts payable by the Borrower under the Loan Documents shall be calculated and made in the manner and to the parties required hereby as if no such participation had been sold.

(i) Lenders' Creation of Security Interests. Notwithstanding any other provision set forth in this Agreement, any Lender may at any time create a security interest in all or any portion of its rights under this Agreement (including, without limitation, Obligations owing to it and any Note held by it) in favor of any Federal Reserve bank in accordance with Regulation A.

14.2. EXPENSES.

(a) Generally. The Borrower agrees promptly upon demand to pay, or reimburse the Administrative Agent for the reasonable fees, expenses and disbursements of counsel to the Administrative Agent (but not of other legal counsel) and for all other reasonable out-of-pocket costs and expenses incurred by the Administrative Agent, the Syndication Agent or each Arranger in connection with (i) the preparation, negotiation, and execution of the Loan Documents; (ii) the preparation, negotiation, execution, syndication and interpretation of this Agreement (including, without limitation, the satisfaction or attempted satisfaction of any of the conditions set forth in Article VI), the Loan Documents, and the making of the Loans hereunder; (iii) any amendments, consents, waivers, assignments, restatements, or supplements to any of the Loan Documents and the preparation, negotiation, and execution of the same; and (iv) any other amendments, modifications, agreements, assignments,

restatements or supplements to any of the Loan Documents requested by Borrower and the preparation, negotiation, and execution of the same.

(b) After Default. The Borrower further agrees to pay or reimburse the Administrative Agent, the Arrangers and each of the Lenders upon demand for all reasonable out-of-pocket costs and expenses, including, without limitation, reasonable attorneys' fees (including allocated costs of internal counsel and costs of settlement) incurred by the such entity after the occurrence and during the continuance of an Event of Default (i) in enforcing any Loan Document or Obligation, the collection of any Obligation or exercising or enforcing any other right or remedy available by reason of such Event of Default; or (ii) in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work-out" or in any insolvency or bankruptcy proceeding; (iii) in commencing, defending or intervening in any litigation or in filing a petition, complaint, answer, motion or other pleadings in any legal proceeding relating to the Obligations, a Project, or any of the Consolidated Businesses and related to or arising out of the transactions contemplated hereby or by any of the other Loan Documents; and (iv) in taking any other action in or with respect to any suit or proceeding (bankruptcy or otherwise) described in clauses (i) through (iii) above.

14.3. INDEMNITY. The Borrower further agrees (a) to defend, protect, indemnify, and hold harmless the Administrative Agent, the Arrangers and each and all of the Lenders and each of their respective officers, directors, employees, attorneys and agents (collectively, the "INDEMNITEES") from and against any and all liabilities, obligations, losses (other than loss of profits), damages, penalties, actions, judgments, suits, claims, reasonable costs, reasonable expenses and reasonable disbursements (excluding any taxes and including, without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitees shall be designated a party thereto), imposed on, incurred by, or asserted against such Indemnitees in any manner relating to or arising out of (i) this Agreement or the other Loan Documents, the making of the Loans and the issuance of and participation in Letters of Credit hereunder, the use or intended use of the proceeds of the Loans or Letters of Credit hereunder, or any of the other transactions contemplated by the Loan Documents, or (ii) any Liabilities and Costs relating to violation of any Environmental, Health or Safety Requirements of Law, the past, present or future operations of the Borrower, any of its Subsidiaries or any of their respective predecessors in

interest, or, the past, present or future environmental, health or safety condition of any respective Property of the Borrower or any of its Subsidiaries, the presence of asbestos-containing materials at any respective Property of the Borrower or any of its Subsidiaries, or the Release or threatened Release of any Contaminant into the environment (collectively, the "INDEMNIFIED MATTERS"); provided, however, the Borrower shall have no obligation to an Indemnitee hereunder with respect to Indemnified Matters caused by or resulting from the willful misconduct or gross negligence of such Indemnitee, as determined by a court of competent jurisdiction in a non-appealable final judgment; and provided further that payment of the costs of preparation of the Loan Documents shall be governed by Section 14.2(a) hereof; and (b) not to assert any claim against any of the Indemnitees, on any theory of liability, for consequential or punitive damages arising out of, or in any way in connection with, the Revolving Credit Commitments, the Obligations, or the other matters governed by this Agreement and the other Loan Documents. To the extent that the undertaking to indemnify, pay and hold harmless set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, the Borrower shall contribute the maximum portion which it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all Indemnified Matters incurred by the Indemnitees.

14.4. CHANGE IN ACCOUNTING PRINCIPLES. If any change in the accounting principles used in the preparation of the most recent financial statements referred to in Sections 8.1 or 8.2 are hereafter required or permitted by the rules, regulations, pronouncements and opinions of the Financial Accounting Standards Board or the American Institute of Certified Public Accountants (or successors thereto or agencies with similar functions) and are adopted by the Company or the Borrower as applicable, with the agreement of its independent certified public accountants and such changes result in a change in the method of calculation of any of the covenants, standards or terms found in Article X, the parties hereto agree to enter into negotiations in order to amend such provisions so as to equitably reflect such changes with the desired result that the criteria for evaluating compliance with such covenants, standards and terms by the Borrower shall be the same after such changes as if such changes had not been made; provided, however, no change in GAAP that would affect the method of calculation of any of the covenants, standards or terms shall be given effect in such calculations until such provisions are amended, in a manner satisfactory to the Administrative Agent and the Borrower, to so reflect such change in accounting principles.

14.5. INTENTIONALLY OMITTED.

14.6. RATABLE SHARING. The Lenders agree among themselves that (i) with respect to all amounts received by them which are applicable to the payment of the Obligations (excluding the repayment of Competitive Bid Loans to a particular Competitive Bid Lender and the costs, fees and other payments described in Sections 3.1(g), 5.2(f), and 5.3, Article XIII and Section 14.1) equitable adjustment will be made so that, in effect, all such amounts will be shared among them ratably in accordance with their Pro Rata Shares, whether received by voluntary payment, by the exercise of the right of setoff or banker's lien, by counterclaim or cross-action or by the enforcement of any or all of the Obligations (excluding the repayment of Competitive Bid Loans to a particular Competitive Bid Lender and the costs, fees and other payments described in Sections 3.1(g), 5.2(f), and 5.3, Article XIII and Section 14.1), (ii) if any of them shall by voluntary payment or by the exercise of any right of counterclaim, setoff, banker's lien or otherwise, receive payment of a proportion of the aggregate amount of the Obligations held by it, which is greater than the amount which such Lender is entitled to receive hereunder, the Lender receiving such excess payment shall purchase, without recourse or warranty, an undivided interest and participation (which it shall be deemed to have done simultaneously upon the receipt of such payment) in such Obligations owed to the others so that all such recoveries with respect to such obligations shall be applied ratably in accordance with their Pro Rata Shares; provided, however, that if all or part of such excess payment received by the purchasing party is thereafter recovered from it, those purchases shall be rescinded and the purchase prices paid for such participations shall be returned to such party to the extent necessary to adjust for such recovery, but without interest except to the extent the purchasing party is required to pay interest in connection with such recovery. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 14.6 may, to the fullest extent permitted by law, exercise all its rights of payment with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

14.7. AMENDMENTS AND WAIVERS.

(a) General Provisions. Unless otherwise provided for or required in this Agreement, no amendment or modification of any provision of this Agreement or any of the other Loan Documents shall be effective without the written agreement of the Requisite Lenders (which the Requisite Lenders shall have the right to grant or withhold in their sole discretion) and the Borrower; provided, however, that the Borrower's agreement shall not be required for any amendment or modification of Sections 12.1 through 12.8 (other than Section 12.7). In the event that the Administrative Agent shall request the agreement of the Lenders to any amendment, modification or waiver, if any Lender shall fail to respond to any such request within fifteen

(15) days after receipt of such request, such Lender's approval thereto shall be deemed to have been given; provided, however, that such request shall state, in capital letters that "FAILURE TO RESPOND TO THIS REQUEST WITHIN FIFTEEN (15) DAYS AFTER RECEIPT, SHALL BE DEEMED CONSENT TO THE ENCLOSED REQUEST". No termination or waiver of any provision of this Agreement or any of the other Loan Documents, or consent to any departure by the Borrower therefrom, shall be effective without the written concurrence of the Requisite Lenders, which the Requisite Lenders shall have the right to grant or withhold in their sole discretion. All amendments, waivers and consents not specifically reserved to the Administrative Agent, the Arrangers or the Lenders in Section 14.7(b), 14.7(c), and in other provisions of this Agreement shall require only the approval of the Requisite Lenders. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances. Notwithstanding the foregoing, no amendment, waiver or consent shall, unless in writing and signed by the Designating Lender on behalf of its Designated Bank affected thereby, (a) subject such Designated Bank to any additional obligations, (b) reduce the principal of, interest on, or other amounts due with respect to, the Designated Bank Note made payable to such Designated Bank, or (c) postpone any date fixed for any payment of principal of, or interest on, or other amounts due with respect to the Designated Bank Note made payable to the Designated Bank.

(b) Amendments, Consents and Waivers by Affected Lenders. Any amendment, modification, termination, waiver or consent with respect to any of the following provisions of this Agreement shall be effective only by a written agreement, signed by each Lender affected thereby as described below:

(i) waiver of any of the conditions specified in Sections 6.1 and 6.2 (except with respect to a condition based upon another provision of this Agreement, the waiver of which requires only the concurrence of the Requisite Lenders),

(ii) increase in the amount of such Lender's Revolving Credit Commitment,

(iii) reduction of the principal of, or the rate or amount of interest on, the Loans or the Reimbursement Obligations, or any fees or other amounts payable to such Lender (other than by the payment or prepayment thereof), and

(iv) postponement or extension of any date (other than the Revolving Credit Termination Date postponement or extension of which is governed by Section 14.7(c)(i)) fixed for any payment of principal of, or interest on, the Loans or the Reimbursement Obligations or any fees or other amounts payable to such Lender (except with respect to any modifications of the application provisions relating to prepayments of Loans and other Obligations which are governed by Section 4.2(b)).

(c) Amendments, Consents and Waivers by All Lenders. Any amendment, modification, termination, waiver or consent with respect to any of the following provisions of this Agreement shall be effective only by a written agreement, signed by each Lender:

(i) postponement of the Revolving Credit Termination Date, or increase in the Maximum Revolving Credit Amount to any amount in excess of $575,000,000,

(ii) change in the definition of Requisite Lenders or in the aggregate Pro Rata Share of the Lenders which shall be required for the Lenders or any of them to take action hereunder or under the other Loan Documents,

(iii) amendment of Section 14.6 or this Section 14.7,

(iv) assignment of any right or interest in or under this Agreement or any of the other Loan Documents by the Borrower,

(v) waiver of any Event of Default under Section 11.1(a), Section 11.1(f) or Section 11.1(g), and

(vi) amendment or release of the Guaranties, except in connection with the permitted sale of an Unencumbered Project by a Guarantor.

(d) Administrative Agent Authority. Subject to the second succeeding sentence of this subsection (d), the Administrative Agent may, but shall have no obligation to, with the written concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of that Lender. Notwithstanding anything to the contrary contained in this Section 14.7, no amendment, modification, waiver or consent shall affect the rights or duties of the Administrative Agent under this Agreement and the other Loan Documents, unless made in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action. Notwithstanding anything herein to the contrary, in the event that the Borrower shall have requested, in writing, that any Lender agree to an

amendment, modification, waiver or consent with respect to any particular provision or provisions of this Agreement or the other Loan Documents, and such Lender shall have failed to state, in writing, that it either agrees or disagrees (in full or in part) with all such requests (in the case of its statement of agreement, subject to satisfactory documentation and such other conditions it may specify) within fifteen (15) days after such request, then such Lender hereby irrevocably authorizes the Administrative Agent to agree or disagree, in full or in part, and in the Administrative Agent's sole discretion, to such requests on behalf of such Lender as such Lender's attorney-in-fact and to execute and deliver any writing approved by the Administrative Agent which evidences such agreement as such Lender's duly authorized agent for such purposes; provided, however, that such request shall state, in capital letters that "FAILURE TO RESPOND TO THIS REQUEST WITHIN FIFTEEN (15) DAYS AFTER RECEIPT, SHALL BE DEEMED AUTHORIZATION TO THE ADMINISTRATIVE AGENT WITH RESPECT TO THE ENCLOSED REQUEST".

14.8. NOTICES. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, sent by facsimile transmission or by courier service or United States certified mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a facsimile transmission, or four (4) Business Days after deposit in the United States mail with postage prepaid and properly addressed. Notices to the Administrative Agent pursuant to Articles II, IV or XII shall not be effective until received by the Administrative Agent. For the purposes hereof, the addresses of the parties hereto (until notice of a change thereof is delivered as provided in this Section 14.8) shall be as set forth below each party's name on the signature pages hereof or the signature page of any applicable Assignment and Acceptance, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties to this Agreement.

14.9. SURVIVAL OF WARRANTIES AND AGREEMENTS. All representations and warranties made herein and all obligations of the Borrower in respect of taxes, indemnification and expense reimbursement shall survive the execution and delivery of this Agreement and the other Loan Documents, the making and repayment of the Loans, the issuance and discharge of Letters of Credit hereunder and, in the case of any Lender that may assign any interest in its Revolving Credit Commitment, Loans or participation interests in Letters of Credit hereunder, shall survive the making of such assignment, notwithstanding that such assigning Lender may cease to be a "Lender" hereunder, and, except for the representations and warranties, the termination of this Agreement other than any of the

foregoing set forth in Section 13.1 or Section 13.2 or Section 13.3 or Section 5.2(f), which shall survive for thirty (30) days after termination of this Agreement.

14.10. FAILURE OR INDULGENCE NOT WAIVER; REMEDIES CUMULATIVE. No failure or delay on the part of the Administrative Agent or any Lender in the exercise of any power, right or privilege under any of the Loan Documents shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. All rights and remedies existing under the Loan Documents are cumulative to and not exclusive of any rights or remedies otherwise available.

14.11. PAYMENTS SET ASIDE. To the extent that the Borrower makes a payment or payments to the Administrative Agent, any Arranger or any Lender or any such Person exercises its rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all right and remedies therefor, shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

14.12. SEVERABILITY. In case any provision in or obligation under this Agreement or the other Loan Documents shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

14.13. HEADINGS. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement or be given any substantive effect.

14.14. GOVERNING LAW. THIS AGREEMENT SHALL BE INTERPRETED, AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED, IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ITS CONFLICT OF LAWS PRINCIPLES.

14.15. LIMITATION OF LIABILITY. No claim may be made by any Lender, any Arranger, the Administrative Agent, or any other Person against any Lender (acting in any capacity hereunder) or the Affiliates,

directors, officers, employees, attorneys or agents of any of them for any consequential or punitive damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement, or any act, omission or event occurring in connection therewith; and each Lender, each Arranger and the Administrative Agent hereby waives, releases and agrees not to sue upon any such claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

14.16. SUCCESSORS AND ASSIGNS. This Agreement and the other Loan Documents shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and permitted assigns of the Lenders. Except as otherwise provided in Section 10.6, the rights hereunder of the Borrower, or any interest therein, may not be assigned without the written consent of all Lenders.

14.17. CERTAIN CONSENTS AND WAIVERS OF THE BORROWER.

(a) Personal Jurisdiction. (i) EACH OF THE AGENTS, THE LENDERS, AND THE BORROWER IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF ANY NEW YORK STATE COURT OR FEDERAL COURT SITTING IN NEW YORK, NEW YORK, AND ANY COURT HAVING JURISDICTION OVER APPEALS OF MATTERS HEARD IN SUCH COURTS, IN ANY ACTION OR PROCEEDING ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT, WHETHER ARISING IN CONTRACT, TORT, EQUITY OR OTHERWISE, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE AGENTS, THE LENDERS AND THE BORROWER AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. EACH OF THE AGENTS, THE LENDERS, AND THE BORROWER WAIVES IN ALL DISPUTES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT CONSIDERING THE DISPUTE.

(ii) THE BORROWER AGREES THAT THE ADMINISTRATIVE AGENT SHALL HAVE THE RIGHT TO PROCEED AGAINST THE BORROWER OR ITS PROPERTY IN A COURT IN ANY LOCATION NECESSARY OR APPROPRIATE TO ENABLE THE ADMINISTRATIVE AGENT AND THE LENDERS TO ENFORCE A JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF THE ADMINISTRATIVE AGENT OR ANY LENDER. THE BORROWER WAIVES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT IN WHICH THE ADMINISTRATIVE AGENT OR ANY LENDER MAY COMMENCE A PROCEEDING DESCRIBED IN THIS SECTION.

(b) Service of Process. THE BORROWER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE BORROWER'S PROCESS AGENT OR THE BORROWER'S NOTICE ADDRESS SPECIFIED BELOW, SUCH SERVICE TO BECOME EFFECTIVE UPON RECEIPT. THE BORROWER IRREVOCABLY WAIVES ANY OBJECTION (INCLUDING, WITHOUT LIMITATION, ANY OBJECTION OF THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS) WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY JURISDICTION SET FORTH ABOVE. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF THE ADMINISTRATIVE AGENT OR THE LENDERS TO BRING PROCEEDINGS AGAINST THE BORROWER IN THE COURTS OF ANY OTHER JURISDICTION.

(C) WAIVER OF JURY TRIAL. EACH OF THE AGENTS AND THE LENDERS AND THE BORROWER IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT.

14.18. COUNTERPARTS; EFFECTIVENESS; INCONSISTENCIES. This Agreement and any amendments, waivers, consents, or supplements hereto may be executed in counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. This Agreement shall become effective against the Borrower and each Agent and Lender on the Closing Date. This Agreement and each of the other Loan Documents shall

be construed to the extent reasonable to be consistent one with the other, but to the extent that the terms and conditions of this Agreement are actually inconsistent with the terms and conditions of any other Loan Document, this Agreement shall govern.

14.19. LIMITATION ON AGREEMENTS. All agreements between the Borrower, the Administrative Agent, each Arranger and each Lender in the Loan Documents are hereby expressly limited so that in no event shall any of the Loans or other amounts payable by the Borrower under any of the Loan Documents be directly or indirectly secured (within the meaning of Regulation U) by Margin Stock.

14.20. DISCLAIMERS. The Administrative Agent, the Arrangers and the Lenders shall not be liable to any contractor, subcontractor, supplier, laborer, architect, engineer, tenant or other party for services performed or materials supplied in connection with any work performed on the Projects, including any TI Work. The Administrative Agent, the Arrangers and the Lenders shall not be liable for any debts or claims accruing in favor of any such parties against the Borrower or others or against any of the Projects. The Borrower is not and shall not be an agent of any Agent, the Arrangers or the Lenders for any purposes and none of the Lenders, the Arrangers, or the Agents shall be deemed partners or joint venturers with Borrower. None of the Administrative Agent, the Arrangers or the Lenders shall be deemed to be in privity of contract with any contractor or provider of services to any Project, nor shall any payment of funds directly to a contractor or subcontractor or provider of services be deemed to create any third party beneficiary status or recognition of same by any of the Administrative Agent, the Arrangers or the Lenders and the Borrower agrees to hold the Administrative Agent, the Arrangers and the Lenders harmless from any of the damages and expenses resulting from such a construction of the relationship of the parties or any assertion thereof.

14.21. ENTIRE AGREEMENT. This Agreement, taken together with all of the other Loan Documents, embodies the entire agreement and understanding among the parties hereto and supersedes all prior agreements and understandings, written and oral, relating to the subject matter hereof.

14.22. CONFIDENTIALITY. Each of the Agents, the Arrangers and the Lenders agrees to keep confidential all non-public information provided to it by the Borrower pursuant to this Agreement that is designated by the Borrower as confidential; provided that nothing herein shall prevent the Agents or the Lenders from disclosing any such information (a) to the Agents, any other Lender or any Affiliate of any Lender (provided such Affiliate is made aware of the confidentiality of such information and agrees to keep

such information confidential), (b) to any Assignee, Participant or prospective Assignee or Participant or any actual or prospective counterparty (or its advisors) to any swap or derivative transactions relating to the Borrower and its Obligations (provided such Person is made aware of the confidentiality of such information and agrees to keep such information confidential), (c) to the employees, directors, agents, attorneys, accountants and other professional advisors of any Lender, Assignee, Participant, prospective Assignee or Participant who are advised of the provisions of this Section, (d) upon the request or demand of any Governmental Authority having or asserting jurisdiction over either Agent or any Lender, (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (f) if requested or required to do so in connection with the exercise of any remedy hereunder or under any other Loan Document, (g) upon the advice of counsel that such disclosure is required by law, (h) with the consent of the Borrower, (i) in connection with any litigation to which any Agent, Arranger or Lender is a party, or (j) to the extent such information becomes publicly available other than as a result of a breach of this Section 14.22 or becomes available to any Agent, Arranger or Lender on a nonconfidential basis from a source other than the Borrower.

14.23. NO BANKRUPTCY PROCEEDINGS. Each of the Borrower the Administrative Agent, the Documentation Agent, the Syndication Agent and the Lenders hereby agrees that it will not institute against any Designated Bank or join any other Person in instituting against any Designated Bank any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any federal or state bankruptcy or similar law, until the later to occur of (i) one year and one day after the payment in full of the latest maturing commercial paper note issued by such Designated Bank and (ii) the Revolving Credit Termination Date.

14.24. TRANSITIONAL ARRANGEMENTS.

(a) Old Revolving Credit Agreement Superseded. This Agreement shall supersede the Old Revolving Credit Agreement in its entirety, except as provided in this Section 14.24. On the Closing Date, the rights and obligations of the parties under the Old Revolving Credit Agreement and the "Notes" defined therein shall be subsumed within and be governed by this Agreement and the Notes; provided however, that any of the "Revolving Credit Obligations" (as defined in the Old Revolving Credit Agreement) outstanding under the Old Revolving Credit Agreement shall, for purposes of this Agreement, be Revolving Credit Obligations hereunder. The Lenders' interests in such Revolving Credit Obligations, and participations in such Letters of Credit shall be reallocated on the Closing Date in accordance with each Lender's applicable Pro Rata Share.

(b) Return and Cancellation of Notes. Upon its receipt of the Revolving Credit Notes to be delivered hereunder on the Closing Date, each Lender will promptly return to the Borrower, marked "Cancelled" or "Replaced", the notes of the Borrower held by such Lender pursuant to the Old Revolving Credit Agreement.

(c) Interest and Fees Under Original Agreement. All interest and all commitment, facility and other fees and expenses owing or accruing under or in respect of the Old Revolving Credit Agreement shall be calculated as of the Closing Date (prorated in the case of any fractional periods), and shall be paid on the Closing Date in accordance with the method specified in the Old Revolving Credit Agreement as if such agreement were still in effect.

[Remainder of Page Intentionally Left Blank]
[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF the undersigned have duly executed this Agreement as a sealed instrument as of the date first set forth above.

BORROWER:

RECKSON OPERATING PARTNERSHIP, L.P.

By: Reckson Associates Realty Corp.

By: _____
Name:
Title:

Notice Address:
---

225 Broadhollow Road
Melville, New York 11747
Attention: Michael Maturo

ADMINISTRATIVE AGENT AND LENDER:

THE CHASE MANHATTAN BANK

By: _____
Name:
Title:

Notice Address, Domestic and Eurodollar Lending Office:

270 Park Avenue
New York, NY 10017
Attention:

With a copy of all notice to:

270 Park Avenue, 31st Floor
New York, NY 10017
Attention: Marc E. Costantino

Pro Rata Share:

7.652173913%

Revolving Credit Commitment:

$44,000,000

SYNDICATION AGENT:

UBS WARBURG LLC

By:_____
Name:
Title:

By:_____
Name:
Title:

DOCUMENTATION AGENT AND LENDER:

BANKERS TRUST COMPANY

By: _____
Name:
Title:

Notice Address, Domestic and Eurodollar Lending Office:

130 Liberty Street
New York, NY 10006
Attention: Gloria Argueta

Pro Rata Share:

7.4782608696%

Revolving Credit Commitment:

$43,000,000

LENDER:

UBS AG, STAMFORD BRANCH

By: _____
Name:
Title:

By: _____
Name:
Title:

Notice Address, Domestic and Eurodollar
Lending Office:

c/o UBS AG, New York Branch
Attention: Mara Martez
299 Park Avenue
New York, NY 10171

Pro Rata Share:

7.4782608696%

Revolving Credit Commitment:

$43,000,000

MANAGING AGENT AND LENDER:

BANK OF AMERICA, N.A.

By: _____
Name:
Title:

Notice Address, Domestic and
Eurodollar Lending Office:

100 North Tryon Street
NC1-007-11-07
Charlotte, NC 28255
Attn: Mark Wilson

Pro Rata Share:

6.7826086957%

Revolving Credit Commitment:

$39,000,000

MANAGING AGENT AND LENDER:

CITICORP REAL ESTATE, INC.

By: _____
Name:
Title:

Notice Address, Domestic and
Eurodollar Lending Office:

390 Greenwich Street, 1st Floor
New York, NY 10013
Attn: David Hirsh
Fax Number: 212-723-8380

Pro Rata Share:

6.7826086957%

Revolving Credit Commitment:

$39,000,000

MANAGING AGENT AND LENDER:

COMMERZBANK
AKTIENGESELLSCHAFT, NEW
YORK BRANCH

By:_____
Name:
Title:

By: _____
Name:
Title:

Notice Address, Domestic and
Eurodollar Lending Office:

2 World Financial Center
New York, NY 10281
Attn: David Schwarz

Pro Rata Share:

6.7826086957%

Revolving Credit Commitment:

$39,000,000

MANAGING AGENT AND LENDER:

BAYERISCHE HYPO-UND
VEREINSBANK AG NEW YORK
BRANCH

By:_____
Name:
Title:

By:_____
Name:
Title:

Notice Address, Domestic and
Eurodollar Lending Office:

150 E 42nd Street
New York, NY 10017-4679
Attn: Robert Dowling

Pro Rata Share:

6.7826086957%

Revolving Credit Commitment:

$39,000,000

CO-AGENT AND LENDER:

THE BANK OF NEW YORK

By: _____
Name:
Title:

Notice Address, Domestic and
Eurodollar Lending Office:

One Wall Street
New York, NY 10286
Attention: David Fowler

Pro Rata Share:

5.3913043478%

Revolving Credit Commitment:

$31,000,000

CO-AGENT AND LENDER:

ING (U.S.) CAPITAL LLC

By: ING (U.S.) CAPITAL FINANCIAL HOLDINGS LLC, ITS SOLE MEMBER

By: _____
Name:
Title:

Notice Address, Domestic and Eurodollar Lending Office:

55 East 52nd Street
New York, NY 10055
Attention: Thomas Hobbis

Pro Rata Share:

5.3913043478%

Revolving Credit Commitment:

$31,000,000

CO-AGENT AND LENDER:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____
Name:
Title:

Notice Address, Domestic and Eurodollar Lending Office:

40 West 57th Street
22nd Floor
New York, NY 10019
Attention: Kimberly Naso

2120 East Park Place, Suite 100
Elsegundo, CA 90245
Attention: Susan Figeura

Pro Rata Share:

5.3913043478%

Revolving Credit Commitment:

$31,000,000

LENDER:

BAYERISCHE LANDESBANK
GIROZENTRALE

By:_____
Name:
Title:

By:_____
Name:
Title:

Notice Address, Domestic and
Eurodollar Lending Office:

560 Lexington Ave.
New York, NY 10022
Attention: Daniel Reddy

Pro Rata Share:

3.4782608696%

Revolving Credit Commitment:

$20,000,000

LENDER:

EUROPEAN AMERICAN BANK

By: _____
Name:
Title:

Notice Address, Domestic and
Eurodollar Lending Office:

335 Madison Avenue
New York, NY 10017
Attention: Shaelee Lopes

Pro Rata Share:

3.4782608696%

Revolving Credit Commitment:

$20,000,000

CO-AGENT AND LENDER:

PNC BANK, NATIONAL ASSOCIATION

By: _____
Name:
Title:

Notice Address, Domestic and Eurodollar Lending Office:

One Penn Plaza, Suite 2504
New York, NY 10119
Attention: Thomas Nastarowicz

Pro Rata Share:

5.3913043478%

Revolving Credit Commitment:

$31,000,000

LENDER:

ERSTE BANK

By:_____
Name:
Title:

By:_____
Name:
Title:

Notice Address, Domestic and
Eurodollar Lending Office:

280 Park Avenue, West
Building-32
New York, NY 10017
Attention: Paul Judicke

Pro Rata Share:

2.6086956522%

Revolving Credit Commitment:

$15,000,000

LENDER:

FLEET NATIONAL BANK

By: _____
Name:
Title:

Notice Address, Domestic and Eurodollar Lending Office:

100 Federal Street
Mail code MA DE 10009A
Boston, MA 02110
Attention: Kathleen Ahern

Pro Rata Share:

3.4782608696%

Revolving Credit Commitment:

$20,000,000

LENDER:

LASALLE BANK NATIONAL ASSOCIATION

By: _____
Name:
Title:

Notice Address, Domestic and
Eurodollar Lending Office:

135 South LaSalle Street
Chicago, IL 60603-3499
Attention: Klay Schmeisser

Pro Rata Share:

3.4782608696%

Revolving Credit Commitment:

$20,000,000

LENDER:

BANK LEUMI USA

By: _____
Name:
Title:

Notice Address, Domestic and
Eurodollar Lending Office:

562 Fifth Avenue
New York, NY 10036
Attention: Cynthia Wilbur

Pro Rata Share:

.8695652174%

Revolving Credit Commitment:

$5,000,000

LENDER:

MERRILL LYNCH MORTGAGE
CAPITAL INC.

By: _____
Name:
Title:

Notice Address, Domestic and Eurodollar Lending Office:

Four World Financial Center,
North Tower
New York, NY 10281-1307
Attention: Daniel Gilbert

Pro Rata Share:

3.4782608696%

Revolving Credit Commitment:

$20,000,000

LENDER:

SUMMIT BANK

By: _____
Name:
Title:

Notice Address, Domestic and
Eurodollar Lending Office:

750 Walnut Avenue
Cranford, NJ 07016
Attention: Marianne deJongh

Pro Rata Share:

4.3478260870%

Revolving Credit Commitment:

$25,000,000

LENDER:

DRESDNER BANK AG, NEW YORK
AND GRAND CAYMAN BRANCHES

By: _____
Name:
Title:

By: _____
Name:
Title:

Notice Address, Domestic and
Eurodollar Lending Office:

75 Wall Street
New York, NY 10005-2889
Attention: David Samer

Pro Rata Share:

3.4782608696%

Revolving Credit Commitment:

$20,000,000

SIGNATURE PAGE TO AMENDED AND RESTATED CREDIT AGREEMENT
WITH RECKSON OPERATING PARTNERSHIP, L.P.

EXHIBIT _

EXHIBIT A
to
Amended and Restated Credit Agreement dated as of September __, 2000

FORM OF ASSIGNMENT AND ACCEPTANCE

- ---

ASSIGNMENT AND ACCEPTANCE

This ASSIGNMENT AND ACCEPTANCE dated as of _____, 200_, among [Names of Assignor Lenders] (each, an "Assignor" and collectively, the "Assignors") and _____, _____, _____, (etc.) (each, an "Assignee" and collectively, the "Assignees").

PRELIMINARY STATEMENTS

A. Reference is made to the Amended and Restated Credit Agreement dated as of September __, 2000 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement") among Reckson Operating Partnership, L.P., the institutions from time to time party thereto as Lenders, and The Chase Manhattan Bank, as Administrative Agent, UBS WARBURG LLC, as Syndication Agent, DEUTSCHE BANK as Documentation Agent, and CHASE SECURITIES INC. and UBS WARBURG LLC as joint lead arrangers and joint book managers. Capitalized terms used herein and not otherwise defined herein are used as defined in the Credit Agreement.

B. The Assignors are Lenders under the Credit Agreement and each desires to sell and assign to the Assignees a portion of such Assignor's existing Revolving Credit Commitment, as set forth on Schedule 2 attached hereto (each, an "Assigned Commitment") in the aggregate amount of $_____ of the Revolving Credit Commitments (the "Aggregate Assigned Amount"), and each Assignee desires to purchase and assume from each Assignor, on the terms and conditions set forth below, an interest in such Assignor's respective

Assigned Commitment and related outstanding Loans (the "Assigned Percentages"), together with the Assignors' respective rights and obligations under the Credit Agreement with respect to the Assigned Percentages, such that each Assignee shall, from and after the Effective Date (as defined below), become a Lender under the Credit Agreement with the respective Revolving Credit Commitment and Pro Rata Share listed on the signature pages attached hereto.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Assignors and the Assignees hereby agree as follows:

1. In consideration of the payments of each Assignee to each Assignor, to be made by wire transfer to the Administrative Agent for the account of the applicable Assignor of immediately available funds on the Effective Date in accordance with Schedule 3 attached hereto, each Assignor hereby sells and assigns to each Assignee, and each Assignee hereby purchases and assumes from such Assignor, the Assigned Percentage set forth on Schedule 1 attached hereto, together with such Assignor's rights and obligations under the Credit Agreement and all of the other Loan Documents with respect to the Assigned Percentages as of the date hereof (after giving effect to any other assignments thereof made prior to the date hereof, whether or not such assignments have become effective, but without giving effect to any other assignments thereof also made on the date hereof), including, without limitation, the obligation to make Loans and the obligation to participate in Letters of Credit.

2. Each Assignor (i) represents and warrants that as of the date hereof its Revolving Credit Commitment is as set forth on Schedule 2 attached hereto (in each case, after giving effect to any other assignments thereof made prior to the date hereof, whether or not such assignments have become effective, but without giving effect to any other assignments thereof made as of the date hereof); (ii) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim and that such Assignor is legally authorized to enter into this Assignment and Acceptance; (iii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or any of the other Loan Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any of the other Loan Documents or any other instrument or document furnished pursuant thereto; and (iv) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or any Guarantor or the performance or observance by the Borrower or any Guarantor of any obligations under the Credit Agreement or any of the other Loan Documents or any other instrument or document furnished pursuant thereto.

3. Each Assignee (i) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (ii) confirms that it has received a copy of the Credit Agreement, together with copies of such other documents and information as it has deemed appropriate to make its

own credit analysis and decision to enter into this Assignment and Acceptance; (iii) agrees that it shall have no recourse against the Assignor with respect to any matter relating to the Credit Agreement, any of the other Loan Documents, or this Assignment and Acceptance (except with respect to the representations or warranties made by the Assignors in clauses (i) and (ii) of paragraph 2 above); (iv) agrees that it will, independently and without reliance upon the Administrative Agent, the Assignors or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (v) confirms that it is an Eligible Assignee; (vi) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (vii) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender; (viii) confirms that, to the best of its knowledge, as of the date hereof, it is not subject to any law, regulation or guideline from any central bank or other Governmental Authority or quasigovernmental authority exercising jurisdiction, power or control over it, which would subject the Borrower to the payment of additional compensation under Section 13.2 or under Section 13.3 of the Credit Agreement; (ix) specifies as its Domestic Lending Office (and address for notices) and Eurodollar Lending Office(s) the offices set forth beneath its name on the signature pages hereof; (x) if such Assignee is organized under the laws of a jurisdiction outside the United States, attaches the forms described in Section 13.1(d) of the Credit Agreement or any successor forms prescribed by the Internal Revenue Service of the United States certifying as to the Assignee's exemption from United States withholding taxes with respect to all payments to be made to the Assignee under the Credit Agreement and the Notes or such other documents as are necessary to indicate that all such payments are subject to such rates at a rate reduced by an applicable tax treaty; and (xi) represents and warrants that none of the funds, monies, assets or other consideration being used to purchase pursuant to this Assignment and Acceptance are "plan assets" as defined under ERISA and that its rights, benefits, and interests in and under the Loan Documents will not be "plan assets" under ERISA.

4. Following the execution of this Assignment and Acceptance by each of the Assignors and the Assignees, it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent. The effective date of this Assignment and Acceptance shall be _____, 200_ (the "Effective Date").

5. As of the Effective Date, (i) each Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) each Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights (except as provided in Section 14.9 of the Credit Agreement) and be released from its obligations under the Credit Agreement with respect to its Assigned Commitment.

6. From and after the Effective Date, the Administrative Agent shall make all payments under the Credit Agreement and the Notes in respect of the Aggregate Assigned Amount (including, without limitation, all payments of principal, interest and fees with respect thereto) to the appropriate Assignees. The Administrative Agent shall make all appropriate adjustments in payments under the Credit Agreement and the Notes for periods prior to the Effective Date.

7. THIS ASSIGNMENT AND ACCEPTANCE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

8. This Assignment and Acceptance may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

[9. The Assignor represents and warrants that it has given the Borrower five (5) days written notice by telecopy of its intention to enter into this Assignment and Acceptance in accordance with the provisions of Section 14.1(b) of the Credit Agreement.](1)

- --------

(1) Applies only during the continuance of an Event of Default and prior to an acceleration of the Loans.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective officers thereunto duly authorized, as of the date first above written.

ASSIGNORS:

By:

Name:

Title:

By:

Name:

Title:

Notice Address, Domestic Lending Office and Eurodollar Lending Office:

Adjusted Pro Rata Share: ____%
Adjusted Revolving Credit Commitment: $_____

ASSIGNEES:

By:

Name:

Title:

By:

Name:

Title:

Notice Address, Domestic
Lending Office and Eurodollar
Lending Office:

Pro Rata Share ___%
Revolving Credit Commitment: $_____

Accepted as of this ___ day
of _____, 200_

THE CHASE MANHATTAN BANK,
as Administrative Agent

By:_____
Name:
Title:

By:_____
Name:
Title:

Consented and agreed to
as of this ___ day of _____, 200_

RECKSON OPERATING PARTNERSHIP, L.P.,(2)
a Delaware limited partnership

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

By:_____
Name:
Title:

- --------

(2) Consent not required if the circumstances described in Section 14.1(b) of the Credit Agreement have occurred and are continuing.

SCHEDULE 1

Assignee	Assigned Percentage	New Pro Rata Share

SCHEDULE 2

EXISTING REVOLVING CREDIT COMMITMENTS AND
PRO RATA SHARES OF ASSIGNORS

Assignor	Existing Revolving Credit Commitment	Existing Pro Rata Share	Assigned Commitment

SCHEDULE 3
PAYMENTS (3)

Lender	Facility Fee	Funding Amount/Repayment to Assignors	Fee to Administrative Agent (4)

- --------

(3) Paymentsto the Lenders are shown without parentheses; payments from the Lenders to the Administrative Agent, on its own behalf or on behalf of the Lenders, are shown in parentheses.

(4) Pursuant to Section 14.1(d) of the Credit Agreement.

EXHIBIT B-1
to
Amended and Restated Credit Agreement dated as of _____, 2000

FORM OF PROMISSORY NOTE

- ---

$_____ New York, New York
_____, 2000

For value received, Reckson Operating Partnership, L.P., a Delaware limited partnership (the "Borrower"), promises to pay to the order of _____ (the "Lender") the unpaid principal amount of each Loan made by the Lender to the Borrower pursuant to the Credit Agreement referred to below on the Revolving Credit Termination Date (as such term is defined in the Credit Agreement) or on such other dates as may be specified in the Credit Agreement. The Borrower promises to pay interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in Federal or other immediately available funds at the office of the Administrative Agent (as such term is defined in the Credit Agreement).

All Loans made by the Lender, the respective types and maturities thereof and all repayments of the principal thereof shall be recorded by the Lender and, if the Lender so elects in connection with any transfer or enforcement hereof, appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding may be endorsed by the Lender on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Lender to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This note is one of the Notes referred to in the Amended and Restated Credit Agreement, dated as of September __, 2000, among the Borrower, the institutions from time to time party thereto, The Chase Manhattan Bank, as Administrative Agent, UBS Warburg LLC, as Syndication Agent, Deutsche Bank, as Documentation Agent, and Chase Securities Inc. and UBS Warburg LLC, as joint lead arrangers and joint book managers (as the same may be amended, supplemented, restated, or otherwise modified from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment hereof, the acceleration of the maturity

hereof upon the happening of certain events and certain waivers by the Borrower.

THIS NOTE SHALL BE INTERPRETED, AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED, IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

BORROWER:

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

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

By:_____
Name:
Title:

LOANS AND PAYMENTS OF PRINCIPAL

Date	Amount of Loan	Type of Loan	Amount of Principal Repaid	Maturity Date	Notation Made By
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					

EXHIBIT B-2
to
Amended and Restated Credit Agreement dated as of September __, 2000

FORM OF DESIGNATED BANK PROMISSORY NOTE

- ---

$_____ New York, New York
_____, 2000

For value received, Reckson Operating Partnership, L.P., a Delaware limited partnership (the "Borrower"), promises to pay to the order of _____ (the "Lender") the unpaid principal amount of each Competitive Bid Loan made by the Lender to the Borrower pursuant to the Credit Agreement referred to below on the dates specified in the Credit Agreement. The Borrower promises to pay interest on the unpaid principal amount of each such Competitive Bid Loan on the dates and at the rate or rates provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in Federal or other immediately available funds at the office of the Administrative Agent (as such term is defined in the Credit Agreement).

All Competitive Bid Loans made by the Lender, the respective types and maturities thereof and all repayments of the principal thereof shall be recorded by the Lender and, if the Lender so elects in connection with any transfer or enforcement hereof, appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding may be endorsed by the Lender on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Lender to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This note is one of the Designated Bank Notes referred to in the Amended and Restated Credit Agreement, dated as of September __, 2000, among the Borrower, the institutions from time to time party thereto, The Chase Manhattan Bank, as Administrative Agent, UBS Warburg LLC, as Syndication Agent, Deutsche Bank, as Documentation Agent, and Chase Securities Inc. and UBS Warburg LLC, as joint lead arrangers and joint book managers (as the same may be amended, supplemented, restated, or otherwise modified from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment

hereof, the acceleration of the maturity hereof upon the happening of certain events and certain waivers by the Borrower.

THIS NOTE SHALL BE INTERPRETED, AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED, IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

BORROWER:

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

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

By:_____
Name:
Title:

LOANS AND PAYMENTS OF PRINCIPAL

Date	Amount of Loan	Type of Loan	Amount of Principal Repaid	Maturity Date	Notation Made By
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					
-					

EXHIBIT C
to
Amended and Restated Credit Agreement dated as of September __, 2000

FORM OF NOTICE OF BORROWING

_____, 200_

The Chase Manhattan Bank, as Administrative Agent
for the Lenders party to the Credit Agreement
referred to below
270 Park Avenue
New York, New York 10017

Attention: Marc Costantino

Ladies and Gentlemen:

Reference is hereby made to that certain Amended and Restated Credit Agreement dated as of September __, 2000 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among Reckson Operating Partnership, L.P., a Delaware limited partnership (the "Borrower"), the institutions from time to time party thereto as Lenders, The Chase Manhattan Bank, as Administrative Agent, UBS Warburg LLC, as Syndication Agent, Deutsche Bank, as Documentation Agent, and Chase Securities Inc. and UBS Warburg LLC, as joint lead arrangers and joint book managers.

The Borrower hereby gives you notice, irrevocably, pursuant to Section 2.1(b) of the Credit Agreement that the Borrower hereby requests a Borrowing under the Credit Agreement and, in that connection, sets forth below the information relating to such Borrowing (the "Proposed Borrowing") as required pursuant to the terms of the Credit Agreement:

The Funding Date (which shall be a Business Day) of the Proposed Borrowing is _____, 200__.

The amount of the Proposed Borrowing is $_____.(1)

---

(1) Such amount must be in a minimum amount of $3,000,000 and in integral multiples of $500,000 in excess of that amount.

The Revolving Credit Availability as of the date of this Notice of Borrowing is $_____.

The Proposed Borrowing will be of [Eurodollar Rate Loans] [Base Rate Loans].

The requested Eurodollar Interest Period for the Proposed Borrowing is from _____ and ending _____ (for a total of _____ months).(2)

The Borrower (by its signature below) hereby directs the Administrative Agent to disburse the proceeds of the Loans comprising the Proposed Borrowing on the Funding Date therefor as set forth on Schedule 1 attached hereto and made a part hereof, whereupon the proceeds of such Loans shall be deemed received by or for the benefit of the Borrower.

The Borrower (by its signature below) hereby certifies that the conditions precedent contained in Section [6.1] [6.2] are satisfied on the date hereof and will be satisfied on the Funding Date of the Proposed Borrowing.

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

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

By:_____
Name:
Title:

- --------

(2) To be specified if the Proposed Borrowing is of Eurodollar Rate Loans. Such Eurodollar Interest Period must comply with the provisions of Section 5.2(b) of the Credit Agreement.

SCHEDULE 1
to
Notice of Borrowing
---
dated _____, 200_

[Insert disbursement directions]

EXHIBIT D
to
Amended and Restated Credit Agreement dated as of September __, 2000

FORM OF NOTICE OF CONVERSION/CONTINUATION

_____, 200__

The Chase Manhattan Bank, as Administrative Agent
for the Lenders party to the Credit Agreement
referred to below
270 Park Avenue
New York, New York 10017

Attention: Marc Costantino

Ladies and Gentlemen:

Reference is hereby made to that certain Amended and Restated Credit Agreement dated as of September __, 2000 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among Reckson Operating Partnership, L.P., a Delaware limited partnership (the "Borrower"), the institutions from time to time party thereto as Lenders, The Chase Manhattan Bank, as Administrative Agent, UBS Warburg LLC, as Syndication Agent, Deutsche Bank, as Documentation Agent, and Chase Securities Inc. and UBS Warburg LLC, as joint lead arrangers and joint book managers.

The Borrower by its signature below hereby gives you notice pursuant to Section 5.1(c)(ii) of the Credit Agreement that the Borrower hereby elects to(1):

1. Convert $_____(2) in aggregate principal amount of Base Rate Loans from Base Rate Loans - to Eurodollar Rate Loans on

- --------

(1) Include those items that are applicable, completed appropriately for the circumstances.

(2) Such amount of conversion to or continuation of Eurodollar Rate Loans must be in a minimum amount of $3,000,000 and in integral multiples

_____, 200_(3). The Eurodollar Interest Period for such Eurodollar Rate Loans - is requested to be _____ month[s].(4)

2. Convert $_____ in aggregate principal amount of Eurodollar Rate Loans with a current Eurodollar Interest Period ending _____, 200_(5) to Base Rate Loans.

3. Continue as Eurodollar Rate Loans $_____ (6) in aggregate principal amount of Eurodollar Rate Loans with a current Eurodollar Interest Period from _____ and ending _____ 200_. The succeeding Eurodollar Interest period for such Eurodollar Rate Loans is requested to be ____ month [s].(7)

- ---

of $500,000 in excess of that amount, except in the case of a conversion into or a conversion of an entire Borrowing of Non Pro Rata Loans.

(3) Date of conversion must be a Business Day.

(4) Such Eurodollar Interest Period must comply with the provisions of Section 5.2(b) of the Credit Agreement.

(5) The conversion of Eurodollar Rate Loans to Base Rate Loans shall be made on, and only on, the last day of the Eurodollar Interest Period for such Eurodollar Rate Loans.

(6) Such amount of conversion to or continuation of Eurodollar Rate Loans must be in a minimum amount of $3,000,000 and in integral multiples of $500,000 in excess of that amount, except in the case of a conversion into or a conversion of an entire Borrowing of Non Pro Rata Loans.

(7) Such Eurodollar Interest Period must comply with the provisions of Section 5.2(b) of the Credit Agreement.

The Borrower by its signature below hereby certifies that on the date hereof there are no prohibitions under the Credit Agreement to the requested conversion/continuation, and no such prohibitions will exist on the date of the requested conversion/continuation.

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

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

By_____
Name:
Title:

EXHIBIT E
to
Amended and Restated Credit Agreement dated as of September __, 2000

LIST OF CLOSING DOCUMENTS

$575,000,000
REVOLVING CREDIT FACILITY
among
RECKSON OPERATING PARTNERSHIP, L.P.,
THE LENDERS,
THE CHASE MANHATTAN BANK,
UBS WARBURG LLC, AND
DEUTSCHE BANK.
SEPTEMBER __, 2000

LIST OF CLOSING DOCUMENTS(1)

1. Amended and Restated Credit Agreement (the "Credit Agreement"), among Reckson Operating Partnership, L.P. (the "Borrower"), certain financial institutions listed on the signature pages thereof as lenders (collectively referred to herein, together with their respective successors and assigns, as the "Lenders"), The Chase Manhattan Bank, as Administrative Agent ("Chase"), UBS Warburg LLC, as Syndication Agent ("UBS"), Deutsche Bank, as Documentation Agent, and Chase Securities Inc. and UBS Warburg LLC, as joint lead arrangers and joint book managers.

2. Exhibits and Schedules to the Credit Agreement as described on Schedule 1 attached hereto.

3. Promissory Notes (the "Borrower Notes") executed by the Borrower and payable to each Lender evidencing the Loans made by such Lender under the Credit Agreement.

4. Guaranty Agreement by each of Reckson Associates Realty Corp. (the "Company"), Reckson FS Limited Partnership ("Reckson FS"), Reckson 120 White Plains Road LLC, Reckson Short Hills LLC, Reckson/Stamford Towers LLC, and 360 Hamilton LLC for the benefit of Chase and the Lenders.

(1) Capitalized terms used herein but not otherwise defined herein have the meanings assigned to such terms in the Credit Agreement.

5. (a) Certificate of the Company dated the Closing Date, in its capacity as general partner of the Borrower, certifying (1) the names and true signatures of the incumbent officers of the Company authorized to sign the Credit Agreement, the Borrower Notes, and the other Loan Documents on behalf of the Borrower, (2) the resolutions of the Company's Board of Directors approving and authorizing the execution, delivery and performance of the Credit Agreement, the Borrower Notes and all other Loan Documents executed by the General Partner on behalf of the Borrower, and (3) a copy of the Partnership Agreement of the Borrower as in effect on the date of such certification, and (b) a copy of the Certificate of Incorporation of the Company, together with all amendments thereto, if any, certified by the Secretary of State of Maryland.

6. (a) Certificate of general partner/manager of each Guarantor dated the Closing Date in its capacity as general partner/manager of each Guarantor certifying (1) the names and true signatures of the incumbent officers of such Guarantor authorized to sign the Guaranty and the other Loan Documents on behalf of such Guarantor, (2) the resolutions of such general partner/manager approving and authorizing the execution, delivery and performance of the Guaranty and all other Loan Documents executed by such general partner/manager on behalf of such Guarantor, and (3) a copy of the Partnership Agreement or Operating Agreement of such Guarantor as in effect on the date of such certification, and (b) a copy of the organizational documents of such general partner/manager together with all amendments thereto, if any, certified by the Secretary of State of its jurisdiction of organization.

7. Copy of the Certificate of Limited Partnership of the Borrower, together with all amendments thereto, if any, certified by the Secretary of State of Delaware.

8. Copy of the Articles of Incorporation of the Company, together with all amendments thereto, if any, certified by the Secretary of State of Maryland.

9. Copy of the Certificate of Limited Partnership or Certificate of Organization of each Guarantor, together with all amendments thereto, if any, certified by the Secretary of State of its jurisdiction of organization.

10. Copy of the Certificate of Formation of the general partner/manager of each Guarantor, together with all amendments thereto, if any, certified by the Secretary of State of its jurisdiction of organization.

11. Good Standing Certificates of the Borrower, the Company, Reckson FS Limited Partnership and Reckson FS, Inc., each Guarantor and each general partner/manager of each Guarantor.

12. Foreign Qualification Certificates of the Borrower, the Company, each Guarantor and each general partner/manager of each Guarantor from each jurisdiction in which such entity owns Real Property.

13. Opinion of Brown & Wood LLP, counsel for the Borrower, the Company and the Guarantors.

14. Notice of Borrowing executed by the Borrower with respect to the Loans to be made on the Initial Funding Date.

15. Disbursement Direction Authorization executed by the Borrower pursuant to which Chase is directed to disburse the proceeds of the Loans to be made on the Initial Funding Date as described therein.

16. Officer's Certificate of the General Partners dated the Initial Funding Date, signed by the President of the Company, certifying, among other things, satisfaction of the conditions precedent to funding set forth in Section 6.1 of the Credit Agreement.

Schedule 1 to Exhibit E

LIST OF EXHIBITS AND SCHEDULES TO THE CREDIT AGREEMENT

Exhibit A	Form of Assignment and Acceptance
Exhibit B-1	Form of Note
Exhibit B-2	Form of Designated Bank Note
Exhibit C	Form of Notice of Borrowing
Exhibit D	Form of Notice of Conversion /Continuation
Exhibit E	List of Closing Documents
Exhibit F	Form of Compliance Certificate to Accompany Reports
Exhibit G	Sample of Calculations of Financial Covenants
Exhibit H	Form of Competitive Bid Quote Request
Exhibit I	Form of Invitation for Competitive Bid Quote
Exhibit J	Form of Competitive Bid Quote
Exhibit K	Form of Designation Agreement
Exhibit L	Form of Guaranty

Schedule 1.1.1	Existing Permitted Liens
Schedule 1.1.2	Permitted Securities Options
Schedule 6.1(d)	Equity Changes
Schedule 7.1-A	Organizational Documents
Schedule 7.1-C	Corporate Structure; Outstanding Capital Stock and Partnership Interests; Partnership Agreement
Schedule 7.1-H	Indebtedness for Borrowed Money; Contingent Obligations
Schedule 7.1-I	Pending Actions
Schedule 7.1-P	Environmental Matters
Schedule 7.1-Q	ERISA Matters
Schedule 7.1-R	Securities Activities
Schedule 7.1-T	Insurance Policies

EXHIBIT F
to
Amended and Restated Credit Agreement dated as of September __, 2000

FORM OF [QUARTERLY/ANNUAL] COMPLIANCE CERTIFICATE TO
ACCOMPANY REPORTS

_____, 200_

The Chase Manhattan Bank, as Administrative Agent
for the Lenders party to the Credit Agreement
referred to below
270 Park Avenue
New York, New York 10017

Attention: Marc Costantino

Ladies and Gentlemen:

Pursuant to Section [8.2(a)(iii)] [8.2(b)(iii)] of that certain Amended and Restated Credit Agreement dated as of September __, 2000 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined) among Reckson Operating Partnership, L.P., a Delaware limited partnership (the "Borrower"), the institutions from time to time party thereto as Lenders, The Chase Manhattan Bank, as Administrative Agent, UBS Warburg LLC, as Syndication Agent, Deutsche Bank, as Documentation Agent, and Chase Securities Inc. and UBS Warburg LLC, as joint lead arrangers and joint book managers, the undersigned, _____, the _____of [Reckson Operating Partnership, L.P., a Delaware limited partnership][Reckson Associates Realty Corp., a Maryland corporation (the "Company")], hereby certifies that:

1. The undersigned has reviewed the terms of the Loan Documents, and has made, or caused to be made under [his/her] supervision, a review in reasonable detail of the consolidated financial condition of the Company and its consolidated Subsidiaries during the accounting period covered by the financial statements identified below. To the best of the undersigned's knowledge, such review has not disclosed the existence during or at the end of such accounting period, and as of the date hereof the

undersigned does not have knowledge, of the existence of any condition or event which constitutes an Event of Default or Potential Event of Default1

2. The financial statements, reports and copies of certain instruments and documents attached hereto, namely,

A. Compliance Certificate, dated _____
B. _____, dated _____
C. _____, dated _____
D. _____, dated _____

are true and complete copies of the aforesaid which constitute part of or are based upon the customary books and records of the Company, and, to the best of the undersigned's knowledge and belief, there exist no facts or circumstances which would have a Material Adverse Effect. The calculations set forth in the attached Compliance Certificate demonstrate compliance with the covenants and financial ratios set forth in Sections 9.9, 9.11, 10.2, 10.6, 10.7, 10.11 and 10.12 of the Credit Agreement.

Name:
Title:

- --------

(1) If such condition or event exists or existed, specify (i) the nature and period of such condition or event and (ii) the action taken, being taken or proposed to be taken with respect thereto.

EXHIBIT G
SAMPLE CALCULATIONS OF FINANCIAL COVENANTS

See Exhibit A attached hereto

EXHIBIT H
to
Amended and Restated Credit Agreement
dated as of September __, 2000

FORM OF COMPETITIVE BID QUOTE REQUEST

_____, 2000

To: THE CHASE MANHATTAN BANK, as Administrative Agent

From: RECKSON OPERATING PARTNERSHIP, L.P.

Re: Amended and Restated Credit Agreement (as amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement") dated as of September __, 2000 among Reckson Operating Partnership, L.P., and the Lenders, Agents and Arrangers parties thereto

We hereby give notice pursuant to Section 2.2 of the Credit Agreement that we request Competitive Bid Quotes for the following proposed Competitive Bid Borrowing(s):

Date of Borrowing: _____

Principal Amounts (1)	Interest Period (2)
$	

Such Competitive Bid Quotes should offer a Competitive Bid Margin. Terms used herein have the meanings assigned to them in the Credit Agreement.

(1) Amount must be $20,000,0000 or a larger multiple of $1,000,000, with all outstanding Competitive Bid Loans not to exceed fifty percent of the Maximum Revolving Credit Amount.

(2) In the case of Eurodollar Competitive Bid Loans: 1, 2 or 3 months, subject to the provisions of the definition of Eurodollar Interest Period.

Competitive Bid Loans in the amount of $_____ are currently outstanding.

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

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

By:_____
Name:
Title:

EXHIBIT I
to
Amended and Restated Credit Agreement
dated as of September __, 2000

- ---

FORM OF INVITATION FOR COMPETITIVE BID QUOTE

To: [Name of Bank]

Re: Invitation for Competitive Bid Quotes to Reckson Operating Partnership, L.P.

Pursuant to Section 2.2 of the Amended and Restated Credit Agreement (as amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement") dated as of September __, 2000 among Reckson Operating Partnership, L.P., and the Lenders, Agents and Arrangers parties thereto, we are pleased on behalf of the Borrower to invite you to submit Competitive Bid Quotes to the Borrower for the following proposed Competitive Bid Borrowing(s):

Date of Borrowing: _____

Principal Amount	Interest Period
$	

Such Competitive Bid Quotes should offer a Competitive Bid Margin. Terms used herein have the meanings assigned to them in the Credit Agreement.

Please respond to this invitation by no later than 9:30 A.M. (New York City time) on [date].

THE CHASE MANHATTAN BANK,
as Administrative Agent

By:_____
Authorized Officer

EXHIBIT J
to
Amended and Restated Credit Agreement dated as of September __, 2000

FORM OF COMPETITIVE BID QUOTE

To: THE CHASE MANHATTAN BANK, as Administrative Agent

Re: Competitive Bid Quote to Reckson Operating Partnership, L.P. (the "Borrower")

In response to your invitation on behalf of the Borrower dated _____, 2000, we hereby make the following Competitive Bid Quote on the following terms:

1. Quoting Bank: _____
2. Person to contact at Quoting Bank: _____
3. Date of Borrowing: _____*
4. We hereby offer to make Competitive Bid Loan(s) in the following principal amounts, for the following Interest Periods and at the following rates:

Principal Amount**	Interest Period***	Competitive Bid [Margin****]
$		
$		

[Provided, that the aggregate principal amount of Competitive Bid Loans for which the above offers may be accepted shall not exceed $_____.]**

* As specified in the related Invitation.
** Principal amount bid for each Interest Period may not exceed principal amount requested. Specify aggregate limitation if the sum of the individual offers exceeds the amount the Lender is willing to lend. Bids must be made for $5,000,000 or a larger multiple of $1,000,000.
*** Not less than one month, as specified in the related Invitation in the case of Competitive Bid Loans based on the Eurodollar Rate.

**** Margin over or under the Eurodollar Rate determined for the applicable Interest Period. Specify percentage (to the nearest 1/10,000 of 1%) and specify whether "PLUS" or "MINUS".

We understand and agree that the offer(s) set forth above, subject to the satisfaction of the applicable conditions set forth in the Amended and Restated Credit Agreement dated as of September __, 2000 (as amended, supplemented, restated or otherwise modified from time to time) among Reckson Operating Partnership, L.P., and the Lenders, Agents and Arrangers parties thereto, the terms defined therein being used herein as therein defined irrevocably obligates us to make the Competitive Bid Loan(s) for which any offer(s) are accepted, in whole or in part.

Very truly yours,

[NAME OF LENDER]

Dated:_____

By:_____
Authorized Officer

EXHIBIT K
to
Amended and Restated Credit Agreement
dated as of September __, 2000

FORM OF DESIGNATION AGREEMENT

Dated _____, 2000

Reference is made to that certain Amended and Restated Credit Agreement dated as of September __, 2000 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement") among Reckson Operating Partnership, L.P. (the "Borrower"), the institutions from time to time party thereto as Lenders, The Chase Manhattan Bank, as Administrative Agent, UBS Warburg LLC, as Syndication Agent, Deutsche Bank, as Documentation Agent, and Chase Securities Inc. and UBS Warburg LLC as joint lead arrangers and joint book managers. Terms defined in the Credit Agreement are used herein with the same meaning.

[NAME OF DESIGNOR] (the "Designor"), [NAME OF DESIGNEE] (the "Designee"), and the Administrative Agent agree as follows:

1. The Designor hereby designates the Designee, and the Designee hereby accepts such designation, to have a right to make Competitive Bid Loans pursuant to Article II of the Credit Agreement. Any assignment by Designor to Designee of its rights to make a Competitive Bid Loan pursuant to such Article II shall be effective at the time of the funding of such Competitive Bid Loan and not before such time.

2. Except as set forth in Section 7 below, the Designor makes no representation or warranty and assumes no responsibility pursuant to this Designation Agreement with respect to (a) any statements, warranties or representations made in or in connection with any Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of any Loan Document or any other instrument and document furnished pursuant thereto and (b) the financial condition of the Borrower or any Guarantor or the performance or observance by the Borrower or any Guarantor of any of its obligations under any Loan Document or any other instrument or document furnished pursuant thereto.

3. The Designee (a) confirms that it has received a copy of each Loan Document, together with copies of the financial statements referred to the Credit Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Designation Agreement; (b) agrees that it will independently and without reliance upon the Administrative Agent, the Designor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under any Loan Document; (c) confirms that it is a Designated Bank; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under any Loan Document as are delegated to the Administrative Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; and (e) agrees to be bound by each and every provision of each Loan Document and further agrees that it will perform in accordance with their terms all of the obligations which by the terms of any Loan Document are required to be performed by it as a Lender, including any and all obligations set forth in Section 14.1(f) of the Credit Agreement.

4. The Designee hereby appoints Designor as Designee's agent and attorney in fact, and grants to Designor an irrevocable power of attorney, to receive payments made for the benefit of Designee under the Credit Agreement, to deliver and receive all communications and notices under the Credit Agreement and other Loan Documents and to exercise on Designee's behalf all rights to vote and to grant and make approvals, waivers, consents of amendments to or under the Credit Agreement or other Loan Documents. Any document executed by the Designor on the Designee's behalf in connection with the Credit Agreement or other Loan Documents shall be binding on the Designee to the same extent as if actually signed by the Designee. The Borrower, the Administrative Agent and each of the other Lenders may rely on and are beneficiaries of the preceding provisions.

5. Following the execution of this Designation Agreement by the Designor and Designee, it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent. The effective date for this Designation Agreement (the "Effective Date") shall be the date of acceptance hereof by the Administrative Agent, unless otherwise specified on the signature page hereto.

6. The Administrative Agent hereby agrees that it will not institute against the Designee or join any other Person in instituting against the Designee any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any federal or state bankruptcy or similar law, until the later to occur of (i) one year and one day after the payment in full of

to the latest maturing commercial paper note issued by the Designee and (ii) the Revolving Credit Termination Date.

7. The Designor unconditionally agrees to pay or reimburse the Designee for, and save the Designee harmless against, all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed or asserted by any of the parties to the Loan Documents against the Designee, in its capacity as such, in any way relating to or arising out of this Agreement or any other Loan Documents or any action taken or omitted by the Designee hereunder or thereunder, provided that the Designor shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements if the same results from the Designee's gross negligence or willful misconduct.

8. Upon such acceptance and recording by the Administrative Agent, as of the Effective Date, the Designee shall be a party to the Credit Agreement with a right to make Competitive Bid Loans as a Lender pursuant to Section 2.2 of the Credit Agreement and the rights and obligations of a Lender related thereto; provided, however, that the Designee shall not be required to make payments with respect to such obligations except to the extent of excess cash flow of the Designee which is not otherwise required to repay obligations of the Designee which are then due and payable. Notwithstanding the foregoing, the Designor, as agent for the Designee, shall be and remain obligated to the Borrower and the other Lenders for each and every of the obligations of the Designee and the Designor with respect to the Credit Agreement, including, without limitation, any indemnification obligations under Section 12.5 of the Credit Agreement and any sums otherwise payable to the Borrower by the Designee.

9. This Designation Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

10. This Designation Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Designation Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart of this Designation Agreement.

IN WITNESS WHEREOF, the Designor and the Designee, intending to be legally bound, have caused this Designation Agreement to be executed by their officers thereunto duly authorized as of the date first above written.

Effective Date:
2000

_____

[NAME OF DESIGNOR], as
Designor

By:_____
Title:_____

[NAME OF DESIGNEE] as
Designee

By:_____
Title:_____

Applicable Lending
Office (and (address for
notices):

[ADDRESS]

Accepted this _____ day
of _____, 20__

THE CHASE MANHATTAN BANK
as Administrative Agent

By:_____
Title:_____

EXHIBIT L
to
Amended and Restated Credit Agreement
dated as of September __, 2000

FORM OF GUARANTY

GUARANTY AGREEMENT

UNCONDITIONAL GUARANTY OF PAYMENT (this "Guaranty"), is made as of September __, 2000 by _____ (the "Guarantor"), in favor of THE CHASE MANHATTAN BANK, as administrative agent and UBS WARBURG LLC, as syndication agent (collectively, "Agents") for the benefit of the banks (the "Lenders") that are from time to time parties to that certain Amended and Restated Credit Agreement (the "Credit Agreement"), dated as of September __, 2000, among Reckson Operating Partnership, L.P., the Lenders and the Agents.

Capitalized terms not otherwise defined in this Guaranty shall have the meanings ascribed to them in the Credit Agreement.

W I T N E S S E T H:

WHEREAS, pursuant to the terms of the Credit Agreement, Reckson Operating Partnership, L.P. (the "Borrower") requested that the Lenders make Loans to the Borrower, to be guaranteed by Guarantor and to be evidenced by certain Promissory Notes (the "Notes"), each dated as of September __, 2000, in the aggregate principal amount of $575,000,000, payable by the Borrower to the order of the Lenders;

WHEREAS, this Guaranty is one of the "Guaranties" referred to in the Credit Agreement;

WHEREAS, the Guarantor is [a wholly-owned subsidiary of the Borrower, and Reckson Financing LLC, a wholly-owned subsidiary of the Borrower, is the general partner of Guarantor]; and

WHEREAS, in order to induce the Agents and the Lenders to make the Loans to the Borrower, and to satisfy one of the conditions contained in the Credit Agreement with respect thereto, the Guarantor has agreed to enter into this Guaranty.

NOW THEREFORE, in consideration of the premises and the direct and indirect benefits to be derived from the making of the Loans by the

Lenders to the Borrower, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor hereby agrees as follows:

1. (a) Guarantor, on behalf of itself and its successors and assigns, hereby irrevocably, absolutely, and unconditionally guarantees the full and punctual payment when due, whether at stated maturity or otherwise, of all obligations of the Borrower now or hereafter existing under the Credit Agreement, under the Notes, under any Letter of Credit or Letter of Credit Reimbursement Agreement or under any of the other Loan Documents to which the Borrower is a party; and

(b) Guarantor, on behalf of itself and its successors and assigns, hereby irrevocably, absolutely, and unconditionally guarantees the full and punctual payment when due of any and all reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the Agents and the Lenders in enforcing their rights under this Guaranty (all such obligations set forth in this Paragraph 1 being referred to as the "Guaranteed Obligations").

2. It is agreed that the obligations of Guarantor hereunder are primary and this Guaranty shall be enforceable against Guarantor and its successors and assigns without the necessity for any suit or proceeding of any kind or nature whatsoever brought by the Agents or the Lenders against the Borrower, or its respective successors or assigns or any other party or against any security for the payment and performance of the Guaranteed Obligations and, to the extent permitted by applicable law, without the necessity of any notice of non-payment or non-observance or of any notice of acceptance of this Guaranty or of any notice or demand to which Guarantor might otherwise be entitled (including, without limitation, diligence, presentment, notice of maturity, extension of time, change in nature or form of the Guaranteed Obligations, acceptance of further security, release of further security, imposition or agreement arrived at as to the amount of or the terms of the Guaranteed Obligations, notice of adverse change in the Borrower's financial condition and any other fact which might materially increase the risk to Guarantor), all of which Guarantor, to the extent permitted by applicable law, hereby expressly waives; and, to the extent permitted by applicable law, Guarantor hereby expressly agrees that the validity of this Guaranty and the obligations of the Guarantor hereunder shall in no way be terminated, affected, diminished, modified or impaired by reason of the assertion of, or the failure to assert by the Agents or the Lenders against the Borrower or its respective successors or assigns, any of the rights or remedies reserved to the Agents and the Lenders pursuant to the provisions of the Loan Documents. Guarantor hereby agrees that, to the extent permitted by applicable law, any

notice or directive given at any time to the Agents or the Lenders which is inconsistent with the waiver in the immediately preceding sentence shall be void and may be ignored by the Agents and the Lenders, and, in addition, may not be pleaded or introduced as evidence in any litigation relating to this Guaranty for the reason that such pleading or introduction would be at variance with the written terms of this Guaranty, unless the Agents have specifically agreed otherwise in writing, signed by a duly authorized officer. Guarantor specifically acknowledges and agrees that the foregoing waivers are of the essence of this transaction and that, but for this Guaranty and such waivers, the Agents and the Lenders would not make the requested Loans to the Borrower.

3. To the extent permitted by applicable law, Guarantor hereby waives, and covenants and agrees that it will not at any time insist upon, plead or in any manner whatsoever claim or take the benefit or advantage of, any and all appraisal, valuation, stay, extension, marshalling-of-assets or redemption laws, or right of homestead exemption, whether now or at any time hereafter in force, which may delay, prevent or otherwise affect the performance by Guarantor of its obligations under, or the enforcement by the Agents and the Lenders of, this Guaranty. To the extent permitted by applicable law, Guarantor further covenants and agrees not to set up or claim any defense, counterclaim, offset, set-off or other objection of any kind to any action, suit or proceeding in law, equity or otherwise, or to any demand or claim that may be instituted or made by the Agents or the Lenders, other than the defense of the actual timely payment and performance by the Borrower of the Guaranteed Obligations hereunder. Guarantor represents, warrants and agrees that, as of the date hereof, its obligations under this Guaranty are not subject to any counterclaims, offsets or defenses against the Agents or the Lenders of any kind.

It is the intention and agreement of Guarantor, the Agents and the Lenders that the obligations of Guarantor under this Guaranty shall be valid and enforceable against Guarantor to the maximum extent permitted by applicable law. Accordingly, if any provision of this Guaranty creating any obligation of Guarantor in favor of the Agents and the Lenders shall be declared to be invalid or unenforceable in any respect or to any extent, it is the stated intention and agreement of Guarantor, the Agents and the Lenders that any balance of the obligation created by such provision and all other Guaranteed Obligations shall remain valid and enforceable. Likewise, if by final order a court of competent jurisdiction shall declare any sums which the Agents or the Lenders may be otherwise entitled to collect from Guarantor under this Guaranty to be in excess of those permitted under any law (including any federal or state fraudulent conveyance or like statute or rule of law) applicable to Guarantor's obligations under this Guaranty, it is

the stated intention and agreement of Guarantor, the Agents and the Lenders that all sums not in excess of those permitted under such applicable law shall remain fully collectible by the Agents and the Lenders from Guarantor. Nothing in the foregoing limits the covenant of the Borrower contained in Section 9.12(b) of the Credit Agreement.

4. The provisions of this Guaranty are for the benefit of the Agents on behalf of the Lenders and their successors and permitted assigns, and nothing herein contained shall impair as among the Borrower, the Lenders and the Agents the obligations of the Borrower under the Loan Documents.

5. This Guaranty shall be a continuing, unconditional and absolute guaranty and, to the extent permitted by applicable law, the liability of Guarantor hereunder shall in no way be terminated, affected, modified, impaired or diminished by reason of the happening, from time to time, of any of the following, although without notice or the further consent of Guarantor:

(a) any assignment, amendment, modification or waiver of or change in any of the terms, covenants, conditions or provisions of any of the Guaranteed Obligations or the Loan Documents or the invalidity or unenforceability of any of the foregoing; or

(b) any extension of time that may be granted by the Agents or the Lenders to the Borrower, any guarantor, or their respective successors or assigns; or

(c) any action which the Agents or the Lenders may take or fail to take under or in respect of any of the Loan Documents or by reason of any waiver of, or failure to enforce any of the rights, remedies, powers or privileges available to the Agents or the Lenders under this Guaranty or any of the other Loan Documents or available to the Agents or the Lenders at law, in equity or otherwise, or any action on the part of the Agents or the Lenders granting indulgence or extension in any form whatsoever; or

(d) any sale, exchange, release, or other disposition of any property pledged, mortgaged or conveyed, or any property in which the Agents and/or the Lenders have been granted a lien or security interest to secure any indebtedness of the Borrower to the Agents and/or the Lenders; or

(e) any release of any person or entity who may be liable in any manner for the payment and collection of any amounts owed by the Borrower to the Agents and/or the Lenders; or

(f) the application of any sums by whomsoever paid or however realized to any amounts owing by the Borrower to the Agents and/or the Lenders under the Loan Documents in such manner as the Agents and the Lenders shall determine in their sole discretion; or

(g) the Borrower's or any guarantor's voluntary or involuntary liquidation, dissolution, sale of all or substantially all of their respective assets and liabilities, appointment of a trustee, receiver, liquidator, sequestrator or conservator for all or any part of the Borrower's or guarantor's assets, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment, or the commencement of other similar proceedings affecting the Borrower or any guarantor or any of the assets of any of them, including, without limitation, (i) the release or discharge of the Borrower or any guarantor from the payment and performance of its respective obligations under any of the Loan Documents by operation of law, or (ii) the impairment, limitation or modification of the liability of the Borrower or any guarantor in bankruptcy, or of any remedy for the enforcement of the Guaranteed Obligations under any of the Loan Documents, or Guarantor's liability under this Guaranty, resulting from the operation of any present or future provisions of the Bankruptcy Code or other present or future federal, state or applicable statute or law or from the decision in any court; or

(h) any improper disposition by the Borrower of any Letter of Credit or the proceeds of the Loans, it being acknowledged by Guarantor that the Agents and the Lenders shall be entitled to honor any request made by the Borrower for a disbursement of such proceeds and that the Agents and the Lenders shall have no obligation to see the proper disposition by the Borrower of such Letter of Credit or proceeds.

6. Guarantor hereby agrees that if at any time all or any part of any payment at any time received by the Agents or the Lenders from the Borrower under any of the Notes or other Loan Documents or Guarantor under or with respect to this Guaranty is or must be rescinded or returned by the Agents or the Lenders for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of the Borrower or Guarantor or any other guarantor), then Guarantor's obligations hereunder shall, to the extent of the payment rescinded or returned, be deemed to have continued in existence notwithstanding such previous receipt by the Agents or the Lenders, and Guarantor's obligations hereunder shall continue to be

effective or reinstated, as the case may be, as to such payment, as though such previous payment to the Agents or the Lenders had never been made.

7. Until this Guaranty is terminated pursuant to the terms hereof, the Guarantor (i) shall have no right of subrogation against the Borrower or any entity comprising same by reason of any payments or acts of performance by Guarantor in compliance with the obligations of Guarantor hereunder; (ii) hereby waives any right to enforce any remedy which Guarantor now or hereafter shall have against the Borrower, or any entity comprising the same, by reason of any one or more payment or acts of performance in compliance with the obligations of Guarantor hereunder; and (iii) shall subordinate any liability or indebtedness of the Borrower or any entity comprising same now or hereafter held by Guarantor to the obligations of the Borrower, as applicable, under the Loan Documents; provided that nothing contained herein shall limit the right of the Guarantor to receive any amount from the Borrower, as applicable, or any entity comprising the same that is not prohibited by the terms of the Loan Documents.

8. Guarantor hereby represents and warrants on its own behalf to the Agents with the knowledge that the Agents and the Lenders are relying upon the same, as follows:

(a) as of the date hereof, Guarantor is a wholly-owned subsidiary of the Borrower, and Reckson Financing LLC (a wholly-owned subsidiary of the Borrower) is the general partner of Guarantor, and Guarantor is familiar with the financial condition of Borrower;

(c) based upon such relationship, Guarantor has determined that it is in its best interest to enter into this Guaranty;

(d) this Guaranty is necessary and convenient to the conduct, promotion and attainment of Guarantor's business, and is in furtherance of Guarantor's business purposes;

(e) the benefits to be derived by Guarantor from the Borrower's access to funds made possible by the Loan Documents are at least equal to the obligations of Guarantor undertaken pursuant to this Guaranty;

(f) Guarantor is Solvent and has full corporate, partnership, limited liability company or trust power, as the case may be, and legal right to enter into this Guaranty and to perform its obligations under the terms hereof and (i) Guarantor is organized or formed and validly existing under the laws of the state of its establishment or formation,

(ii) Guarantor has complied with all provisions of applicable law in connection with all aspects of this Guaranty, and (iii) the person executing this Guaranty on behalf of Guarantor has all the requisite power and authority to execute and deliver this Guaranty; and

(g) this Guaranty has been duly executed by Guarantor and constitutes the legal, valid and binding obligation of Guarantor, enforceable against it in accordance with its terms except as enforceability may be limited by applicable insolvency, bankruptcy or other laws affecting creditors' rights generally or general principles of equity whether such enforceability is considered in a proceeding in equity or at law.

9. Guarantor and the Agents acknowledge and agree that this Guaranty is a guaranty of payment and not of collection and enforcement in respect of any obligations which may accrue to the Agents and/or the Lenders from the Borrower under the provisions of any Loan Document.

10. Subject to the terms and conditions of the Credit Agreement, and only in conjunction with a transfer permitted thereunder, the Agents and the Lenders may assign any or all of their respective rights under this Guaranty.

11. Guarantor agrees, upon the written request of the Agents, to execute and deliver to the Agents, from time to time, any modification or amendment hereto or any additional instruments or documents reasonably considered necessary by the Agents or its counsel to cause this Guaranty to be, become or remain valid and effective in accordance with its terms or in order to implement more fully the intent of this Guaranty, provided, that, any such modification, amendment, additional instrument or document shall not increase Guarantor's obligations or diminish its rights hereunder and shall be reasonably satisfactory as to form to Guarantor and to Guarantor's counsel.

12. The representation and warranties of the Guarantor set forth in this Guaranty shall survive until this Guaranty shall terminate in accordance with the terms hereof.

13. This Guaranty together with the Credit Agreement and the other Loan Documents contains the entire agreement among the parties with respect to the Loans and other extensions of credit being made to the Borrower, and supersedes all prior agreements relating to such Loans and other extensions of credit and may not be modified, amended, supplemented or discharged except by a written agreement signed by Guarantor and the Agents.

14. If all or any portion of any provision contained in this Guaranty shall be determined to be invalid, illegal or unenforceable in any respect for any reason, such provision or portion thereof shall be deemed stricken and severed from this Guaranty and the remaining provisions and portions thereof shall continue in full force and effect.

15. In order for any demand, request or notice to the respective parties hereto to be effective, such demand, request or notice shall be given, in writing, by delivering the same personally or by nationally recognized overnight courier service or by mailing, by certified or registered mail, postage prepaid or by telecopying the same, addressed to such party at the address set forth below or to such other address as may be identified by any party in a written notice to the others. Any such demand, request or notice sent-as aforesaid shall be deemed to have been received by the party to whom it is addressed upon delivery, if personally delivered and on the actual receipt thereof, if sent by certified or registered mail or by telecopier, and when transmitted, if sent by telex:

If to:
Guarantor:

_____
225 Broadhollow Road
Melville, New York 11747
Attention: Michael Maturo
Telecopy: (516) 756-1764

With Copies of
Notices to the
Guarantor to:

Brown & Wood LLP
One World Trade Center
New York, New York 10048
Attention: Jeff B. Feigelson, Esq.
Telecopy: (212) 839-5599

If to the Agents:

The Chase Manhattan Bank
270 Park Avenue
New York, New York 10017
Attention: Marc Costantino
Telecopy: (212) 270-9554

and

UBS Warburg LLC
299 Park Avenue
New York, NY 10171
Attention:
Telecopy:

With Copies to: Bingham Dana LLP
150 Federal Street
Boston, MA 02110
Attention: Peter Van, Esq.
Telecopy: (617) 951-8736

16. This Guaranty shall be binding upon Guarantor and its successors and assigns and shall inure to the benefit of the Agents and the Lenders and their successors and assigns.

17. The failure of the Agents to enforce any right or remedy hereunder, or promptly to enforce any such right or remedy, shall not constitute a waiver thereof, nor give rise to any estoppel against the Agents or the Lenders, nor excuse Guarantor from its obligations hereunder. Any waiver of any such right or remedy to be enforceable against the Agents must be expressly set forth in a writing signed by the Agents.

18. (a) THIS GUARANTY AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

(b) Any legal action or proceeding with respect to this Guaranty and any action for enforcement of any judgment in respect thereof may be brought in the courts of the State of New York or of the United States of America for the Southern District of New York, and, by execution and delivery of this Guaranty, Guarantor hereby accepts for itself and in respect of its property, generally and unconditionally, the nonexclusive jurisdiction of the aforesaid courts and appellate courts from any thereof. Guarantor irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to Guarantor at the address for notices set forth herein. Guarantor hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Guaranty brought in the courts referred to above and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Nothing herein shall affect the right of the Agents and the Lenders to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against Guarantor in any other jurisdiction.

(c) GUARANTOR AND AGENTS BY THEIR EXECUTION HEREOF AND THE LENDERS' ACCEPTANCE HEREOF EACH HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY AND ALL CLAIMS OR CAUSES OF ACTION BASED UPON OR ARISING OUT OF THIS GUARANTY. IT IS HEREBY ACKNOWLEDGED BY GUARANTOR THAT THE WAIVER OF A JURY TRIAL IS A MATERIAL INDUCEMENT FOR THE AGENTS TO ACCEPT THIS GUARANTY AND THAT THE LOANS MADE BY THE LENDERS ARE MADE IN RELIANCE UPON SUCH WAIVER. GUARANTOR FURTHER WARRANTS AND REPRESENTS THAT SUCH WAIVER HAS BEEN KNOWINGLY AND VOLUNTARILY MADE, FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, THIS GUARANTY MAY BE FILED BY THE AGENTS IN COURT AS A WRITTEN CONSENT TO A NON-JURY TRIAL.

(d) Guarantor does hereby further covenant and agree to and with the Agents that Guarantor may be joined in any action against the Borrower in connection with the Loan Documents and that recovery may be had against Guarantor in such action or in any independent action against Guarantor (with respect to the Guaranteed Obligations), without the Agents or the Lenders first pursuing or exhausting any remedy or claim against the Borrower, its successors or assigns. Guarantor also agrees that, in an action brought with respect to the Guaranteed Obligations in any jurisdiction, it shall be conclusively bound by the judgment in any such action by the Agents (wherever brought) against the Borrower, or its successors or assigns, as if Guarantor were a party to such action, even though Guarantor was not joined as parties in such action.

(e) Guarantor hereby agrees to pay all expenses (including, without limitation, reasonable attorneys fees and disbursements) which may be incurred by the Agents in connection with the enforcement of their rights under this Guaranty, whether or not suit is initiated; provided, however, that such expenses shall be paid by the Agents if a final judgment in favor of Guarantor is rendered by a court of competent jurisdiction. Moreover, Guarantor covenants and agrees to indemnify and save the Agents harmless of and from, and defend it against, all losses, out-of pocket costs and expenses, liabilities, damages or claims arising by reason of Guarantor's failure to perform its obligations hereunder.

19. Subject to the terms of Section 6 hereof, this Guaranty shall terminate and be of no further force or effect upon the full performance and payment of the Guaranteed Obligations hereunder. Upon termination of this Guaranty in accordance with the terms of this Guaranty, the Agents promptly shall deliver to Guarantor such documents as Guarantor or

Guarantor's counsel reasonably may request in order to evidence such termination.

20. All of the Agents' and the Lenders' rights and remedies under each of the Loan Documents or under this Guaranty are intended to be distinct, separate and cumulative and no such right or remedy therein or herein mentioned is intended to be in exclusion of or a waiver of any other right or remedy available to the Agents.

21. Recourse with respect to any claim arising under or in connection with this Guaranty by Agents, the Arrangers and the Lenders shall be limited to the same extent as is provided in Section 4.3 (e) of the Credit Agreement with respect to claims against the Guarantor and the other parties named therein and the terms, covenants and conditions of Section 4.3 (e) of the Credit Agreement are hereby incorporated by reference as if fully set forth herein.

22. By executing and delivering this Guaranty, Guarantor hereby agrees that it shall be bound by, and shall comply with, all warranties and covenants applicable to it set forth in the Credit Agreement.

23. Guarantor shall make no claim against any Lender (acting in any capacity under the Credit Agreement), any Arranger, the Administrative Agent, or any other Person, or the Affiliates, directors, officers, employees, attorneys or agents of any of them for any consequential or punitive damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Guaranty, or any act, omission or event occurring in connection therewith; and Guarantor hereby waives, releases and agrees not to sue upon any such claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

IN WITNESS WHEREOF, the undersigned have caused this Guaranty to be duly executed and delivered as of the date first set forth above.

By:_____
Name:
Title:

GUARANTY AGREEMENT

UNCONDITIONAL GUARANTY OF PAYMENT (this "Guaranty"), is made as of September 7, 2000 by RECKSON ASSOCIATES REALTY CORP., a Maryland corporation (the "Guarantor"), in favor of THE CHASE MANHATTAN BANK, as administrative agent and UBS WARBURG LLC, as syndication agent (collectively, "Agents") for the benefit of the banks (the "Lenders") that are from time to time parties to that certain Amended and Restated Credit Agreement (the "Credit Agreement"), dated as of September 7, 2000, among Reckson Operating Partnership, L.P., the Lenders and the Agents.

Capitalized terms not otherwise defined in this Guaranty shall have the meanings ascribed to them in the Credit Agreement.

W I T N E S S E T H:

WHEREAS, pursuant to the terms of the Credit Agreement, Reckson Operating Partnership, L.P. (the "Borrower") requested that the Lenders make Loans to the Borrower, to be guaranteed by Guarantor and to be evidenced by certain Promissory Notes (the "Notes"), each dated as of September 7, 2000, in the aggregate principal amount of $575,000,000, payable by the Borrower to the order of the Lenders;

WHEREAS, this Guaranty is one of the "Guaranties" referred to in the Credit Agreement;

WHEREAS, the Guarantor is the general partner of Borrower and has an eighty-eight percent (88%) beneficial interest therein; and

WHEREAS, in order to induce the Agents and the Lenders to make the Loans to the Borrower, and to satisfy one of the conditions contained in the Credit Agreement with respect thereto, the Guarantor has agreed to enter into this Guaranty.

NOW THEREFORE, in consideration of the premises and the direct and indirect benefits to be derived from the making of the Loans by the Lenders to the Borrower, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor hereby agrees as follows:

1. (a) Guarantor, on behalf of itself and its successors and assigns, hereby irrevocably, absolutely, and unconditionally guarantees the full and punctual payment when due, whether at stated maturity or otherwise, of all obligations of the Borrower now or hereafter existing under the Credit Agreement, under the Notes, under any Letter of Credit or Letter of Credit Reimbursement Agreement or under any of the other Loan Documents to which the Borrower is a party; and

(b) Guarantor, on behalf of itself and its successors and assigns, hereby irrevocably, absolutely, and unconditionally guarantees the full and punctual payment when due of any and all reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the Agents and the Lenders in enforcing their rights under this Guaranty (all such obligations set forth in this Paragraph 1 being referred to as the "Guaranteed Obligations").

2. It is agreed that the obligations of Guarantor hereunder are primary and this Guaranty shall be enforceable against Guarantor and its successors and assigns without the necessity for any suit or proceeding of any kind or nature whatsoever brought by the Agents or the Lenders against the Borrower, or its respective successors or assigns or any other party or against any security for the payment and performance of the Guaranteed Obligations and, to the extent permitted by applicable law, without the necessity of any notice of non-payment or non-observance or of any notice of acceptance of this Guaranty or of any notice or demand to which Guarantor might otherwise be entitled (including, without limitation, diligence, presentment, notice of maturity, extension of time, change in nature or form of the Guaranteed Obligations, acceptance of further security, release of further security, imposition or agreement arrived at as to the amount of or the terms of the Guaranteed Obligations, notice of adverse change in the Borrower's financial condition and any other fact which might materially increase the risk to Guarantor), all of which Guarantor, to the extent permitted by applicable law, hereby expressly waives; and, to the extent permitted by applicable law, Guarantor hereby expressly agrees that the validity of this Guaranty and the obligations of the Guarantor hereunder shall in no way be terminated, affected, diminished, modified or impaired by reason of the assertion of, or the failure to assert by the Agents or the Lenders against the Borrower or its respective successors or assigns, any of the rights or remedies reserved to the Agents and the Lenders pursuant to the provisions of the Loan Documents. Guarantor hereby agrees that, to the extent permitted by applicable law, any notice or directive given at any time to the Agents or the Lenders which is inconsistent with the waiver in the immediately preceding sentence shall be void and may be ignored by the Agents and the Lenders, and, in addition, may not be pleaded or introduced as evidence in any litigation relating to this Guaranty for the reason that such pleading or introduction would be at variance with the

written terms of this Guaranty, unless the Agents have specifically agreed otherwise in writing, signed by a duly authorized officer. Guarantor specifically acknowledges and agrees that the foregoing waivers are of the essence of this transaction and that, but for this Guaranty and such waivers, the Agents and the Lenders would not make the requested Loans to the Borrower.

3. To the extent permitted by applicable law, Guarantor hereby waives, and covenants and agrees that it will not at any time insist upon, plead or in any manner whatsoever claim or take the benefit or advantage of, any and all appraisal, valuation, stay, extension, marshalling-of-assets or redemption laws, or right of homestead exemption, whether now or at any time hereafter in force, which may delay, prevent or otherwise affect the performance by Guarantor of its obligations under, or the enforcement by the Agents and the Lenders of, this Guaranty. To the extent permitted by applicable law, Guarantor further covenants and agrees not to set up or claim any defense, counterclaim, offset, set-off or other objection of any kind to any action, suit or proceeding in law, equity or otherwise, or to any demand or claim that may be instituted or made by the Agents or the Lenders, other than the defense of the actual timely payment and performance by the Borrower of the Guaranteed Obligations hereunder. Guarantor represents, warrants and agrees that, as of the date hereof, its obligations under this Guaranty are not subject to any counterclaims, offsets or defenses against the Agents or the Lenders of any kind.

4. The provisions of this Guaranty are for the benefit of the Agents on behalf of the Lenders and their successors and permitted assigns, and nothing herein contained shall impair as among the Borrower, the Lenders and the Agents the obligations of the Borrower under the Loan Documents.

5. This Guaranty shall be a continuing, unconditional and absolute guaranty and, to the extent permitted by applicable law, the liability of Guarantor hereunder shall in no way be terminated, affected, modified, impaired or diminished by reason of the happening, from time to time, of any of the following, although without notice or the further consent of Guarantor:

(a) any assignment, amendment, modification or waiver of or change in any of the terms, covenants, conditions or provisions of any of the Guaranteed Obligations or the Loan Documents or the invalidity or unenforceability of any of the foregoing; or

(b) any extension of time that may be granted by the Agents or the Lenders to the Borrower, any guarantor, or their respective successors or assigns; or

(c) any action which the Agents or the Lenders may take or fail to take under or in respect of any of the Loan Documents or by reason of any waiver of, or failure to enforce any of the rights, remedies, powers or privileges available to the Agents or the Lenders under this Guaranty or any of the other Loan Documents or available to the Agents or the Lenders at law, in equity or otherwise, or any action on the part of the Agents or the Lenders granting indulgence or extension in any form whatsoever; or

(d) any sale, exchange, release, or other disposition of any property pledged, mortgaged or conveyed, or any property in which the Agents and/or the Lenders have been granted a lien or security interest to secure any indebtedness of the Borrower to the Agents and/or the Lenders; or

(e) any release of any person or entity who may be liable in any manner for the payment and collection of any amounts owed by the Borrower to the Agents and/or the Lenders; or

(f) the application of any sums by whomsoever paid or however realized to any amounts owing by the Borrower to the Agents and/or the Lenders under the Loan Documents in such manner as the Agents and the Lenders shall determine in their sole discretion; or

(g) the Borrower's or any guarantor's voluntary or involuntary liquidation, dissolution, sale of all or substantially all of their respective assets and liabilities, appointment of a trustee, receiver, liquidator, sequestrator or conservator for all or any part of the Borrower's or guarantor's assets, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment, or the commencement of other similar proceedings affecting the Borrower or any guarantor or any of the assets of any of them, including, without limitation, (i) the release or discharge of the Borrower or any guarantor from the payment and performance of its respective obligations under any of the Loan Documents by operation of law, or (ii) the impairment, limitation or modification of the liability of the Borrower or any guarantor in bankruptcy, or of any remedy for the enforcement of the Guaranteed Obligations under any of the Loan Documents, or Guarantor's liability under this Guaranty, resulting from the operation of any present or future provisions of the Bankruptcy Code or other present or future federal, state or applicable statute or law or from the decision in any court; or

(h) any improper disposition by the Borrower of any Letter of Credit or the proceeds of the Loans, it being acknowledged by Guarantor that the Agents and the Lenders shall be entitled to honor any request made by the Borrower for a disbursement of such proceeds and that the Agents and the Lenders shall have no obligation to see the proper disposition by the Borrower of such Letter of Credit or proceeds.

6. Guarantor hereby agrees that if at any time all or any part of any payment at any time received by the Agents or the Lenders from the Borrower under any of the Notes or other Loan Documents or Guarantor under or with respect to this Guaranty is or must be rescinded or returned by the Agents or the Lenders for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of the Borrower or Guarantor or any other guarantor), then Guarantor's obligations hereunder shall, to the extent of the payment rescinded or returned, be deemed to have continued in existence notwithstanding such previous receipt by the Agents or the Lenders, and Guarantor's obligations hereunder shall continue to be effective or reinstated, as the case may be, as to such payment, as though such previous payment to the Agents or the Lenders had never been made.

7. Until this Guaranty is terminated pursuant to the terms hereof, the Guarantor (i) shall have no right of subrogation against the Borrower or any entity comprising same by reason of any payments or acts of performance by Guarantor in compliance with the obligations of Guarantor hereunder; (ii) hereby waives any right to enforce any remedy which Guarantor now or hereafter shall have against the Borrower, or any entity comprising the same, by reason of any one or more payment or acts of performance in compliance with the obligations of Guarantor hereunder; and (iii) shall subordinate any liability or indebtedness of the Borrower or any entity comprising same now or hereafter held by Guarantor to the obligations of the Borrower, as applicable, under the Loan Documents; provided that nothing contained herein shall limit the right of the Guarantor to receive any amount from the Borrower, as applicable, or any entity comprising the same that is not prohibited by the terms of the Loan Documents.

8. Guarantor hereby represents and warrants on its own behalf to the Agents with the knowledge that the Agents and the Lenders are relying upon the same, as follows:

(a) as of the date hereof, Guarantor is the general partner of Borrower and has an 88% beneficial interest therein, and Guarantor is familiar with the financial condition of Borrower;

(c) based upon such relationship, Guarantor has determined that it is in its best interest to enter into this Guaranty;

(d) this Guaranty is necessary and convenient to the conduct, promotion and attainment of Guarantor's business, and is in furtherance of Guarantor's business purposes;

(e) the benefits to be derived by Guarantor from the Borrower's access to funds made possible by the Loan Documents are at least equal to the obligations of Guarantor undertaken pursuant to this Guaranty;

(f) Guarantor is Solvent and has full corporate, partnership, limited liability company or trust power, as the case may be, and legal right to enter into this Guaranty and to perform its obligations under the terms hereof and (i) Guarantor is organized or formed and validly existing under the laws of the state of its establishment or formation, (ii) Guarantor has complied with all provisions of applicable law in connection with all aspects of this Guaranty, and (iii) the person executing this Guaranty on behalf of Guarantor has all the requisite power and authority to execute and deliver this Guaranty; and

(g) this Guaranty has been duly executed by Guarantor and constitutes the legal, valid and binding obligation of Guarantor, enforceable against it in accordance with its terms except as enforceability may be limited by applicable insolvency, bankruptcy or other laws affecting creditors' rights generally or general principles of equity whether such enforceability is considered in a proceeding in equity or at law.

9. Guarantor and the Agents acknowledge and agree that this Guaranty is a guaranty of payment and not of collection and enforcement in respect of any obligations which may accrue to the Agents and/or the Lenders from the Borrower under the provisions of any Loan Document.

10. Subject to the terms and conditions of the Credit Agreement, and only in conjunction with a transfer permitted thereunder, the Agents and the Lenders may assign any or all of their respective rights under this Guaranty.

11. Guarantor agrees, upon the written request of the Agents, to execute and deliver to the Agents, from time to time, any modification or amendment hereto or any additional instruments or documents reasonably considered necessary by the Agents or its counsel to cause this Guaranty to be, become or

remain valid and effective in accordance with its terms or in order to implement more fully the intent of this Guaranty, provided, that, any such modification, amendment, additional instrument or document shall not increase Guarantor's obligations or diminish its rights hereunder and shall be reasonably satisfactory as to forth to Guarantor and to Guarantor's counsel.

12. The representation and warranties of the Guarantor set forth in this Guaranty shall survive until this Guaranty shall terminate in accordance with the terms hereof.

13. This Guaranty together with the Credit Agreement and the other Loan Documents contains the entire agreement among the parties with respect to the Loans and other extensions of credit being made to the Borrower, and supersedes all prior agreements relating to such Loans and other extensions of credit and may not be modified, amended, supplemented or discharged except by a written agreement signed by Guarantor and the Agents.

14. If all or any portion of any provision contained in this Guaranty shall be determined to be invalid, illegal or unenforceable in any respect for any reason, such provision or portion thereof shall be deemed stricken and severed from this Guaranty and the remaining provisions and portions thereof shall continue in full force and effect.

15. In order for any demand, request or notice to the respective parties hereto to be effective, such demand, request or notice shall be given, in writing, by delivering the same personally or by nationally recognized overnight courier service or by mailing, by certified or registered mail, postage prepaid or by telecopying the same, addressed to such party at the address set forth below or to such other address as may be identified by any party in a written notice to the others. Any such demand, request or notice sent-as aforesaid shall be deemed to have been received by the party to whom it is addressed upon delivery, if personally delivered and on the actual receipt thereof, if sent by certified or registered mail or by telecopier, and when transmitted, if sent by telex:

If to Guarantor:

Reckson Associates Realty Corp.
225 Broadhollow Road
Melville, New York 11747
Attention: Michael Maturo
Telecopy: (516) 756-1764

With Copies of Notices to the Guarantor to:

Brown & Wood LLP
One World Trade Center
New York, New York 10048
Attention: Patricia A. Murphy, Esq.
Telecopy: (212) 839-5599

If to the Agents:

The Chase Manhattan Bank
270 Park Avenue
New York, New York 10017
Attention: Marc Costantino
Telecopy: (212) 270-9554

and

UBS Warburg LLC
299 Park Avenue
New York, NY 10171
Attention: Joseph Bassil
Telecopy: (212) 821-3851

With Copies to:

Bingham Dana LLP
150 Federal Street
Boston, MA 02110
Attention: Peter Van, Esq.
Telecopy: (617) 951-8736

16. This Guaranty shall be binding upon Guarantor and its successors and assigns and shall inure to the benefit of the Agents and the Lenders and their successors and assigns.

17. The failure of the Agents to enforce any right or remedy hereunder, or promptly to enforce any such right or remedy, shall not constitute a waiver thereof, nor give rise to any estoppel against the Agents or the Lenders, nor excuse Guarantor from its obligations hereunder. Any waiver of any such right or remedy to be enforceable against the Agents must be expressly set forth in a writing signed by the Agents.

18. (a) THIS GUARANTY AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

(b) Any legal action or proceeding with respect to this Guaranty and any action for enforcement of any judgment in respect thereof may be brought in the courts of the State of New York or of the United States of America for the Southern District of New York, and, by execution and delivery of this Guaranty, Guarantor hereby accepts for itself and in respect of its property, generally and unconditionally, the nonexclusive jurisdiction of the aforesaid courts and appellate courts from any thereof. Guarantor irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to Guarantor at the address for notices set forth herein. Guarantor hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Guaranty brought in the courts referred to above and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Nothing herein shall affect the right of the Agents and the Lenders to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against Guarantor in any other jurisdiction.

(c) GUARANTOR AND AGENTS BY THEIR EXECUTION HEREOF AND THE LENDERS' ACCEPTANCE HEREOF EACH HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY AND ALL CLAIMS OR CAUSES OF ACTION BASED UPON OR ARISING OUT OF THIS GUARANTY. IT IS HEREBY ACKNOWLEDGED BY GUARANTOR THAT THE WAIVER OF A JURY TRIAL IS A MATERIAL INDUCEMENT FOR THE AGENTS TO ACCEPT THIS GUARANTY AND THAT THE LOANS MADE BY THE LENDERS ARE MADE IN RELIANCE UPON SUCH WAIVER. GUARANTOR FURTHER WARRANTS AND REPRESENTS THAT SUCH WAIVER HAS BEEN KNOWINGLY AND VOLUNTARILY MADE, FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, THIS GUARANTY MAY BE FILED BY THE AGENTS IN COURT AS A WRITTEN CONSENT TO A NON-JURY TRIAL.

(d) Guarantor does hereby further covenant and agree to and with the Agents that Guarantor may be joined in any action against the Borrower in connection with the Loan Documents and that recovery may be had against Guarantor in such action or in any independent action against Guarantor (with respect to the Guaranteed Obligations), without the Agents or the Lenders first pursuing or exhausting any remedy or claim against the Borrower, its successors or assigns. Guarantor also agrees that, in an action brought with respect to the Guaranteed Obligations in any jurisdiction, it shall be conclusively bound by the judgment in any such action by the Agents (wherever brought) against the Borrower, or its successors or assigns, as if Guarantor were a party to such action, even though Guarantor was not joined as parties in such action.

(e) Guarantor hereby agrees to pay all expenses (including, without limitation, reasonable attorneys fees and disbursements) which may be incurred by the Agents in connection with the enforcement of their rights under this Guaranty, whether or not suit is initiated; provided, however, that such expenses shall be paid by the Agents if a final judgment in favor of Guarantor is rendered by a court of competent jurisdiction. Moreover, Guarantor covenants and agrees to indemnify and save the Agents harmless of and from, and defend it against, all losses, out-of pocket costs and expenses, liabilities, damages or claims arising by reason of Guarantor's failure to perform its obligations hereunder.

19. Subject to the terms of Section 6 hereof, this Guaranty shall terminate and be of no further force or effect upon the full performance and payment of the Guaranteed Obligations hereunder. Upon termination of this Guaranty in accordance with the terms of this Guaranty, the Agents promptly shall deliver to Guarantor such documents as Guarantor or Guarantor's counsel reasonably may request in order to evidence such termination.

20. All of the Agents' and the Lenders' rights and remedies under each of the Loan Documents or under this Guaranty are intended to be distinct, separate and cumulative and no such right or remedy therein or herein mentioned is intended to be in exclusion of or a waiver of any other right or remedy available to the Agents.

21. Recourse with respect to any claim arising under or in connection with this Guaranty by Agents, the Arrangers and the Lenders shall be limited to the same extent as is provided in Section 4.3 (e) of the Credit Agreement with respect to claims against the Guarantor and the other parties named therein and the terms, covenants and conditions of Section 4.3 (e) of the Credit Agreement are hereby incorporated by reference as if fully set forth herein.

22. By executing and delivering this Guaranty, Guarantor hereby agrees that it shall be bound by, and shall comply with, all warranties and covenants applicable to it set forth in the Credit Agreement.

23. Guarantor shall make no claim against any Lender (acting in any

capacity under the Credit Agreement), any Arranger, the Administrative Agent, or any other Person, or the Affiliates, directors, officers, employees, attorneys or agents of any of them for any consequential or punitive damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Guaranty, or any act, omission or event occurring in connection therewith; and Guarantor hereby waives, releases and agrees not to sue upon any such claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

IN WITNESS WHEREOF, the undersigned have caused this Guaranty to be duly executed and delivered as of the date first set forth above.

RECKSON ASSOCIATES REALTY CORP., a Maryland corporation

By: _____
Name:
Title:

OPERATING AGREEMENT
OF
RT TRI-STATE LLC

THIS OPERATING AGREEMENT is entered into as of September 28, 2000, between Reckson Tri-State Member LLC, a Delaware limited liability company (together with its permitted successors and assigns, "Reckson") and TIAA Tri-State LLC, a Delaware limited liability company (together with its permitted successors and assigns, "TIAA LLC"). Reckson and TIAA LLC shall hereinafter collectively be referred to as the "Members".

WHEREAS, a limited liability company was previously formed pursuant to the provisions of the Delaware Limited Liability Company Act (as the same may be amended from time to time, the "LLC Act") under the name RT Tri-State LLC (the "LLC") pursuant to a Certificate of Formation dated as of September 14, 2000 (the "Certificate") and pursuant to which Reckson OP (as hereinafter defined) was the sole member;

WHEREAS, subsequent to the LLC's formation, Reckson OP contributed all of its interest in the LLC to Reckson in exchange for Reckson's receipt of all of the ownership interests in the LLC;

WHEREAS, on the date hereof, the LLC owns all right, title and interest in (a) Reckson Stamford Towers LLC ("Reckson/Stamford Towers LLC"), the owner of fee simple title to the property commonly known as Stamford Towers, Stamford, Connecticut ("Stamford Towers"), (b) Reckson Short Hills LLC ("Reckson Short Hills LLC"), the owner of a condominium unit in the building known as 51 JFK Parkway, Short Hills, New Jersey (such condominium unit, "51 JFK"), (c) Reckson 120 White Plains Road LLC ("Reckson 120 White Plains Road LLC"), the owner of fee simple title to the property commonly known as 120 White Plains Road, Tarrytown, New York ("120 White Plains"), (d) 400 Garden City LLC ("400 Garden City LLC"), the owner of fee simple title to the property commonly known as 400 Garden City Plaza, Garden City, New York ("400 Garden City Plaza"), (e) 1305 Walt Whitman LLC ("1305 Walt Whitman LLC"), the owner of fee simple title to the property commonly known as 1305 Walt Whitman Road, Melville, New York ("1305 Walt Whitman"), (f) 90 Merrick LLC ("90 Merrick LLC"), the owner of the ground lessee's interest in the building commonly known as 90 Merrick Avenue, East Meadow, New York ("90 Merrick") and (g) 275 Broadhollow LLC ("275 Broadhollow LLC"), the owner of fee simple title to the property commonly known as 275 Broadhollow Road, Melville, New York ("275 Broadhollow"). Each of Reckson/Stamford Towers LLC, Reckson Short Hills LLC, Reckson 120 White Plains Road LLC, 400 Garden City LLC, 1305 Walt Whitman LLC, 90 Merrick LLC and 275 Broadhollow LLC shall be referred to individually as a "Property Owner" and collectively as the "Property Owners". Each of Stamford Towers, 51 JFK, 120 White Plains, 400 Garden City Plaza, 1305 Walt Whitman, 90 Merrick and 275 Broadhollow shall be referred to individually as a "Property" and collectively as the "Properties." The Members acknowledge that the agreed gross value of each Property as of the date of this Agreement is as set forth on Schedule 1 (the "Allocated Values"); and

WHEREAS, on the date hereof and as set forth herein (a) TIAA LLC has made an initial capital contribution to the LLC in the amount set forth in Section 5.01(a)(i), (b) TIAA LLC has received a 49% interest in the LLC in exchange for such contribution; and (c) such capital contribution has been distributed to Reckson (the occurrence of the events described in clauses (a), (b) and (c) on the date of this Agreement are sometimes herein referred to as the "Closing").

NOW, THEREFORE, in consideration of the foregoing, and of the covenants and agreements hereinafter set forth, Reckson and TIAA LLC hereby agree as follows:

ARTICLE I
DEFINITIONS

Unless otherwise specified, all references herein to Articles or Sections are to Articles or Sections of this Agreement. Unless the context otherwise specifies or requires, capitalized terms used herein shall apply equally to both the singular and the plural forms of such capitalized terms and shall have the following respective meanings:

51 JFK: As defined in the recitals to this Agreement.

90 Merrick LLC: As defined in the recitals to this Agreement.

90 Merrick: As defined in the recitals to this Agreement.

101 JFK: As defined in Section 7.05.

120 White Plains: As defined in the recitals to this Agreement.

275 Broadhollow: As defined in the recitals to this Agreement.

275 Broadhollow LLC: As defined in the recitals to this Agreement.

400 Garden City LLC: As defined in the recitals to this Agreement.

400 Garden City Plaza: As defined in the recitals to this Agreement.

1305 Walt Whitman: As defined in the recitals to this Agreement.

1305 Walt Whitman LLC: As defined in the recitals to this Agreement.

Actively Managed Entity: As defined in Section 9.06(a)(i).

Adjusted Net Ordinary Cash Flow: For any period means an amount equal to the Net Ordinary Cash Flow for such period plus payments on account of debt service, any expenses required or permitted to be capitalized, Leasing Costs, Management Fees and excluding any changes in Cash Reserves.

Adjusted Portfolio Valuation: As defined in Section 9.06(a)(ii)(A).

Affiliate: When used with reference to a specified Person, means any Person that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with the specified Person. For purposes of this definition of "Affiliate" 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 the ownership of voting securities, by contract or otherwise.

Agreement: This Operating Agreement, as it may be further amended or supplemented from time to time.

Allocated Values: As defined in the recitals to this Agreement.

Annual Report: As defined in Section 8.04.

Applicable Interest: As defined in Section 9.04(a)(i).

Applicable Leases: As defined in Section 12.01(a).

Appraiser: As defined in Section 9.06(a)(ii)(A).

Approved Entity: As defined in Section 9.06(a)(i).

Approved Entity List: As defined in Section 9.06(a)(i).

Approved Pledgee: As defined in Section 9.09(d).

Bank Account: As defined in Section 8.03.

Bankrupt: "Bankruptcy" shall mean, and a Member shall be deemed "Bankrupt" upon, (i) the entry of a final, nonappealable decree or order for relief of the Member by a court of competent jurisdiction in any involuntary case involving the Member under any bankruptcy, insolvency or other similar law now or hereafter in effect; (ii) the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar agent for the Member or for all or substantially all of the Member's assets or property which appointment is not discharged within ninety (90) days; (iii) the ordering of the winding up or liquidation of the Member's affairs; (iv) the filing with respect to the Member of a petition in any such involuntary bankruptcy case, which petition remains undismissed for a period of 90 days; (v) the commencement by the Member of a voluntary case under any bankruptcy, insolvency or other similar law now or hereafter in effect; (vi) the consent by the Member to the entry of an order for relief in an involuntary case under any such law or to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar agent for the Member or for all or substantially all of the Member's assets or property; (vii) the making by the Member of any general assignment for the benefit of creditors; or (viii) the admission in writing by the Member of its inability to pay its debts as such debts become due.

Base Rents: For any Lease, the annual base rent payable by the tenant under such Lease (calculated on a per rentable square foot basis of the space demised under such Lease).

Binding Commitment Notice: As defined in Section 9.04(a)(i).

Binding Commitment Period: As defined in Section 9.04(a)(i).

Binding Loan Commitment: As defined in Section 10.03(c).

Binding Property Notice: As defined in Section 9.05(c).

Binding Third Party Property Notice: As defined in Section 10.01(a).

Book Value: Means, with respect to any LLC Asset, the asset's adjusted basis for federal income tax purposes, except that, in accordance with the rules set forth in Treas. Reg. Section 1.704-1(b)(iv)(f):

(a) The initial Book Value of the assets of the LLC as of the date of the contribution or deemed contribution shall be their respective gross fair market values at such time as reasonably determined by the Operating Member and approved by TIAA LLC, which approval shall not be unreasonably withheld and, in the case of each Property shall be equal to its applicable Allocated Value;

(b) The Book Value of any asset distributed or deemed distributed by the LLC to any Member shall be adjusted immediately prior to such distribution to equal its gross fair market value at such time as reasonably determined by the Operating Member and approved by TIAA LLC, which approval shall not be unreasonably withheld;

(c) The Book Values of all LLC assets may be adjusted to equal their respective gross fair market values, as reasonably determined by the Operating Member (and approved by TIAA LLC, which approval shall not be unreasonably withheld or delayed) as of:

(i) the date of the acquisition of an additional interest in the LLC by any new or existing Member in exchange for a contribution to the capital of the LLC; or

(ii) upon any distribution in liquidation of the LLC, or the distribution by the LLC to a retiring or continuing Member of money or other assets of the LLC in reduction of such Member's Interest in the LLC.

Any adjustments to the adjusted basis of any asset of the LLC pursuant to Sections 734 or 743 of the Code shall be taken into account in determining such asset's Book Value in a manner consistent with Treas. Reg. Section 1.704-1(b)(2)(iv)(m); and

(d) If the Book Value of an asset has been determined pursuant to clauses (a) through (c) above, such Book Value shall thereafter be adjusted in the same manner as would the asset's adjusted tax basis for federal income tax purposes, except that depreciation and amortization deductions shall be computed based on the asset's Book Value as so determined, and not on the asset's adjusted tax basis in a manner consistent with Treas. Reg. Section 1.704-1(b)(2)(iv)(g)(3) or 1.704-3(d)(2), as applicable.

Borrower: As defined in Section 10.03(b).

Broker: As defined in Section 13.21.

Budgets: As defined in Section 7.03(a)(i).

Business Plan: As defined in Section 7.03(a)(i).

Business Day: Monday through Friday of each week, except that a legal holiday recognized as such by the Government of the United States and any other day on which banks in the State of New York are required or permitted to be closed shall not be regarded as a business day.

Buy-Sell Lockout or Buy-Sell Lockouts: As defined in Section 9.05(a).

Capital Account: means, with respect to any Member, the capital account of such Member maintained pursuant to Section 6.01, including all additions thereto and subtractions therefrom pursuant to this Agreement.

Capital Budget: As defined in Section 7.03(a)(i).

Capital Contribution: Any property (including cash) contributed to the LLC by or on behalf of a Member.

Capital Improvements: Any renewals, replacements and improvements to the Properties which in accordance with GAAP must be capitalized.

Cash Reserves: Reserve funds established by the Operating Member to pay LLC Charges as set forth in the Business Plan or as reasonably approved by TIAA LLC. TIAA LLC hereby approves an initial Cash Reserve of

$250,000 to be held by the LLC, which shall be in addition to any "Property Level Reserves" (as such term is defined in each Management Agreement).

Certificate: As defined in the recitals to this Agreement.

Change in Control: Means the occurrence of any Person or group (as such term is used in Section 13(d)(3) and 14(d)(2) of the Exchange Act), other than the Permitted Holders, being or becoming the beneficial owner (as such term is used in Section 13(d)(3) and 14(d)(2) of the Exchange Act), directly or indirectly, of more than 50% of the Voting Stock of a Reckson Party, including by way of merger, consolidation or otherwise. For purposes of this paragraph "Permitted Holders" means (a) Teachers, (b) Senior Management of Reckson Associates, (c) the spouses, issue, parents and first cousins of Senior Management of Reckson Associates and the first cousins of the spouses, issue and parents of the Rechlers, (d) trusts for the benefit of the Persons described in clause (b) and (c) of this definition, (e) entities controlling or controlled by foregoing Persons and (f) in the event of the death of any such individual Person, heirs or testamentary legatees of such Person; provided, that the parties described in (c), (d) and (e) shall only be deemed Permitted Holders so long as a majority of the Persons holding the positions of executive vice president or higher at Reckson Associates are either Senior Management of Reckson Associates or individuals with at least 10 years experience in owning or operating commercial real estate. For purposes of this definition "Voting Stock" means equity interests in a corporation or other Person with voting power under ordinary circumstances entitling the holders thereof to elect the Board of Directors or other governing body of such corporation or Person.

Change in Control Notice: As defined in Section 9.06(a)(ii)(A).

Closing: As defined in the recitals to this Agreement.

Code: The Internal Revenue Code of 1986, as in effect and hereafter amended, and, unless the context otherwise requires, applicable regulations thereunder. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future law.

Conflict Notice: As defined in Section 9.06(a)(ii)(A).

Contracts: As defined in Section 12.01(a)(xiii).

Contributing Member: As defined in Section 5.02(b)(i).

Contributing Member Contribution: As defined in Section 5.02(b)(ii).

Conversion Date: As defined in Section 5.02(b)(ii).

CPI: The Consumer Price Index for All Urban Consumers (CPI-U), All Items, applicable to the N.Y.-Northeastern N.J. area (1982-84 = 100) for urban wage earners and clerical workers, as published by the U.S. Department of Labor, Bureau of Labor Statistics. If such Consumer Price Index is discontinued or otherwise revised during the term of this Agreement, the Consumer Price Index for All Urban Consumers (CPI-U), All Items, U.S. City Average (1982-84 = 100) for urban wage earners and clerical workers, as published by the U.S. Department of Labor, Bureau of Labor Statistics, shall be used, and if such national index is discontinued or otherwise revised during the term of this Agreement, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Consumer Price Index had not been discontinued or revised.

CPI Increase: As of any date during the term of this Agreement (such date, the "Determination Date"), the percent of increase, if any, in the CPI for month in which the applicable Determination Date occurs over the CPI for September, 2000. The parties agree that if such percentage increase is not an even multiple of 10%, such percentage shall be reduced to the next lowest even multiple of 10%.

Damages: As defined in Section 12.01(b).

Default Amount: As defined in Section 5.02(b)(i).

Default Loan(s): As defined in Section 5.02(b)(i).

Default Loan Period: As defined in Section 7.02(b).

Default Rate: The lesser of (a) the Prime Rate plus 2% and (b) the maximum interest rate permitted by law.

Deposit: As defined in Section 9.04(a)(i).

Disputed Amount: As defined in Section 9.06(a)(ii)(A).

Election Period: As defined in Section 5.02(b)(i).

ERISA Problem: As defined in Section 9.06(a)(ii)(A).

Escrow Agent: As defined in Section 9.04(a)(i).

Final Plan: As defined in Section 7.03(a)(i).

First Refusal Notice: As defined in Section 9.04(a)(i).

Fiscal Year: As defined in Section 8.02.

Frontline: As defined in Section 13.25.

GAAP: Generally accepted accounting principles consistently applied.

Ground Lease: The Lease dated October 28, 1983 by and between County of Nassau and Avon Park Management Associates, Inc. (as amended and assigned through the date hereof) with respect to 90 Merrick.

Indemnitees: As defined in Section 13.22(a).

Indemnity Laws: As defined in Section 13.22(b).

Initial Period: As defined in Section 5.02(b)(ii).

Initial Portfolio Valuation: As defined in Section 6.01(a).

Initial Working Capital: As defined in Section 5.02(a).

Interest Alteration: As defined in Section 9.01(c).

Initial Working Capital: As defined in Section 5.02(a).

Institutional Lender: means a savings bank, a savings and loan association, a commercial bank or trust company, a private pension fund, a credit union or company, an insurance company, a religious, educational or eleemosynary institution, a federal, state or municipal employee's welfare, benefit, pension or retirement fund, any governmental agency or entity insured by a governmental agency, any brokerage or investment banking organization, opportunity fund or any other Person reasonably satisfactory to TIAA LLC, which is engaged in the business of making loans and whether acting in its own capacity or on behalf of one or more third parties, who need not be Institutional Lenders, or any Affiliate of any of the foregoing; provided, that each of the above entities shall qualify as an Institutional Lender only if it (together with its Affiliates) shall have net assets or a net equity or combined capital and surplus, as the case may be, of not less than $250,000,000.

Interest: As to any Member, all of the interest of that Member in the LLC, including, without limitation, such Member's (i) right to a distributive share of the income, gain, losses and deductions of the LLC in accordance with this Agreement, and (ii) right to a distributive share of LLC Assets.

Involuntary Change in Control: As defined in Section 9.06(a)(ii)(A).

Joint Decisions: As defined in Section 7.02.

Lease: Any lease, license or other agreement now or hereafter entered into which permits the use and occupancy of any portion of any Property.

Leasing Costs: With respect to any Lease, the costs payable by the LLC for tenant improvements, tenant allowances and payments, leasing commissions, costs incurred in connection with the LLC or any Property Owner assuming a tenant's lease obligations with respect to real property other than the Properties and costs incurred in connection with the LLC's or any Property Owner's exercise of a right to "take-back" space in any of the Properties in connection with the premises demised under such Lease for the term thereof (calculated on a per rentable square foot basis of the space demised under such Lease).

Leasing Guidelines: As defined in Section 7.03(a)(i).

Lesser Price Offer: As defined in Section 10.01(a).

Legal Requirements: All laws, statutes, or ordinances, including building codes, subdivision, zoning regulations, urban redevelopment plans, fire, health, safety, pollution, environmental protection and safety laws, OSHA requirements, and the orders, rules, regulations, directives and requirements of any federal, state or local governmental or quasi-governmental authority which are applicable to any Property or the LLC; all requirements, obligations, terms, restrictions, provisions and conditions of all covenants,

conditions, easements, rights of way, instruments now or hereafter applicable to any Property whether or not of record; and all rules, regulations and requirements of any insurance company insuring all or any part of any Property.

LLC: As defined in the recitals to this Agreement.

LLC Accountants: Ernst & Young LLP, and its successor; Kinsey, Beck and Company and its successor or such other firm of independent certified public accountants which shall be one of the five largest accounting firms in the United States chosen by Operating Member, or, if not one of the above-mentioned accounting firms, then such firm as is reasonably approved by TIAA LLC.

LLC Act: As defined in the recitals to this Agreement.

LLC Assets: All assets and property, whether tangible or intangible and whether real, personal or mixed, at any time owned by or held for the benefit of the LLC.

LLC Charges: For a given period of time, a sum equal to the aggregate of the expenditures, charges and costs actually paid by the LLC or the Property Owners during such period of time in accordance with the terms of this Agreement including, without duplication or limitation:

(a) expenses, costs and charges in connection with the ownership, operation, management or leasing of all or any portion of the Properties, the LLC or the Property Owners;

(b) expenses, costs and charges in connection with the repair, maintenance, replacement, alteration of or Capital Improvement to any portion of the Properties, including any casualty or condemnation losses, to the extent that the losses are not reimbursed during such period by any third party responsible therefor or through insurance maintained by the LLC or any of the Property Owners;

(c) all payments of principal and interest on loans to the LLC or any of the Property Owners;

(d) all sales, payroll, real estate, personal property, occupancy and other excise, property, privilege or other taxes and assessments imposed upon the Properties, the LLC or any Property Owners ("Taxes");

(e) utility costs and deposits and other costs and deposits required to obtain or lease any service or equipment relating to the Properties;

(f) management fees, leasing fees and reimbursements payable to the Managing Agent pursuant to the Management Agreement ("Management Fees");

(g) Leasing Costs;

(h) the net increase, if any, in the Cash Reserves during such period of time;

(i) the fees and expenses of the LLC or the Property Owners for accountants, attorneys, architects, engineers, appraisers and other professionals retained by or on behalf of the LLC or any Property Owners in accordance with the terms hereof; and

(j) all other appropriate and necessary costs and expenses of the LLC or any Property Owner incurred in accordance with this Agreement.

Notwithstanding the foregoing, there shall, however, be excluded from LLC Charges:

(i) all non-cash items such as depreciation; (ii) amounts distributed to the Members pursuant to this Agreement; (iii) all payments and expenses deducted from the proceeds of a Major Capital Event to determine the Net Extraordinary Cash Flow; (iv) any expense, cost or charge enumerated in clauses (a) through (g), (i) or (j) above, to the extent such expense, cost or charge was paid from Cash Reserves; and (v) any and all expenses, obligations or liabilities which are specifically stated to be those of Reckson or TIAA LLC (rather than the LLC) under this Agreement.

LLC Charges shall be determined on the cash basis of accounting.

Loan: As defined in Section 10.03(a).

Loan Closing Date: As defined in Section 10.03(b)(i).

Loan Commitment: As defined in Section 10.03(b)(i).

Loan Guidelines: As defined in Section 10.03(a).

Major Capital Event: Any extraordinary transaction with respect to the LLC or any Property or Property Owner which generates cash receipts other than ordinary operating income, including, without limitation, sales of real or personal property (other than sales of personal property in the ordinary course of business), sales of interests in any Property Owner or the LLC, borrowings (whether secured or unsecured) by the LLC or any Property Owner, condemnations (and conveyances in lieu thereof), recoveries relating to damage to any Property, and receipts of insurance proceeds relating to damage to any Property.

Majority-Owned Affiliate: With respect to a specified Person, an Affiliate of such Person in which such Person owns, directly or indirectly, more than 50% of the ownership interests in such Affiliate.

Management Agreement: Each management and leasing agreement governing the management and leasing of a Property between a Property Owner and Managing Agent in the form attached hereto as Exhibit A, as each such agreement may be modified, amended or restated from time to time in accordance with this Agreement and any replacement management and leasing agreement entered into in accordance with the provisions of this Agreement.

Management Fees: As defined in the definition of LLC Charges.

Managing Agent: Reckson Management Group, Inc. or any successor thereto or any replacement managing agent appointed in accordance with the terms hereof.

Managing Directors: As defined in Section 12.01(a).

Marketing Period: As defined in Section 10.01(a).

Material Business Conflict: means a material adverse effect on Teachers' overall ability to act as a pension fund advisor, a custodian of state tuition accounts, an insurer or in its then existing capacity in any other separate line of business which it may maintain.

Member: Means, at any time, any person or entity admitted and remaining as a member of the LLC pursuant to the terms of this Agreement. As of the date of this Agreement, the Members of the LLC are Reckson and TIAA LLC.

Member Contributions: As defined in Section 5.01(a)(iii).

Member Debtor: As defined in Section 9.09(a).

Modified Buy-Sell Rights: As defined in Section 9.06(a)(ii)(B).

Necessary Expenses: Means expenses required to provide necessary services for the Properties and to operate and maintain the level and quality of services for the Properties provided as of the date hereof, plus (without duplication) (i) any amounts required to comply with (A) all applicable Legal Requirements, (B) obligations under Leases other than the general obligation to maintain the applicable Property in a first class manner and (C) other contractual obligations to third parties; (ii) utility charges, ground rent, amounts payable to Manager under the Management Agreement, wages and benefits to employees and insurance premiums; and (iii) amounts necessary to avoid imminent danger to life or property.

Net Cost: As defined in Section 7.02(a)(ii).

Net Extraordinary Cash Flow: The amount, if any, remaining after subtracting from cash receipts arising from a Major Capital Event (a) all expenses of the LLC related to such Major Capital Event and (b) such reserves for the business of the LLC as may be reasonably established by the Operating Member and reasonably approved by TIAA LLC. Net Extraordinary Cash Flow shall be determined on the cash basis of accounting.

Net Ordinary Cash Flow: For any given period of time, the Receipts of the LLC for such period less the LLC Charges of the LLC for such period. Net Ordinary Cash Flow shall be determined on the cash basis of accounting.

Net Income and Net Loss mean, respectively, for any period, the taxable income and taxable loss of the LLC for such period as determined for U.S. federal income tax purposes (inclusive of items required to be separately accounted for under Section 702(a) of the Code), provided that for purposes of determining Net Income and Net Loss and each item thereof (and not for income tax purposes) (a) there shall be taken into account any tax exempt income of the LLC, (b) any expenditures of the LLC which are described in Section 705(a)(2)(B) of the Code or which are deemed to be described in Section 705(a)(2)(B) of the Code pursuant to Regulations under Section 704(b) of the Code shall be treated as deductible expenses, (c) if any LLC Asset has a Book Value which differs from its adjusted tax basis as determined for U.S. federal income tax purposes, income, gain, loss and deduction with respect to

such LLC Asset shall be computed based upon the LLC Asset's Book Value rather than its adjusted tax basis, (d) items of gross income or deduction allocated pursuant to Section 6.03, including "nonrecourse deductions" and "partner nonrecourse deductions", shall be excluded from the computation of Net Income and Net Loss, and (e) if the Book Value of any LLC Asset is adjusted pursuant to clauses (b) through (d) of the definition thereof, the amount of such adjustment shall be taken into account as gain or loss for purposes of computing Net Income and Net Loss.

Non-Contributing Member: As defined in Section 5.02(b).

Non-Approved Entity: As defined in Section 9.06(a)(ii)(A).

Non-Approving Member: As defined in Section 10.01(a).

Non-Operating Member: Means TIAA LLC and any party succeeding to the Interest of TIAA LLC.

Non-Transferring Member: As defined in Section 9.04(a)(i).

Offering Notice: As defined in Section 7.05.

Offering Price: As defined in Section 9.04(a)(i)(B).

OM Decisions: As defined in Section 7.02(c).

OM Termination Event: As defined in Section 7.02(c).

Operating Budget: As defined in Section 7.03(a)(i).

Operating Member: Means Reckson and any party succeeding to the Interest of Reckson or its rights hereunder.

Overage Rent: As defined in Section 5.01(b)(v).

Parent: As defined in Section 9.01.

Percentage Interest: A Member's percentage of the total Interests of the Members. The initial Percentage Interests of the Members shall be Reckson: 51% and TIAA LLC: 49% and shall be subject to adjustment as provided in Section 5.02(b).

Person: Any individual, corporation, association, partnership, limited liability company, joint venture, trust, estate or other entity or organization.

Pledge: As defined in Section 9.01(b).

Prime Rate: Means the rate of interest per annum for U.S. Dollar loans publicly announced from time to time by Chase Manhattan Bank, N.A. (or any successor thereto) as its prime rate in effect in its principal office in New York City.

Proceeding: As defined in Section 12.01(b).

Properties Appraised Market Value: As defined in Section 9.06(a)(ii)(A).

Property and Properties: As defined in the recitals to this Agreement.

Property Commitment Period: As defined in Section 9.05(c).

Property Offer Notice: As defined in Section 9.05(a).

Property Offering Member: As defined in Section 9.05(a).

Property Owners: As defined in the recitals to this Agreement.

Property Purchasing Party: As defined in Section 9.05(d).

Property Receiving Member: As defined in Section 9.05(a).

Property Recommending Member: As defined in Section 10.01(a).

Property Selling Party: As defined in Section 9.05(d).

Proposed Addition: As defined in Section 9.06(a)(i).

Proposed Loan Notice: As defined in Section 10.03(b).

Proposed Non-Approved Entity Change in Control: As defined in Section 9.06(a)(ii)(A).

Proposed Non-Approved Entity Transfer: As defined in Section

9.06(b)(i).

Purchaser: As defined in Section 9.09(a).

Put Closing Date: As defined in Section 9.06(a)(ii)(A).

Put Election Notice: As defined in Section 9.06(a)(ii)(A).

Put Sale: As defined in Section 9.06(a)(ii)(A).

Put Sale Price: As defined in Section 9.06(a)(ii)(A).

Real Estate Operating Company: Means a "real estate operating company" within the meaning of the U.S. Department of Labor's "plan asset" regulations at 29 C.F.R. ss. 2510.3-101.

Receipts: For any given period of time, a sum equal to the aggregate of all amounts actually received by the LLC or any of the Property Owners from or in respect of any Property or other LLC Asset during such period, including, without limitation:

(a) all rents, percentage rent, expense reimbursements, termination fees and other charges received from tenants and other occupants of the Properties;

(b) proceeds of rent insurance and business interruption insurance;

(c) all utility or other deposits returned to the LLC or any Property Owner, which deposits were made on or after the date hereof or for which apportionment was made pursuant to Section 5.01(b);

(d) interest, if any, earned on tenants' security deposits or escrows to the extent unconditionally retained and security deposits to the extent applied pursuant to the provisions of the applicable Leases;

(e) interest, if any, earned and available to the LLC on any Cash Reserves or other LLC funds, or on any escrow funds deposited by the LLC or any Other Property Owner with others;

(f) the amount of any net reduction of Cash Reserves; and

(g) cash or other receipts (other than receipts from a Major Capital Event) received by the LLC or any Property Owner from any other source.

Receipts shall be determined on the cash basis of accounting.

Notwithstanding the foregoing Receipts shall not include (u) amounts contributed or loaned by the Members to the LLC pursuant to this Agreement including without limitation the TIAA LLC Contribution, (v) each tenant's security deposit and interest thereon, if any, as long as the LLC has a contingent legal obligation to return that deposit or such interest thereon, (w) amounts which, although held by a Property Owner, may not be distributed by such Property Owner to the LLC or by the LLC to its Members under applicable law or pursuant to the terms of an agreement with a third party, (x) revenues to which Reckson is entitled under Section 5.01(b), (y) amounts arising from a Major Capital Event and (z) amounts which either Reckson or TIAA LLC are entitled to retain pursuant to Section 13.04.

Rechlers: As defined in the definition of "Change in Control".

Reckson: As defined in the preamble to this Agreement.

Reckson 120 White Plains Road LLC: As defined in the recitals to this Agreement.

Reckson Amount: As defined in Section 9.06(a)(ii)(A).

Reckson Artwork: As defined in Section 13.32.

Reckson Associates: Reckson Associates Realty Corp. or, subject to the provisions of Section 9.06(a)(ii), any successor thereto by merger or acquisition of all or substantially all of its assets, reorganization or otherwise.

Reckson Companies: Reckson OP and Reckson Associates or, subject to the provisions of Section 9.06(a)(ii) Agreement, any successor to either of the foregoing thereto by merger or acquisition of all or substantially all of their assets, by reorganization or otherwise or, subject to the provisions of Section 9.06(a)(ii), any successor thereto by merger or acquisition of all or substantially all of its assets, reorganization or otherwise.

Reckson Contribution: As defined in Section 5.01(a)(ii).

Reckson Knowledge Individuals: As defined in Section 12.01(a).

Reckson OP: Reckson Operating Partnership, L.P., a Delaware limited partnership or, subject to the provisions of Section 9.06(a)(ii), any successor thereto by merger or acquisition of all or substantially all of its assets, reorganization or otherwise.

Reckson Owner: Reckson OP or any other Affiliate of Reckson which owned a Property prior to the date hereof.

Reckson Party: Reckson Associates; provided that in the event Reckson Associates ceases to be the sole general partner of Reckson OP, "Reckson Party" shall be deemed to mean both Reckson Associates and Reckson OP.

Reckson Short Hills LLC: As defined in the recitals to this Agreement.

Recording Office: The office of the Secretary of State of the State of Delaware.

Recourse Coverage: As defined in Section 9.04(b)(iv).

Regulations: The regulations issued by the United States Department of the Treasury under the Code as now in effect and as they may be amended from time to time, and any successor regulations.

Regulatory Allocations: As defined in Section 6.03(b).

Rep. Basket: As defined in Section 12.01(b).

Rep. Closing Date: As defined in Section 12.01(b).

Response Notice: As defined in Section 7.05.

Responsible Member: As defined in Section 9.07(a)(ii).

Revenues: As defined in Section 5.01(b)(i).

ROFO Period: As defined in Section 10.03(b).

ROFR Closing Date: As defined in Section 9.04(a)(i).

ROFR: Means the Right of First Refusal contemplated in Section 9.04.

Rules: As defined in Section 13.30

Sale Closing Date: As defined in Section 9.05(d) and 10.01(b).

Sale Prices: As defined in Section 9.05(b).

Sale Property or Sale Properties: As defined in Section 9.05(a).

Selling Property Owner: As defined in Section 10.01(b).

Senior Management of Reckson Associates: Means the majority of individuals who hold a position of executive vice president or higher at Reckson Associates at the time of a Change in Control of Reckson, but excluding those who did not hold such a position 270 days prior to the applicable Change in Control. As of the date hereof the following individuals hold the position of executive vice president or higher at Reckson: Donald Rechler, Scott Rechler, Roger Rechler, Mitchell Rechler, Gregg Rechler (collectively, the "Rechlers"), Michael Maturo and Jason Barnett.

Special Affiliate: Any Person that owns, is owned by, or is under common ownership with, directly or indirectly, fifty-one percent (51%) or more of the ownership interest of the specified Person; provided, that any Person owning the remaining interests in such specified Person does not possess more approval rights in the aggregate of the specified Person than TIAA LLC has under this Agreement.

Stamford Towers: As defined in the recitals to this Agreement.

Taxes: As defined in the definition of LLC Charges.

Teachers: Means Teachers Insurance and Annuity Association of America, a New York corporation.

Tenant: As defined in Section 12.01(a)(i)(A).

Termination Date: The 99th anniversary of the date of this Agreement.

Third Party Offer Notice: As defined in Section 10.01(a).

Third Party Property Purchasing Party: As defined in Section 10.01(b).

Third Party Sale Price: As defined in Section 10.01(a).

Third Party Sale Property or Third Party Sale Properties: As defined in Section 10.01(a).

TIAA Determined Non-Approved Entity: As defined in Section 9.06(a)(ii)(A).

TIAA LLC: As defined in the preamble to this Agreement.

TIAA LLC Conflict: As defined in Section 9.06(a)(ii)(A).

TIAA LLC Contribution: As defined in Section 5.01(a)(i).

Transfer: As defined in Section 9.01(a).

Transfer Notice: As defined in Section 9.01(b)(i).

Transfer of an Interest: As defined in Section 9.01(e).

Transferee: As defined in Section 9.01(h).

Transferring Member: As defined in Section 9.04(a).

Undistributed Income: As defined in Section 13.05.

Upper Tier Pledge: As defined in Section 9.01(g).

Upper Tier Transfer: As defined in Section 9.01(d).

Valid Third Party Contract: As defined in Section 10.01(a).

ARTICLE II
FILING/ADMISSION; NAME; PLACE OF BUSINESS

2.01 Filing/Admission of TIAA LLC

(a) The Members shall execute and acknowledge, and the Operating Member shall promptly file or record with the proper offices in each jurisdiction and political subdivision in which the LLC does business, and if necessary or desirable, cause to be published, such certificates or amended certificates, if any, as are required or permitted by the LLC Act, or any fictitious name act, or act relating to qualification to do business, or similar statute or any rule or regulation in effect in such jurisdiction or political subdivision. The Members shall further execute and acknowledge and the Operating Member shall promptly file or record such amended certificates or additional certificates or instruments of whatever nature as may from time to time be called for or required by such statutes, rules or regulations to permit the continued existence and operation of the LLC.

(b) TIAA LLC is hereby admitted to the LLC as a Member upon the terms and conditions set forth herein.

2.02 Name of LLC

The name under which the LLC shall conduct its business is RT Tri-State LLC or such other name as the Members may select. In the event that either of the Members shall transfer its Interest pursuant to the provisions set forth herein or shall transfer its interest in one or more Properties, the name under which the LLC shall conduct its business shall be modified at the transferring Member's request such that the transferring Member's name (or any reference to such name (including its initials)) shall be removed from the LLC's name or, if applicable, the name of the Property Owner in which such Member no longer owns an interest, at the time of such transfer.

2.03 Place of Business

The location of the principal place of business of the LLC shall be c/o Reckson Associates Realty Corp., 225 Broadhollow Road, Melville, New York 11747. The principal place of business of the LLC shall be changed to such other place or places within the United States as the Operating Member may from time to time determine, provided that, if necessary, the Members shall amend the Certificate in accordance with the applicable requirements of the LLC Act. The Operating Member may establish and maintain such other offices and additional places of business of the LLC, either within or without the State of New York, as TIAA LLC shall approve, such approval not to be

unreasonably withheld.

2.04 Registered Office and Registered Agent

The street address of the initial registered office of the LLC shall be Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801 and the LLC's registered agent at such address shall be CT Corporation. The Operating Member may hereafter change the registered agent and registered office and, if necessary, the Members shall amend the Certificate in accordance with the applicable requirements of the LLC Act to reflect such change.

ARTICLE III
PURPOSES AND POWERS OF LLC

3.01 Purposes

The purposes of the LLC shall be to acquire, own, hold, finance, lease, operate and sell and otherwise dispose of or deal with and exercise any rights it may have with respect to (i) the Property Owners and (ii) in the LLC's capacity as owner of the Property Owners, the Properties, and to do all other things reasonably incident thereto, in accordance with the terms of this Agreement.

3.02 Powers

The LLC shall have the power to do any and all acts and things necessary, appropriate, advisable or convenient for the furtherance and accomplishment of the purposes of the LLC, including, without limitation, to engage in any kind of activity and to enter into and perform obligations of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the LLC, so long as said activities and obligations may be lawfully engaged in or performed by a limited liability company under the LLC Act.

ARTICLE IV
TERM OF LLC

The existence of the LLC commenced on the date upon which the Certificate was duly filed with the Recording Office and shall continue until the Termination Date, unless dissolved and liquidated before the Termination Date in accordance with the provisions of Article XI.

ARTICLE V
CAPITAL

5.01 Capital Contributions and Percentage Interests of the Members

(a) (i) On the date hereof, TIAA LLC has made a Capital Contribution to the LLC in cash in the amount of $135,975,000.00 in respect of a 49% interest in the LLC (the "TIAA LLC Contribution"), which amount is being adjusted as provided for in (b) below. The TIAA LLC Contribution was immediately thereafter distributed to Reckson.

(ii) As of the date hereof, after taking into account the distribution referred to in Section 5.01(a)(i) hereof, Reckson is deemed to have contributed capital to the LLC of $141,525,000 (the "Reckson Contribution").

(iii) The outstanding amount of each of the TIAA LLC Contribution and the Reckson Contribution shall automatically (A) be increased to reflect any additional Contributions made (or deemed made) by Reckson or TIAA LLC, as the case may be, pursuant to Section 5.02 and (B) shall be decreased to reflect any distributions of Net Extraordinary Cash Flow made (or deemed made) to Reckson or TIAA LLC, as the case may be, after the date hereof. The sum of (I) the amount of the Reckson Contribution (as so increased or decreased) plus (II) the amount of the TIAA LLC Contribution (as so increased or decreased) outstanding at any time is hereinafter referred to as, the "Member Contributions").

(b) (i) As of 11:59 P.M. on the day immediately preceding the date hereof, Reckson, on behalf of the Property Owners, shall close, or cause to be closed, the books of the LLC and the Property Owners. Subject to the further provisions of this Section 5.01, the revenues and expenses of the Properties shall be apportioned and, except as otherwise provided herein (i) Reckson shall be entitled to all revenues of the Properties from all sources, including, without limitation, from the proceeds of operations, leasing, tax certiorari proceedings (subject to the rights of tenants), utility or other deposits, financing and payments on construction warranties and guarantees (collectively, "Revenues") payable or accruing prior to the date hereof or which are otherwise allocable to the period prior to the date hereof (whether received before or after the date hereof), (ii) there shall be allocated to Reckson all of the expenses of the Properties arising or accruing prior to the date hereof, (iii) the LLC shall be entitled to all Revenues accruing from and after the date hereof or which are otherwise allocable to the period on or

after the date hereof (whether received before or after the date hereof) and (iv) there shall be allocated to the LLC all of the expenses of the Properties arising or accruing on or after the date hereof. Revenues and expenses that are allocable to a period of time falling in part before, and in part on or after, the date hereof shall be apportioned between such respective portions of the period in question according to the number of days in each, so that Reckson will receive the portion of such revenues, and (except to the extent otherwise provided herein) bear the portion of such expenses, apportioned to the period before the date hereof, and the LLC will receive and bear the balance of each.

(ii) Notwithstanding Section 5.01(b)(i), the actual costs incurred in connection with the capital projects described on Schedule 2-A and the costs set forth on Schedule 2-B shall be deemed to be costs of the LLC.

(iii) All income, gains, losses, deductions and credits of the LLC accruing prior to the date hereof shall be allocated to Reckson. From and after the date hereof, the respective Interests of the Members in the revenues, distributions, expenses, income, gains, losses, deductions and credits of the LLC shall be in accordance with the provisions of this Agreement.

(iv) For purposes of this Section 5.01(b), Revenues for the period before the date hereof will not include rents that are not payable in respect of such period notwithstanding the fact that generally accepted accounting principles might treat some portion of the rents payable in respect of the period after the date hereof as being allocable to the period before the date hereof (e.g., because of straight-line accounting and future rent step-ups).

(v) As to rental payments for fuel pass-alongs, so-called escalation rent, percentage rent, or charges based upon real estate taxes, operating expenses, labor costs, "porter's wage rate," cost of living increases or other similar items (such pass-alongs, escalation rent and charges being collectively called "Overage Rent"), for the accounting period in which the Closing occurs, if the date of this Agreement is prior to the time when any such Overage Rent is payable, then such Overage Rent shall be apportioned subsequent to the date hereof. The LLC shall receive in trust and pay over to Reckson a pro-rated amount (on a per diem basis) of such Overage Rent as and when collected. As to any Overage Rent payable subsequent to the date hereof with respect to an accounting period which occurs prior to the date hereof, the LLC shall receive and hold such Overage Rent in trust for Reckson and pay the entire amount to Reckson promptly after receipt thereof. Reckson shall furnish to the LLC all information with respect to the accounting period in which the Closing occurs which is reasonably necessary for the billing of such Overage Rent. If, prior to the date hereof, Reckson shall collect any sums on account of Overage Rent for any accounting period beginning prior to but ending subsequent to the date hereof, such sum shall be apportioned as of the date hereof. The parties shall reconcile estimates of Overage Rent under any Lease attributable to the period prior to the date hereof with actual Overage Rent, when such amounts are actually determined by the LLC after the date hereof. The LLC shall provide to Reckson an accounting of all such amounts.

(c) Any and all amounts received by the LLC or any Property Owner following Closing for rents due to Reckson prior to Closing (including an amount equal to Reckson's share of rents receivable for the month in which the Closing occurs) shall be paid to Reckson promptly after receipt. If at the time of Closing any tenants are delinquent in the payment of rental, then any rent received from any such tenant after the Closing shall be applied thereafter in the following order of priority: (i) first, to rent arrearages with respect to the month in which the Closing shall have occurred (subject to apportionment pursuant to Section 5.01(b) above), (ii) second, to rent arrearages with respect to the month immediately preceding the month in which the Closing shall have occurred (which shall be paid to Reckson), (iii) third, to rent arrearages with respect to the period following the month in which the Closing shall have occurred (which shall be paid to the LLC) and, (iv) fourth, to any other rent arrearages with respect to the period preceding the month in which the Closing shall have occurred (which shall be paid to Reckson). Notwithstanding the foregoing sentence, if a tenant specifies the particular purpose and applicable time period for a payment, then such payment shall be applied as so specified by the tenant. Any amounts so payable to Reckson after the Closing shall be paid over by the LLC to Reckson promptly after receipt. The LLC shall account to Reckson monthly with respect to same.

(d) If any tax reduction proceedings in respect of the Properties are pending at the time of the Closing (other than proceedings in respect of the current tax year or tax years commencing after the date hereof) Reckson reserves, and shall have, the right to continue to prosecute the same provided that Reckson shall not settle any claims in a manner which has a material adverse effect on the LLC. The LLC shall have the right to prosecute tax reduction proceedings for the current or subsequent tax years provided that the LLC shall not settle the same in a manner which would have a material adverse effect on a Reckson Owner. Any refunds or savings in the payment of taxes resulting from tax reduction proceedings applicable entirely to tax

years prior to the current tax year shall belong to and be the property of Reckson, and any refunds or savings in the payment of taxes applicable to the tax years commencing from and after the date hereof shall belong to and be the property of the LLC, subject in each case to the rights of any tenants to receive any refunds. The refunds or savings in the payment of taxes applicable to the current tax year (after payment of all attorneys' fees and other expenses incurred in obtaining such refunds or savings and subject to the rights of any tenants to receive refunds) shall be apportioned between Reckson and the LLC on a per diem basis in accordance with Section 5.01(b)(i).

(e) (i) Reckson shall indemnify and hold harmless the LLC and TIAA LLC from and against all loss, obligation, expense (including reasonable counsel fees), damage and liability to the Properties or the Property Owners resulting from claims asserted by third parties, but only if and to the extent (A) such expenses, obligations and liabilities have arisen or accrued prior to the date hereof or are allocable to the period prior to the date hereof and (B) are not related to (I) the physical or environmental condition of the Properties or any improvements located on the Properties or any fixtures or equipment located thereon (except, solely with respect to the environmental condition of the Properties, if Reckson has actual knowledge on the date hereof that a claim in writing was received by a Reckson Owner regarding such environmental condition during the period of time that a Reckson Owner owned the applicable Property) or (II) any matters that would ordinarily be covered by title insurance or are disclosed by the surveys of the Properties (except for title claims as to which Reckson has actual knowledge on the date hereof that a Reckson Owner received written notice of during the period of time that such Reckson Owner owned the applicable Property and which claims are not covered by TIAA LLC's title insurance policy).

(ii) The LLC shall (and shall cause the Property Owners to) defend, indemnify and hold harmless the Reckson Owners and their respective Affiliates from all loss, obligation, expense (including reasonable counsel fees), damage and liability in any way relating to claims asserted by third parties relating to the Properties and/or the Property Owners but only to the extent arising or accruing after the date hereof or which are allocable to the period from and after the date hereof.

(f) The respective obligations of Reckson and the LLC with respect to the matters set forth on Schedule 3 shall be as set forth on such Schedule.

5.02 Additional Contributions

(a) The Members shall make additional Capital Contributions in proportion to their respective Percentage Interests, in such amounts (i) as may be required by the Business Plan, (ii) to pay any Necessary Expenses as they become due if the LLC shall not have sufficient available Net Ordinary Cash Flow or Cash Reserves to pay the same, (iii) to fund initial working capital for the Property Owners in an amount agreed to by the Members on the date hereof (the "Initial Working Capital") or (iv) as the Members may otherwise agree. Such amounts shall be paid (A) in the case of additional Capital Contributions required by the Business Plan, within 7 Business Days after request therefor by the Operating Member (which request shall not be given more than 45 days before the date on which such funds are required in accordance with the Business Plan), (B) in the case of additional Capital Contributions required to pay Necessary Expenses, within 15 Business Days after request therefor by the Operating Member, (C) in the case of the Initial Working Capital on the date hereof and (D) as the Members may otherwise agree. Additional Capital Contributions which are required for the business of one of the Property Owners shall be contributed by the LLC to such Property Owner (or loaned by the LLC to the Property Owner on such terms as are determined by the Members).

(b) If at any time or times either Member shall fail to timely make any Capital Contribution which such Member is obligated to make under Section 5.02(a) (such Member being referred to herein as a "Non-Contributing Member"), and such failure shall continue for a period of 5 Business Days after notice of such failure from the other Member, the Operating Member shall notify the other Member of such Member's failure to make such Capital Contribution and the rights and remedies set forth below in this Section 5.02 shall apply.

(i) The Member that has timely made its own Capital Contribution (a "Contributing Member") may (but shall not be obligated to), within 30 days after the expiration of the 5 Business-Day period referred to above (such 30-day period is called the "Election Period") advance all or any part of the portion of the Capital Contribution which the Non-Contributing Member has failed to make (the amount so advanced, the "Default Amount") as a loan (a "Default Loan") from the Contributing Member to the Non-Contributing Member. The Contributing Member shall give notice thereof to the Non-Contributing Member upon the Contributing Member's payment of the Default Amount to the LLC. Any Default Loan shall bear interest on the unpaid principal amount thereof at the Default Rate from the date advanced until the date repaid.

(ii) If the Non-Contributing Member fails to repay the full amount of any Default Loan plus all interest accrued thereon on or prior to the date which is 180 days after the date such Default Loan was made (such period of 180 days, the "Initial Period"), the Contributing Member shall have an option for a period of 30 days thereafter to convert the outstanding amount of the Default Loan plus all accrued interest thereon into a Capital Contribution by the Contributing Member (a "Contributing Member Contribution"). Such option shall be exercised, if at all, by written notice (the date of such notice, the "Conversion Date") given not more than 30 days after the end of the Initial Period. If the Contributing Member elects to make a Contributing Member Contribution, (x) the Percentage Interest of the Non-Contributing Member shall be decreased as of the Conversion Date by the number of percentage points equal to the quotient (expressed as a percentage and carried out to two (2) decimal places) of 110% of the amount so contributed by the Contributing Member divided by the total amount of the Member Contributions on the Conversion Date and (y) the Percentage Interest of the Contributing Member shall be increased as of the Conversion Date by the same number of percentage points. Except as set forth in Sections 5.02(e), 7.02(b), 7.02(c) and 10.03, the foregoing shall constitute the sole remedy of the Contributing Member for the failure by the Non-Contributing Member to repay the Default Loan.

(c) Unless and until a Default Loan is timely converted into a Capital Contribution, a Default Loan may be prepaid without penalty or premium. All payments in respect of a Default Loan shall be applied first on account of accrued and unpaid interest and next on account of principal. If more than one Default Loan is outstanding at the same time, all payments shall be applied first to interest and principal outstanding on the oldest Default Loan until the oldest Default Loan is paid off, before application to the next oldest Default Loan.

(d) If the principal and interest due on a Default Loan shall be converted into a Capital Contribution pursuant to Section 5.02(b)(ii), (x) no subsequent payment or tender of payment by the Non-Contributing Member of the amount so converted or contributed shall affect the Members' Capital Account and Percentage Interests as recalculated in accordance with Section 5.02(b)(ii) and (y) the Non-Contributing Member shall have neither the right nor the obligation to repay such interest and principal.

(e) If any Member makes a Default Loan, then until the earlier to occur of (i) the Conversion Date or (ii) the repayment in full of such Default Loan plus all accrued interest thereon, all amounts which would be distributed to the Non-Contributing Member under Sections 6.05 or 11.03 or any other provision of this Agreement shall be paid to the Contributing Member to repay such Default Loan and accrued interest. Such payments shall be applied in accordance with the last two (2) sentences of Section 5.02(c), and shall be considered, for all other purposes of this Agreement, to have been distributed to the Defaulting Member.

(f) If any Contributing Member elects not to make a Default Loan to the Non-Contributing Member, such Contributing Member shall have the option (to be exercised within the Election Period (i) to have its Capital Contribution (if previously made) returned (it being agreed that, notwithstanding such return, such Member shall not be deemed a Non-Contributing Member) or (ii) to treat the Non-Contributing Member's Percentage Interest of the Capital Contribution made by such Contributing Member as a Default Loan from such Contributing Member to the Non-Contributing Member (in which event the provisions of (b) through (e) of this Section 5.02 shall be applicable thereto as if the Contributing Member had made a Capital Contribution equal to its Percentage Interest of the Capital Contribution it originally made and a Default Loan equal to the balance of the Capital Contribution it originally made). If, within the Election Period, the Contributing Member shall neither notify the Non-Contributing Member of an election under this Section 5.02(f) nor make a Default Loan pursuant to Section 5.02(b), the Contributing Member shall be deemed to have elected to have its Capital Contribution returned.

(g) So long as there is no material adverse tax or other consequence for Reckson, the LLC or any Property Owner or to the operation and maintenance of any Property, at the request of TIAA LLC, all Capital Improvements in excess of $100,000 per Capital Improvement (as increased by the CPI Increase) to be funded by the LLC or the Property Owners shall be funded from Capital Contributions to the LLC by the Members (in lieu of being funded from Receipts of the LLC or the Property Owners.

5.03 Liability of Members

Except as otherwise provided in the LLC Act and this Agreement, the debts, obligations and liabilities of the LLC, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the LLC, and the Members shall not be obligated personally for any such debt, obligation or liability of the LLC solely by reason of being a Member. The failure of the LLC to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under the LLC Act or this Agreement shall not be grounds for imposing

personal liability on the Members for liabilities of the LLC.

5.04 Return of Capital

Except upon the dissolution of the LLC or as may be specifically provided in this Agreement, no Member shall have the right to demand or to receive the return of all or any part of its Capital Account or its Capital Contributions to the LLC.

ARTICLE VI
ALLOCATION OF PROFITS AND LOSSES; DISTRIBUTIONS

6.01 Capital Accounts

(a) Each Member shall have a Capital Account which shall be maintained in accordance with Regulations sections 1.704-1(b)(2)(iv) and 1.704-2. The Members agree that after consummation of the transactions described in Section 5.01(a)(i) hereof, the Capital Account balances of the Members on the date hereof are as follows:

TIAA LLC:	$135,975,000.00
RECKSON:	$141,525,000.00

The Members agree that on the date hereof the value of the Properties, net of liabilities, is $277,500,000.00 (the "Initial Portfolio Valuation").

(b) The Capital Account of each Member shall be increased (i) by the amount of cash and the fair market value of any property (net of any liability secured by such property that the LLC is considered to assume, or take subject to, under Section 752 of the Code) contributed by such Member to the LLC pursuant to Section 5.02 when such Capital Contribution is made (ii) by any Net Income and gross income items allocated to such Member; and (iii) as otherwise provided in this Agreement.

(c) The Capital Account of each Member shall be reduced by (i) the amount of cash or the fair market value of any property (net of any liability secured by such property that the Member is considered to assume or take subject to Section 752 of the Code) distributed to such Member pursuant to Section 6.05 when such distribution is made, (ii) the Net Loss and items of deduction or expense allocated to such Member pursuant to Section 6.03 including, without limitation, any "partner nonrecourse deductions" (as defined in Treas. Reg. Section 1.704-2(i)) and any "nonrecourse deductions" (as defined in Treas. Reg. Section 1.704-2(b)) allocated to such Member pursuant to Section 6.03 of this Agreement), and (iii) as otherwise provided in this Agreement.

(d) Except as otherwise provided in this Agreement, whenever it is necessary to determine the Capital Account of any Member, the Capital Account of such Member shall be determined after giving effect to the allocations of Net Income, Net Loss and other items realized prior or concurrently to such time (including, without limitation, any Net Income and Net Losses attributable to adjustments to Book Values with respect to any concurrent distribution), and all contributions and distributions made prior or concurrently to the time as of which such determination is to be made.

6.02 Allocation of Net Income or Net Loss

Net Income or Net Loss, for each Fiscal Year (or portion thereof) shall be allocated to the Members in accordance with their Percentage Interests. The provisions in this Agreement pertaining to allocations and adjustments of the Capital Accounts are intended to comply with Code Section 704(b) and the Regulations thereunder. Subject to TIAA LLC's approval, not to be unreasonably withheld or delayed, Reckson is hereby authorized to make appropriate modifications to such allocations and adjustments when needed to comply with Code Section 704(b) or the Regulations thereunder to the extent such modifications would not result in any material modification of the economic arrangement of the Members as reflected in this Agreement.

6.03 Allocations of Nonrecourse Deductions; Minimum Gain Chargeback; Qualified Income Offset

(a) Notwithstanding any other provision of this Agreement, (i) "partner nonrecourse deductions" (as defined in Regulations Section 1.704-2(i)), if any, of the LLC shall be allocated to the Member which bears the economic risk of loss within the meaning of Regulations Section 1.704-2(i), and (ii) "nonrecourse deductions" (as defined in Regulations Section 1.704-2(b)) of the LLC shall be allocated to the Members in accordance with their Percentage Interests.

(b) This Agreement shall be deemed to include "qualified income offset," "minimum gain chargeback" and "partner nonrecourse debt minimum gain chargeback" provisions within the meaning of the Regulations under Section 704(b) of the Code. Accordingly, notwithstanding any other provision of this Agreement, items of gross income shall be allocated to the Members on a priority basis to the extent and in the manner required by such

provisions. Any allocations required to be made pursuant to this Section 6.03(b) (the "Regulatory Allocations") shall be offset, to the extent possible without causing the LLC to fail to comply with the Regulations under Section 704(b) of the Code, by special allocations of other items of LLC income, gain, loss, or deduction, so that, after such special offsetting allocations have been made, each Member's Capital Account balance will be equal to the Capital Account balance such Member would have had if the Regulatory Allocations had not been made.

6.04 Tax Allocations; Allocation of Income and Loss With Respect to LLC Interests Transferred

(a) For federal income tax purposes, except as otherwise provided in Section 6.04(b), each item of income, gain, loss and deduction shall be allocated among the Members in the same manner as its corresponding item of book income, gain, loss or deduction is allocated pursuant to this Article VI.

(b) In accordance with Code Sections 704(b) and 704(c) and the Regulations thereunder, income, gain, loss and deduction with respect to any Property contributed to the capital of the LLC shall, solely for federal income tax purposes, be allocated among the Members so as to take into account any variation between the adjusted basis of such Property for federal income tax purposes and its Book Value upon its contribution. If the Book Value of any LLC Asset is adjusted, subsequent allocations of taxable income, gain, loss and deduction with respect to such LLC Asset shall take account of any variation between the adjusted basis of such LLC Asset for federal income tax purposes and the Book Value of such LLC Asset in the manner prescribed under Code Sections 704(b) and 704(c) and the Regulations thereunder. In implementing the provisions of the prior two sentences, the LLC shall employ the traditional allocation method described in Regulation Section 1.704-3(b).

(c) If any Interest is transferred during any Fiscal Year in accordance with this Agreement, the Net Income or Net Loss (and other items referred to in Section 6.02) attributable to such Interest for such Fiscal Year shall be allocated between the transferor and the transferee by closing the books of the LLC as of the date of the transfer, or by any other method permitted under Code Section 706 and the Regulations thereunder and agreed to by the Members, including the transferor and the transferee.

6.05 Distributions of Net Ordinary Cash Flow and Net Extraordinary Cash Flow

(a) Distributions in Accordance with Percentage Interests. Except as provided in Section 5.01, 5.02(e) and 11.03, Net Ordinary Cash Flow and Net Extraordinary Cash Flow shall be distributed to the Members in proportion to their respective Percentage Interests.

(b) Net Ordinary Cash Flow. The Operating Member shall determine Net Ordinary Cash Flow at least monthly on a cumulative year-to-date basis and apply and distribute Net Ordinary Cash Flow as provided in this Section 6.05 on or before the 24th day of the following month. Notwithstanding the preceding sentence, which is intended to permit interim distributions of Net Ordinary Cash Flow, the Operating Member shall calculate Net Ordinary Cash Flow on an annual basis and if the annual audited report of the LLC should show that there was any over-distribution of Net Ordinary Cash Flow to a Member, such Member shall repay the over-distribution within 30 days after receipt of such report. If such annual audited report should show that there was an under-distribution of Net Ordinary Cash Flow to a Member, such under-distribution shall be paid to such Member within 30 after receipt of such report.

(c) Net Extraordinary Cash Flow. The Operating Member shall calculate Net Extraordinary Cash Flow (other than Net Extraordinary Cash Flow arising from a sale incidental to the dissolution and liquidation of the LLC which shall be distributed in accordance with Section 11.03) and apply and distribute such Net Extraordinary Cash Flow to the Members, as provided in Section 6.05, reasonably and promptly after the LLC's receipt thereof. Notwithstanding the preceding sentence, which is intended to permit interim distributions of Net Extraordinary Cash Flow, the Operating Member shall determine Net Extraordinary Cash Flow on an annual basis and if the annual audited report of the LLC should show that there was any over-distribution of Net Extraordinary Cash Flow to a Member, such Member shall repay the over-distribution within 30 days after receipt of such report. If such annual audited report should show that there was an under-distribution of Net Extraordinary Cash Flow to a Member, such under-distribution shall be paid to such Member within 30 days after receipt of such report.

(d) No Restoration of Funds. Except as provided in Sections 6.05(b) and 6.05(c), no Member shall be required to restore to the LLC any funds properly distributed to such Member pursuant to any of the provisions of this Section 6.05 or pursuant to Section 11.03, unless required by applicable law.

(e) Limitation on Distributions. No Member shall be entitled to (i) receive any distribution from the LLC (including a withdrawal of any of

such Member's capital) except pursuant to this Section 6.05 and Section 11.03, (ii) receive interest from the LLC upon any capital contributed to the LLC, or (iii) receive property other than cash in return for such Member's Capital Contributions.

6.06 Section 754 Election

The Operating Member shall cause the LLC to file on its tax return for the year ending December 31, 2000 an election under Section 754 of the Code to provide for an adjustment to the adjusted tax basis of LLC Assets.

ARTICLE VII
MANAGEMENT

7.01 General Scope of Duties and Authority

Except as specifically provided in this Agreement to the contrary, the business and affairs of the LLC (including, without limitation, the right of the LLC to take any action as a member of the Property Owners) shall be carried on and managed by the Operating Member, who shall have full, exclusive and complete right, power and authority with respect thereto. Notwithstanding the foregoing, the Member that is not the Operating Member shall upon request of the Operating Member, join in such execution and/or execute and deliver any instruments the Operating Member may reasonably require to confirm the Operating Member's authority hereunder. On the date hereof, each Property Owner has entered into a Management Agreement with Managing Agent governing the management and leasing of the Properties.

7.02 Joint Decisions

Notwithstanding the provisions of Section 7.01, the Operating Member shall not take any of the following actions (collectively, the "Joint Decisions") unless such Joint Decision has been approved by the Non-Operating Member or is set forth in the Business Plan (it being understood that for all purposes hereof, all Joint Decisions shall require the consent of both the Operating Member and the Non-Operating Member); provided, with respect to Sections 7.02(a)(i), 7.02(a)(ix), 7.02(a)(x), 7.02(b)(i) and 7.02(b)(iii) below, (i) such consent shall not be unreasonably withheld or delayed (and with respect to Sections 7.02(a)(x) and 7.02(b)(iii) shall take into account the timing and quality of the service to be performed and the quality of the service provider) and (ii) if the other Member fails to grant or deny its consent within 7 Business Days after a request for such consent has been made, such consent shall be deemed given.

(a) At all times throughout the term of this Agreement the following shall be a Joint Decision:

(i) entering into or causing any Property Owner to enter into any Lease which is inconsistent with the Leasing Guidelines;

(ii) entering into or causing any Property Owner to enter into any modification, amendment, surrender or termination, other than pursuant to an option contained in a Lease, which (x) shortens the term of any Lease, (y) reduces the amount paid by the tenant or (z) materially increases the landlord's obligations thereunder, which in the case of (x), (y) or (z) will have a Net Cost to the landlord of $100,000.00 (as increased by the CPI Increase) or more with respect to a single transaction or $250,000.00 (as increased by the CPI Increase) with respect to all of the transactions entered into by all Property Owners in a single calendar year; provided, that without the consent of the Non-Operating Member, the Operating Member may settle disputes with tenants in the ordinary course of business and terminate Leases of tenants in default. As used herein the term "Net Cost" means the amount, if any, by which the present value (applying a discount rate of 10% per annum) as of the effective date of the transaction in question of the aggregate amount of payments to be foregone or made by the landlord (net of any amounts to be received by the landlord in connection with the transaction) exceeds the present value (applying such discount rate) as of such date of the revenue which the applicable Property Owner reasonably expects to receive from a replacement tenant with respect to whom such Property Owner has either executed a Lease or which has been specifically identified and negotiations with such replacement tenant have progressed to the point that the Operating Member reasonably expects a Lease to be executed;

(iii) the modification or amendment by any Property Owner of its Management Agreement (other than de minimis modifications or amendments) or the waiver of any default under the Management Agreement or the selection of a replacement Managing Agent or the determination of the terms of any replacement Management Agreement;

(iv) any borrowing by the LLC or any Property Owner; provided, that without the Non-Operating Member's consent, but subject to Section 10.03(g), the Operating Member shall be permitted to effectuate a Loan which meets the Loan Guidelines in accordance with Section 10.03 and may effectuate equipment financing in the ordinary course of business;

(v) acquisition by the LLC or any Property Owner of any

real property other than the Properties;

(vi) except as otherwise provided in this Agreement, selling, or otherwise disposing of any Property or Property Owner or issuing additional Interests;

(vii) except as expressly provided in this Agreement admitting to the LLC or to any Property Owner additional or successor Members;

(viii) taking any other action with respect to any matter which, pursuant to the express provisions of this Agreement, requires the approval, consent or agreement of all of the Members;

(ix) incurring or causing a Property Owner to incur any expenditure, charge or cost in any given month (other than Necessary Expenses) which is inconsistent with the Business Plan or exceeds the budgeted line item cost in the Operating Budget and Capital Budget by more than 10% or increases the Budgets by 7% or more (exclusive of increases attributable to temporary timing differences arising in the ordinary course of business); provided, however, that in incurring Necessary Expenses the Operating Member shall act prudently and in the best economic interest of the LLC, Property Owners and Properties;

(x) accepting or causing a Property Owner to accept a bid in excess of $100,000.00 (as increased by the CPI Increase) for any Capital Improvement, but only if and to the extent such bid is greater than 110% of the lowest conforming bid received for such Capital Improvement from qualified bidders;

(xi) engaging in any transaction between the LLC or any Property Owner and any Member or any Affiliate of a Member. Notwithstanding anything to the contrary contained herein, the Members herein approve (1) the form and substance of the Management Agreement entered into on the date hereof (and the transactions with Affiliates permitted thereby) and (2) the transactions described in Section 13.25 below, subject in each case to the provisions thereof;

(xii) making or causing a Property Owner to make any loans to any Person which are not in furtherance of the stated purposes or intended business of the LLC or any Property Owner as set forth in this Agreement or executing or becoming liable under any guaranty (in whatever form) by the LLC or any Property Owner of the obligations of any Person other than the LLC or any Property Owner or otherwise for ordinary course obligations (e.g., endorsing checks);

(xiii) taking any action not in furtherance of the stated purposes or intended business of the LLC as set forth in this Agreement;

(xiv) entering or causing a Property Owner to enter into any joint venture (regardless of the form of the joint venture) with another Person;

(xv) executing and delivering any document which is prohibited under the LLC Act or this Agreement;

(xvi) amending, modifying or terminating this Agreement or, except as provided in this Agreement, any of the organizational documents and organizational instruments governing the Property Owners; and

(xvii) commencement on behalf of the LLC or any Property Owner of any voluntary case under any bankruptcy, insolvency or similar law.

(b) The additional matters set forth in clauses (i)-(iii) below shall require a Joint Decision only if and for so long as (x) the Operating Member is a Non-Contributing Member, (y) the Non-Operating Member is not a Non-Contributing Member and (z) the sum of (1) the principal amount of all unpaid Default Loans which are then outstanding to Reckson made pursuant to Section 5.02(b)(i) of this Agreement plus (2) the principal amount of any Default Loans to Reckson converted to a Capital Contribution pursuant to Section 5.02(b)(ii) of this Agreement, exceeds the amount of $5,000,000.00. The period in which these Joint Decisions are required is herein referred to as the "Default Loan Period":

(i) entering into a Lease inconsistent with the Leasing Guidelines;

(ii) incurring or causing any Property Owner to incur LLC Charges to perform any Capital Improvements exclusive of Capital Improvements (w) required on account of emergencies (i.e. as necessary to avoid imminent danger to life or property), (x) required to comply with Legal Requirements or obligations under any Lease (other than a general obligation under a Lease to maintain the Property in a first-class condition) or other third party agreement binding upon the LLC or any Property Owner, (y) for which the Operating Member had accepted bids (even if it had not executed a

binding contract) prior to the commencement of the Default Loan Period and (z) which in the good faith judgment of the Operating Member are necessary to be performed in order to avoid undue financial burden on the Property Owners or a negative affect on any Property; and

(iii) accepting a bid in excess of $50,000.00 (as increased by the CPI Increase) for any Capital Improvement, but only if and to the extent the bid is greater than 110% of the lowest conforming bid received for such Capital Improvement from qualified bidders.

(c) All decisions which theretofore may have been made solely by the Operating Member in its capacity as such relating to the operation and management of the LLC, the Property Owners and the Properties ("OM Decisions") shall become a Joint Decision, and the Operating Member, in its capacity as such, will cease to be able to take any action without the consent of the Non-Operating Member, if any of the events described in clause (i) through (xii) below (each, an "OM Termination Event") occurs and, solely with respect to clause (vi), (ix), (x) or (xii)(B) below, continues beyond any applicable notice and grace periods contained herein, or if no such notice and grace periods shall be contained herein, such OM Termination Event continues uncured for a period of 15 days after written notice, provided, that if such OM Termination Event is of the type described in clauses (x) or (xii)(B) and cannot reasonably be cured in such cure period and the Operating Member shall have commenced to cure such OM Termination Event within such cure period and thereafter diligently and expeditiously proceeds to cure the same, such cure period shall be extended for so long as it shall require the Operating Member in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of 120 days from the date of the initial written notice from the Non-Operating Member to the Operating Member identifying an OM Termination Event and provided further, that no such event shall constitute an OM Termination Event if prior to the date of the occurrence of such event, an event of the same nature as those set forth in clause (i), (vi), (vii) (viii) or (x) has occurred and is continuing on the part of the Non-Operating Member. For the avoidance of doubt, the parties confirm that, except as otherwise provided in Section 10.03(g), all of Reckson's rights under Articles 9 and 10 are not "OM Decisions" and Reckson may continue to exercise such rights notwithstanding the occurrence of an OM Termination Event. The OM Termination Events are:

(i) The principal amount of all unpaid Default Loans which are then outstanding to Reckson pursuant to Section 5.02(b)(i) of this Agreement plus the principal amount of any Default Loan converted to a Capital Contribution pursuant to Section 5.02(b)(ii) of this Agreement exceeds the amount of $10,000,000.00, but only if the Non-Operating Member is not a Non-Contributing Member;

(ii) a Change in Control described in Section 9.06(a)(ii)(B) occurs;

(iii) a transfer of the Operating Member's Interest described in Section 9.06(b)(ii) occurs;

(iv) The Operating Member's pledged Interest is purchased or acquired as a result of foreclosure by a Non-Approved Entity as described in Section 9.09(a)(iii);

(v) any act committed by the Operating Member or any of its partners, principals, agents or employees (but only if such act was committed at the direction or express consent of a member of Senior Management of Reckson), which constitutes willful malfeasance, fraud, embezzlement, theft, or a felony and which materially harms the business affairs of the LLC;

(vi) the Operating Member fails to close or otherwise materially defaults under Section 9.05 or 9.06(a) (with respect to the closing of a Put Sale) of this Agreement;

(vii) The Operating Member transfers its Interest in violation of Article 9 of this Agreement;

(viii) the Operating Member becomes Bankrupt;

(ix) Reckson effectuates a Loan in violation of Section 10.03 of this Agreement;

(x) the Operating Member willfully breaches any material term(s) of this Agreement which causes a material adverse effect to the value of the LLC taken as a whole; provided, that such action shall not be deemed to be an OM Termination Event if, following the final determination of the reduction in the LLC's value directly resulting from such breach (either by agreement of the parties or by a decision of an arbitrator in accordance with Section 13.30), the Operating Member repays such amount to the LLC;

(xi) the Managing Agent (provided the Managing Agent is then an Affiliate of the Operating Member) improperly transfers the Management Agreement and/or its interest therein in violation of the Management Agreement; or

(xii) any act(s) (A) described in subparagraph (v) or (viii) of this Section 7.02(c) or (B) any act described in subparagraph (x) of this Section 7.02(c) which in the case of (A) or (B) occur with respect to the Managing Agent (provided the Managing Agent is then an Affiliate of the Operating Member).

If an OM Termination Event occurs, the Non-Operating Member will have the option to terminate the Management Agreement on behalf of the LLC and propose a successor Managing Agent, subject to the Operating Member's reasonable approval as to the identity of such successor and the terms of the Management Agreement. Any dispute between the Members regarding whether an OM Termination Event has occurred shall be resolved by arbitration in accordance with Section 13.30 and, pending the determination of the arbitration, no OM Termination Event shall be deemed to have occurred.

7.03 Business Plan

(a) (i) On or before October 15th, or at least 75 days before the beginning of each Fiscal Year, the Operating Member shall prepare and submit to the Non-Operating Member for its reasonable approval a proposed pro forma business plan in preliminary draft form for the promotion, operation and maintenance of each Property, taking into consideration the then current market conditions and for the operation of the LLC during the succeeding Fiscal Year (each, as the same may be modified as provided below, a "Business Plan"). Each Business Plan shall consist of an operating budget, as same may be modified as provided below (the "Operating Budget"), a Capital Improvements budget, as same may be modified as provided below (the "Capital Budget"; together with the Operating Budget, the "Budgets"), and the leasing guidelines, as same may be modified as provided below (the "Leasing Guidelines"). The form of Business Plan shall be substantially as set forth in the Fiscal Year 2000 Business Plan for each Property, as more particularly set forth on Exhibit C. Each Operating Budget shall show, on a month-by-month basis, in reasonable detail, each line item of anticipated income and expense including, without limitation, amounts required to establish, maintain and/or increase Cash Reserves. Each Capital Budget shall show, in reasonable detail, anticipated expenditures for Capital Improvements with respect to each Property or portion thereof. The Leasing Guidelines for each Property shall specify net average effective rent over the term of the Lease on a Property-by-Property basis, and with respect to each Property, on a space-by-space basis, taking into account Base Rent, the term of the Lease, leasing commissions due to any outside leasing brokers or as set forth in the Management Agreement, including overrides to the Managing Agent, tenant improvements, free rent and any other tenant concessions. Unless the Operating Member otherwise elects, the Leasing Guidelines shall provide for payment of a "full commission" to outside leasing brokers representing a prospective tenant. The Operating Member shall submit to the Non-Operating Member within 15 days after delivery of the proposed Business Plan (which shall in no event be later than November 1) a revised Business Plan. Within 15 days following delivery of the revised Business Plan, but no later than November 15, the Non-Operating Member shall submit to the Operating Member any comments to the revised Business Plan. The Operating Member shall submit to the Non-Operating Member, within 15 days thereafter, but no later than December 1, the final Business Plan incorporating the Non-Operating Member's comments and revisions (the "Final Plan"). The Non-Operating Member shall approve or disapprove the Final Plan within 15 days after receipt thereof, but no later than December 15, which, as so approved, shall constitute the "Business Plan". If Operating Member shall fail to submit any comments or revisions to any draft of the Business Plan on or prior to the dates set forth above, the Non-Operating Member shall be deemed to have granted its consent to any such draft.

(ii) The Operating Member may, from time to time and at any time, modify the Business Plan without the Non-Operating Member's consent to reflect changes in market conditions and to provide for payment of Necessary Expenses. If the Operating Member modifies the Business Plan pursuant to the preceding sentence on account of changes in market conditions, it shall give prompt written notice thereof to the Non-Operating Member together with a written explanation of the reason(s) therefor. In other circumstances, the Operating Member may, from time to time and at any time, modify the Business Plan but only with the prior written consent of the Non-Operating Member, which consent shall not be unreasonably withheld or delayed and shall be deemed given if the Non-Operating Member fails to grant or deny such consent within 10 Business Days after receipt of the proposed modification. The Business Plan, as modified in accordance with this subsection (ii) (either or without the consent of the Non-Operating Member), shall be deemed to be the Business Plan for all purposes herein.

(iii) The Operating Member shall use diligent, good faith efforts to cause the Managing Agent to operate each Property in conformity with the applicable Budgets and the permitted variances therefrom as set forth in Section 7.02(a)(ix). The Non-Operating Member acknowledges and agrees that the Budgets are only an estimate and not a guaranty by the Operating Member or the Managing Agent and there may be substantial variations between the estimates set forth in the Business Plan and actual results.

(b) On the date hereof the Members have adopted the Business

Plan for each Property for the Fiscal Year 2000 as set forth on Exhibit C, annexed hereto and made a part hereof. On the date hereof, the Members have adopted for each Property a projection of the anticipated Capital Budget for the Fiscal Years 2001 and 2002 as set forth on Exhibit D, annexed hereto and made a part hereof, it being acknowledged and agreed by the Members that such Capital Budget projection is only an estimate and not a guaranty by Reckson or the Managing Agent and there may be substantial variations between the estimates set forth in the projected Capital Budgets and the actual results. The Operating Member shall be entitled to cause the Property Owners to pay all LLC Charges as and when due to the extent such LLC Charges are either consistent with the Business Plan or are a permitted variance therefrom as set forth in Section 7.02(a)(ix) or are Necessary Expenses.

(c) During any period when the Members fail to reach agreement on any portions of any Business Plan for any Property prior to the commencement of the Fiscal Year to which such Business Plan relates, such Property shall be operated during such Fiscal Year (i) in accordance with such portions of such Business Plan as to which agreement has been reached, (ii) at rates or levels of expenditures as are actually charged or incurred with respect to Necessary Expenses and (iii) with respect to those portions of such Business Plan which are discretionary and as to which agreement has not been reached at rates or levels of expenditures comparable to those of the preceding Fiscal Year, (x) increased by the CPI Increase (computed for this purpose from the January 1st of the last Fiscal Year for which a Business Plan was approved to December 31st of the Fiscal Year immediately preceding the Fiscal Year to which the Business Plan in dispute relates) and (y) increased or decreased to reflect increases or decreases in the percentage of such Property occupied by tenants since the last Fiscal Year for which a Business Plan was approved (but only to the extent the Operating Member reasonably determines that such increases or decreases are reasonably related to the level of such Property's occupancy).

7.04 Other Activities of Members

Any Member may own, purchase, sell, or otherwise deal in any manner with any property not owned by the LLC or a Property Owner without notice to any other Member, without participation of any other Member, and without liability to the LLC, a Property Owner or any other Member and any such Member may, without notice to any other Member and without obligation to present to the LLC or to a Property Owner or any other Member an opportunity of any kind whatsoever, acquire, sell (subject to Section 7.05, to the extent applicable), finance, lease, operate, manage, develop or syndicate any real property not owned by the LLC or of a Property Owner, free of any claim whatsoever of the other Member or the LLC. No Member shall incur any liability to the LLC or to a Property Owner or any other Member as a result of such Member's interest in such other property or pursuit of such other business interests, and neither the LLC nor any Member or Property Owner shall have any right to participate in such other property or business or to receive or share in any income or profits derived therefrom.

7.05 Right of First Negotiation on 101 JFK Parkway

If and so long as Reckson or any Affiliate of Reckson owns 101 JFK Parkway, Short Hills, New Jersey ("101 JFK"), and, at any time during the term of this Agreement Reckson or such Affiliate shall desire to sell 101 JFK pursuant to a single-property transaction (as opposed to selling 101 JFK as part of a multi-property transaction, in which case this Section 7.05 shall not apply and the rights of TIAA LLC under the Section 7.05 shall terminate upon the consummation of such sale), Reckson shall give a notice to TIAA LLC (the "Offering Notice"), which notice shall set forth the desire of Reckson or such Affiliate to so sell 101 JFK. Within 10 Business Days after the giving of the Offering Notice, TIAA LLC shall give a notice to Reckson (the "Response Notice") stating whether or not TIAA LLC desires to purchase 101 JFK. If the Response Notice states that TIAA LLC desires to purchase 101 JFK, then the parties shall proceed to negotiate in good faith to reach agreement on the terms of the sale and purchase of 101 JFK, and for a period of 15 Business Days after the giving of the Response Notice, Reckson shall not negotiate with any third party to sell 101 JFK. If, at the end of such 15 Business-Day period, Reckson and TIAA LLC are unable to agree on the terms of such sale and purchase for any reason, or if TIAA LLC shall fail timely to deliver the Response Notice, then the rights of TIAA LLC under this Section 7.05 shall terminate and Reckson may sell 101 JFK to any third party on any terms. The parties further acknowledge that in the event 101 JFK is transferred to an Affiliate of Reckson, this Section 7.05 shall not be triggered, but TIAA LLC's right under this Section 7.05 shall be preserved and, in the event Reckson's Affiliate shall desire to sell 101 JFK to a party which is not an Affiliate of Reckson, Reckson shall cause such Affiliate to adhere to the terms of this Section 7.05.

ARTICLE VIII
BANK ACCOUNTS; BOOKS AND RECORDS; STATEMENTS; TAXES; FISCAL YEAR

8.01 Books of Account

At all times during the existence of the LLC, the books of

account of the LLC and each Property Owner shall be prepared and kept by the Operating Member in accordance with GAAP, which shall reflect all LLC and each Property Owner's transactions and shall be appropriate and adequate for the LLC's and each Property Owner's business, and which books of account shall be maintained at the principal place of business of the LLC. Any Member or its duly authorized representatives shall have the right at any time to inspect and copy such books of account during normal business hours upon reasonable notice. Any Member and its duly authorized representatives shall have the right to examine (and copy) or conduct an audit of the LLC's and each Property Owner's books and records at any time during normal business hours and upon reasonable notice at the LLC's principal place of business. Any such examination or special audit (i.e., audits other than the annual audits for the LLC and each Property Owner which shall be conducted as of December 31 at the LLC's sole cost and expense) shall be performed at such Member's sole cost and expense.

8.02 Fiscal Year

Unless the Members shall agree otherwise, the fiscal year of the LLC and the Property Owners for financial, accounting, federal, state and local income tax purposes (the "Fiscal Year") shall be the calendar year (except that the first Fiscal Year of the LLC and the Property Owners (for financial and accounting purposes) shall begin on the date hereof and the last Fiscal Year of the LLC and the Property Owners shall end on the last day of the term of this Agreement).

8.03 Bank Accounts

All funds of the LLC shall be deposited in the LLC's name in one or more separate bank accounts (each, a "Bank Account") at a bank selected by the Operating Member. Each such Bank Account shall be used exclusively for the LLC's funds and no other funds shall be commingled therein. Withdrawals may be made from such Bank Account only by the Operating Member and only for purposes authorized under this Agreement. All withdrawals from the Bank Account shall be made only upon the signature of an authorized signatory of the Operating Member. The LLC may, at the Operating Member's option, establish one or more bank accounts in the name of the Property Owners to hold the funds of the Property Owners and/or security deposits of tenants or to comply with the requirements of a lender to the LLC or to a Property Owner.

8.04 Financial Statements

Within 90 days after the end of each Fiscal Year, the Operating Member shall prepare and deliver to the Non-Operating Member a financial report of the LLC for the preceding Fiscal Year, including a balance sheet, a statement of operations and statements of Members' Capital Accounts, changes in financial position, Net Ordinary Cash Flow and Net Extraordinary Cash Flow and Adjusted Net Ordinary Cash Flow, all of which shall be audited by the LLC Accountants in accordance with generally accepted auditing standards, and all of which (except for the reports of Net Ordinary Cash Flow and Net Extraordinary Cash Flow and other reports prepared on a cash basis) shall be prepared in accordance with GAAP (the "Annual Report"). All financial statements prepared pursuant to this Section 8.04 shall present fairly the financial position and operating results of the LLC. TIAA LLC acknowledges that any financial projections that have been or are hereafter delivered to TIAA LLC (the "Projections") (a) reflect a number of estimates, assumptions and judgments concerning anticipated results of the Properties, (b) were not prepared with a view to disclosure or compliance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants regarding projections or forecasts and (c) do not purport to present operations at the Properties in accordance with generally accepted accounting principles. The Projections are and will be subject to certain risks and uncertainties that could cause actual results to differ substantially from the Projections. None of Reckson or any of its Affiliates or representatives has made or makes any representation to TIAA LLC or any other person regarding the actual performance of the Properties compared to the information contained in the Projections and each of them expressly disclaims any representation or warranty, express or implied, as to the accuracy or completeness of the Projections.

8.05 Tax Returns; Tax Matters Partner

(a) The Operating Member shall cause all LLC tax returns to be timely filed with the applicable government authorities within allowable time periods, including extensions, and shall use reasonable efforts to provide such tax returns in a timely manner to the Members with the necessary information, including Schedules K-1, with respect to the operations of the LLC to allow them to file their own tax returns. The Operating Member shall provide TIAA LLC with copies of the LLC's form K-1 at least 15 days prior to the date such tax returns shall be filed.

(b) The Operating Member shall act as the "tax matters partner" of the LLC as provided in Section 6231 of the Code and the Regulations thereunder. Each Member hereby approves of such designation and agrees to execute, certify, acknowledge, deliver, swear to, file, and record at the appropriate public offices such documents as may be deemed necessary or

appropriate to evidence such approval. The tax matters partner shall take such reasonable actions to insure that TIAA LLC will be a "notice partner", as such term is defined under Section 6231 of the Code. Expenses incurred by the Operating Member in acting in its capacity as "tax matters partner" shall be deemed to be LLC Charges.

8.06 Partnership

The LLC shall be treated as a partnership for federal income tax purposes and no Member shall make any election (for tax purposes or otherwise) inconsistent with such treatment.

8.07 Management Agreement Records

The Operating Member shall use reasonable efforts to enforce Managing Agent's obligations under the Management Agreement, and, without limiting the foregoing, shall cause the Managing Agent to provide the Members with copies of the reports required to be furnished by Managing Agent to Owner under Paragraph III(D)(iii) of each Management Agreement as in effect on the date hereof (or the comparable provisions of any future Management Agreement) and, upon TIAA LLC's request, the LLC will (A) cause the Managing Agent to provide to TIAA LLC copies of all bids in excess of $100,000 (as increased by the CPI Increase) (or $50,000 (as increased by the CPI Increase) during any Default Loan Period) and (B) cause a cost adjuster/contract auditor to be engaged to review specific bid and vendor selection decisions.

ARTICLE IX
TRANSFERS OF INTERESTS; RIGHT OF FIRST REFUSAL; PLEDGES

9.01 Restrictions on Transfers and Pledges of LLC Interests

(a) The term "transfer" or "Transfer" when used in this Agreement shall mean any sale, assignment, conveyance, gift or transfer.

(b) The term "pledge" or "Pledge" when used in this Agreement shall mean any pledge, hypothecation, mortgage, or granting of a security interest.

(c) The term "Interest Alteration" when used in this Agreement shall mean a change in the Members' respective Interests, Percentage Interests, Capital Accounts, rights to act as Operating Member (and the decision-making authority appurtenant thereto) or any other rights, obligations and responsibilities under this Agreement or with respect to the Properties.

(d) The term "Upper Tier Transfer" means, with respect to any Member, any transfer of ownership interests in an entity or issuance of additional ownership interests, or any other transaction howsoever effected, which results in a change in the ultimate beneficial ownership of such Member by its Parent. The term Upper Tier Transfer does not include a transfer of ownership interests in, or issuance of additional ownership interests in, or any other transaction howsoever effected which results in a change in ownership of the Parent of a Member, it being understood however, that a Change in Control with respect to a Reckson Party may trigger the consequences set forth in Section 9.06.

(e) The term "Transfer (or transfer) of an Interest" means only a direct Transfer of an Interest and does not include an Upper Tier Transfer.

(f) The term Parent, when used with respect to (I) Reckson, means Reckson OP and (II) TIAA LLC, means Teachers; provided however, if as a result of a Transfer or Upper Tier Transfer permitted under this Agreement, Reckson ceases to be a Special Affiliate of Reckson OP or TIAA LLC shall cease to be a Special Affiliate of Teachers, this paragraph (f) shall be amended to identify the new parent of Reckson or TIAA LLC, as applicable, and references to the Reckson Parties shall be deemed to refer to such new parent. This paragraph (f) shall apply with respect to any subsequent Transfer or Upper Tier Transfer.

(g) The term "Upper Tier Pledge" means with respect to any Member, any pledge of all or any part of the ownership interests in a Member (as opposed to a pledge of the Interest itself) or in any subsidiary of such Member's Parent which directly, or through ownership of other Persons, owns an interest in such Member.

(h) Except as permitted under this Article 9 and under Article 10, neither Member may transfer or pledge all or any portion of its Interest hereunder without the prior written consent of the other Member, which consent may be withheld in such other Member's sole and absolute discretion. Except as permitted under this Article 9 and Article 10, neither Member may permit any Upper Tier Transfer or Upper Tier Pledge with respect to it, without the prior written consent of the other Member, which consent may be withheld in such other Member's sole and absolute discretion. Upon a Member's transfer of its Interest to any person or entity ("Transferee") under and in accordance with this Article 9, such Transferee shall be admitted as a

substitute Member in lieu of such Transferring Member.

9.02 Intentionally Omitted

9.03 Transfers and Pledges to Affiliates

(a) Notwithstanding Section 9.01, each Member may, without the consent of the other Member, transfer or pledge all, but not part, of its respective Interest in the LLC to an Affiliate of such Member and each Member may permit Upper Tier Transfers and Upper Tier Pledges to Affiliates of such Member; provided that following any such transfer, pledge, Upper Tier Transfer or Upper Tier Pledge (or the foreclosure (or transfer in lieu of foreclosure) of any pledge or Upper Tier Pledge), the new Member shall (x) with respect to Reckson, be a Special Affiliate of Reckson OP and (y) with respect to TIAA LLC, be a Special Affiliate of Teachers.

(b) Notwithstanding Section 9.01, Reckson shall be permitted, without the consent of the other Member, to transfer all, but not a part, of its Interest in the LLC or to effectuate Upper Tier Transfers with respect to all, but not part, of the ownership interests in Reckson, to an entity which is an Actively Managed Entity; provided that if at any time after such transfer a majority of the Senior Management of Reckson at the time of such transfer shall cease to be actively involved in the Actively Managed Entity, then the Modified Buy-Sell Rights may be triggered by either party, but there shall not otherwise be any Interest Alteration as a result thereof. There shall be no restriction on transfers of Interests or Upper Tier Transfers with respect to an Actively Managed Entity so long as it remains an Actively Managed Entity.

(c) Any transfer or pledge or Upper Tier Transfer or Upper Tier Pledge pursuant to this Section 9.03 shall not result in any Interest Alteration.

9.04 Right of First Refusal

(a) From and after the date which is 180 days from the date of this Agreement, (i) if TIAA LLC desires to transfer its Interest to a party other than pursuant to Section 9.03 or (ii) if Reckson desires to transfer its Interest other than pursuant to Section 9.03 to an Approved Entity, and in either such case the Member which so desires to Transfer (the "Transferring Member") shall obtain a bona fide third party offer to purchase the Interest of the Transferring Member (the "Applicable Interest"), then the following provisions shall apply:

(i) The Transferring Member shall give to the other Member (the "Non-Transferring Member") a written notice (the "First Refusal Notice") setting forth:

(A) the name, address and any other information reasonably necessary to identify the proposed transferee; and

(B) the material business terms and conditions of the proposed transfer including the price (the "Offering Price") at which the Transferring Member proposes to transfer the Applicable Interest. Such material business terms and conditions shall in all events provide (i) that the Applicable Interest constitutes the entire Interest of the Transferring Member in the LLC, and any outstanding Default Loans held by the Transferring Member (but no other assets), and (ii) the Offering Price will be payable entirely in cash, in immediately available funds.

(ii) Within 45 days following the delivery of the First Refusal Notice (the "Binding Commitment Period"), the Non-Transferring Member may, by notice in writing to the Transferring Member (the "Binding Commitment Notice") elect to make a binding commitment to purchase (at the Offering Price specified in the First Refusal Notice or on any other terms agreed to by the parties) the Applicable Interest.

(iii) Simultaneously with delivery of the Binding Commitment Notice on or before the end of the Binding Commitment Period, the Non-Transferring Member shall deliver to the New York office of one of the five largest national title insurance companies in the United States which shall be designated by the Transferring Member in the First Refusal Notice (the "Escrow Agent"), a non-refundable amount (the "Deposit") equal to 10% of the Offering Price which shall be held in escrow pursuant to an escrow agreement in a form reasonably agreeable to the parties, and the Non-Transferring Member shall be obligated to purchase the Applicable Interest on the date (x) selected by the Non-Transferring Member on not less than 20 days written notice to the Transferring Member and (y) not more than 180 days following the end of the Binding Commitment Period. The Binding Commitment Notice shall be void ab initio if the Non-Transferring Member fails to deliver the Deposit simultaneously with the delivery of the Binding Commitment Notice. The date upon which the closing of the purchase of the Applicable Interest shall occur shall be called the "ROFR Closing Date".

(b) On the ROFR Closing Date:

(i) the Transferring Member shall deliver to the Non-Transferring Member a duly executed and acknowledged instrument of assignment conveying the Applicable Interest to the Non-Transferring Member or its designee(s) free and clear of all liens and encumbrances, except for such liens and encumbrances as set forth in the First Refusal Notice which assignment shall contain a surviving representation and warranty as to the ownership of such Interest and the absence of such liens and encumbrances;

(ii) the Transferring Member shall (A) unless otherwise provided in the First Refusal Notice, pay all transfer, stamp or similar taxes due in connection with the conveyance of the Applicable Interest and (B) pay any amounts due to the Non-Transferring Member or the LLC under this Agreement;

(iii) the Non-Transferring Member shall pay the Offering Price (as adjusted by the credits and apportionments herein set forth) by wire transfer in immediately available funds;

(iv) if pursuant to the terms of the First Refusal Notice, the proposed transferee was obligated to indemnify, assume or cause to be released or satisfied any debts, obligations or claims against the LLC or any Property Owner for which the Transferring Member or its Affiliate is or may be personally liable (collectively, "Recourse Coverage"), the Non-Transferring Member shall be obligated to provide the same Recourse Coverage, and if pursuant to the First Refusal Notice the proposed transferee would provide the Recourse Coverage by a creditworthy entity (i.e., an entity having assets other than its interest in the LLC) the Non-Transferring Member shall provide (or guaranty) such Recourse Coverage by an entity which has assets other than in its interest in the LLC, and which, considering the obligations involved, has creditworthiness which is either as creditworthy as the entity to have been provided pursuant to the First Refusal Notice or, if not, is, considering the obligations involved, reasonably satisfactory to the Transferring Member;

(v) the LLC shall close its books as of the ROFR Closing Date;

(vi) Net Ordinary Cash Flow and Net Extraordinary Cash Flow to the ROFR Closing Date shall be distributed in accordance with the provisions of Article VI unless the First Refusal Notice provides for no apportionment or apportionment on a different basis in which event in lieu of such distribution, apportionment shall be made in accordance with the First Refusal Notice;

(vii) the Offering Price shall (A) except to the extent otherwise provided in the First Refusal Notice, be increased by the aggregate amount of all additional Capital Contributions made by the Transferring Member on account of the Applicable Interest in the period between the date of the First Refusal Notice and the ROFR Closing Date and (B) be decreased by any Net Extraordinary Cash Flow distributed to the Transferring Member on account of the Applicable Interest during such period, except to the extent the First Refusal Notice provides that Net Extraordinary Cash Flow (specified as to source and amount) would be retained by the Transferring Member without reduction in the Offering Price, in which event no such decrease shall be made on account of the specified Net Extraordinary Cash Flow so distributed;

(viii) the Members shall execute all amendments to fictitious name, membership or similar certificates necessary to reflect the withdrawal of the Transferring Member from the LLC (if applicable), the admission of any new Member to the LLC (if applicable), the termination of the LLC, or as may otherwise be required by law or as is contemplated by Section 2.02; and

(ix) each Member shall be reasonable and shall cooperate with the other Member and the transferee in consummating the transaction contemplated by this Section 9.04(b), including, without limitation, by executing such documents as may reasonably be required in connection therewith.

(c) If the Non-Transferring Member fails timely to deliver a Binding Commitment Notice to the Transferring Member, the Transferring Member shall have the right, subject to this Section 9.04(c), to sell the Applicable Interest to the proposed transferee specified in the First Refusal Notice, provided that (i) the gross purchase price (without deduction for any brokerage or similar fees payable in connection with such sale or any apportionment in the nature of those described in Section 5.01(b)) is at a price not less than 97.5% of the Offering Price, (ii) the other terms and conditions of the sale, when taken as a whole, are not less favorable to the Transferring Member than the terms and conditions set forth in the First Refusal Notice, (iii) the closing of such sale shall occur not later than 150 days after expiration of the Binding Commitment Period, except as otherwise provided in this Agreement and upon such Closing the proposed transferee shall succeed to all the rights, obligations and responsibilities of the Transferring Member without any Interest Alteration. The Non-Transferring

Member shall within 10 Business Days after request therefor from the Transferring Member, execute and deliver such documentation as the Transferring Member shall reasonably request evidencing the Non-Transferring Member's declining (or deemed declining) of the right to purchase the Applicable Interest, but the failure to do so shall in no way affect the Transferring Member's right to sell the Applicable Interest as described herein.

(d) If the Transferring Member does not close a sale of the Applicable Interest which satisfies the requirements of Section 9.04(c) above within the 150-day period described in Section 9.04(c), then the Transferring Member may not sell the Applicable Interest without again giving notice to the Non-Transferring Member pursuant to Section 9.04(a) above.

(e) If the Transferring Member or the Non-Transferring Member shall fail to close the sale of an Applicable Interest contemplated by this Section 9.04 after the Binding Commitment Notice has been given, then, unless such failure would have been excused under the terms set forth in the First Refusal Notice, the non-failing Member may, as its sole remedies (i) seek specific performance of the failing Member's obligations or (ii) if the failing Member shall be the Non-Transferring Member, the Transferring Member may (x) retain the Deposit as liquidated damages; and (y) if such failure was not due to a prohibition under applicable law which first arose after the delivery of the Binding Commitment Notice, thereafter sell its Interest (one time only) to any entity, whether or not an Approved Entity, without invoking the right of first refusal described in this Section 9.04 and such buyer shall succeed to all of the rights, obligations and responsibilities of the Transferring Member under this Agreement without any Interest Alteration.

(f) No First Refusal Notice may be given with respect to a transfer of any direct or indirect owner of an Interest as opposed to the Interest itself. If a Member wishes to effectuate an Upper Tier Transfer not permitted under Section 9.03 it must comply with the provisions of this Section 9.04 with respect to its Interest (but not with respect to an upper tier interest).

9.05 Buy-Sell of Properties

(a) Either Member may at any time tender to the other Member a written offer (a "Property Offer Notice") in which the offering member (the "Property Offering Member") requests that the LLC direct the sale of one or more specified Properties owned by the Property Owners at the time of the Property Offer Notice (each such Property, a "Sale Property" and collectively, the "Sale Properties") to (i) the non-offering Member (the "Property Receiving Member") or (ii) the Property Offering Member; provided, however that such Property Offer Notice may only be given at any time after (x) the third (3rd) anniversary of the date hereof with respect to 400 Garden City Plaza, 90 Merrick and 120 White Plains; (y) the fourth (4th) anniversary of the date hereof with respect to 275 Broadhollow and Stamford Towers; and (z) the fifth (5th) anniversary of the date hereof with respect to 51 JFK and 1305 Walt Whitman (the time restrictions set forth in the foregoing clauses (x), (y) and (z) shall be referred to collectively as the "Buy-Sell Lockouts" and individually as a "Buy-Sell Lockout"). Notwithstanding the foregoing Buy-Sell Lockouts, a Property Offer Notice may be sent at any time, but only with respect to a sale of all of the Properties after the occurrence of an OM Termination Event or as otherwise expressly stated in this Agreement.

(b) The Property Offer Notice shall stipulate a distinct and separate value, in dollars, for each Sale Property, free and clear of all LLC liabilities secured by or otherwise relating to such Sale Property (the "Sale Price").

(c) Within a period (the "Property Commitment Period") of 45 days after receipt of the Property Offer Notice, the Property Receiving Member shall deliver to the Property Offering Member, a notice (the "Binding Property Notice") stating the Property Receiving Member's binding commitment (stated separately with respect to each Sale Property) to either (i) direct the applicable Property Owner(s) to sell the Sale Property to the Property Offering Member for the Sale Price, or (ii) purchase such Sale Property for the Sale Price. If the Property Offer Notice shall cover more than one Sale Property, the Property Receiving Member shall have the right, in the Binding Property Notice, to elect to purchase one or more of the Sale Properties covered by the Property Offer Notice and direct a Property Owner to sell to a Property Offering Member the Sale Property(ies) not elected to be purchased by the Property Receiving Member. Within 10 days after receipt of the Binding Property Notice, each Property Purchasing Party (as defined below) shall deliver to the Escrow Agent a deposit in an amount equal to 10% of the Sale Price for each Sale Property to be purchased by such Property Purchasing Party, which amount shall be non-refundable (except in the event of the selling Property Owner(s)' failure to convey title under this Section 9.05, in which case such deposit shall be returned to the purchasing Member) and shall be held in escrow pursuant to an escrow agreement reasonably agreeable to the parties. The closing of the purchase of each Sale Property shall occur on a date (xx) selected by the Property Purchasing Party for such Sale Property on not less than 20 days prior written notice to the Property Selling Party (as defined below) and (yy) no more than 120 days following the delivery of the

Binding Property Notice. If the Property Receiving Member fails to deliver a Binding Property Notice on or before the close of the Property Commitment Period, the Property Receiving Member shall be deemed to have elected to direct the applicable Property Owner(s) to sell each Sale Property to the Property Offering Member or its designee(s).

(d) For purposes of the remainder of this Section 9.05, (A) the Member who shall purchase (or whose designee(s) shall purchase) a Sale Property shall be called the "Property Purchasing Party", (B) the other Member shall be called the "Property Selling Party" and (C) the date upon which the Property Purchasing Party is obligated to close on the purchase of a Sale Property shall be called the "Sale Closing Date".

On the Sale Closing Date:

(i) the Property Purchasing Party shall take title to each Sale Property in its "as is" physical condition;

(ii) the Property Purchasing Party shall deliver to the selling Property Owner the Sale Price (less the deposit) set forth in the Property Offer Notice by wire transfer in immediately available funds and the deposit, together with all interest accrued thereon, shall be transferred from the Escrow Agent to the selling Property Owner (which aggregate amount shall be distributed to the Members in accordance with Section 6.05(c) of this Agreement);

(iii) the Property Selling Party shall cause the selling Property Owner to pay all transfer, stamp or similar taxes due in connection with the conveyance of each Sale Property;

(iv) the Property Selling Party shall cause the selling Property Owner to deliver to the Property Purchasing Party or its designee a duly executed and acknowledged bargain and sale deed without covenants or the equivalent form of deed for the particular state in which the Sale Property is located, or assignment instrument with respect to 90 Merrick conveying the applicable Sale Property to the Property Purchasing Party or its designee(s), subject to all liens, encumbrances and other matters affecting title thereto (other than LLC liabilities secured by, or otherwise relating to, the applicable Sale Property) which conveyance shall be without any representation, warranty or recourse against the selling Property Owner or the LLC;

(v) all items of revenue and expense of the applicable Property Owner which are customarily apportioned in the sale of properties comparable to such Sale Property shall be apportioned between the selling Property Owner and the Property Purchasing Party for the current calendar period as of 11:59 p.m. on the day preceding the Sale Closing Date in accordance with the customs and practices usual in transactions involving properties comparable to the Sale Properties; and

(vi) the selling Property Owner and the Property Purchasing Party shall deliver such additional instruments (without representation or warranty by the Property Selling Party) which are customarily delivered by buyers or sellers of properties comparable to the Properties.

(e) If the selling Property Owner or the Property Purchasing Party shall fail to close the sale of any Sale Property contemplated by this Section 9.05 on or before the Sale Closing Date, then the non-failing party may (i) require the failing party to specifically perform its obligation, (ii) if the failing party is the Property Purchasing Party, the Property Selling Party shall direct the selling Property Owner to retain the deposit as liquidated damages or (iii) if the failing party is the Operating Member, the provisions of Section 7.02(c) shall apply.

(f) If any Property Owner has entered into a contract to sell a Property in accordance with the terms hereof, no Member shall have the right to designate such Property as a Sale Property unless and until such contract terminates without a closing occurring thereunder.

9.06 Special Transfer Provisions Applicable to Reckson

(a) Change in Control of Reckson Associates. The following shall apply with respect to a Change in Control of a Reckson Party:

(i) Approved Entity/Actively Managed Entity Transfer. If, after giving effect to a Change in Control of a Reckson Party, such Reckson Party is an Approved Entity or an Actively Managed Entity, then such Change in Control may be consummated without any rights on the part of TIAA LLC and without any Interest Alteration.

An "Actively Managed Entity" shall mean an entity in which the Senior Management of Reckson Associates remains actively involved in the management of the LLC and the Properties, including without limitation, development of the Business Plan, and does not merely act as a fee manager.

An "Approved Entity" is each entity listed on Schedule 4 attached hereto and a Majority-Owned Affiliate thereof (the "Approved Entity List"), as the same may be modified in accordance with the following:

At any time and from time to time Reckson may propose additional entities to add to the Approved Entity List (each, a "Proposed Addition") by giving written notice of such Proposed Addition to TIAA LLC. TIAA LLC shall have 10 Business Days from receipt of notice of a Proposed Addition to approve or reject the Proposed Addition, and TIAA LLC's failure to reject a Proposed Addition within such 10 Business-Day period shall be deemed an approval of such Proposed Addition. TIAA LLC may reject a Proposed Addition only if (x) TIAA LLC acting reasonably and in good faith can cite to specific events, instances, financial circumstances or reputational information that would deter a prudent investor from becoming a party to this Agreement with the Proposed Addition or determines that such Proposed Addition would create a Material Business Conflict, or (y) TIAA LLC or any of its Majority-Owned Affiliates acting reasonably and in good faith rejects such Proposed Addition because it is then actively involved (i.e., a plaintiff or a defendant) in or has previously been actively involved in a material lawsuit with the Proposed Addition. TIAA LLC acting reasonably and in good faith may, upon written notice to Reckson, require the removal of any entity on the Approved Entity List if and only to the extent that TIAA LLC (1) possesses evidence that the financial condition of such Approved Entity has materially adversely changed since the date such entity was placed on the Approved Entity List due to a specific event or series of events or (2) in good faith can cite to specific events, instances, financial circumstances or reputational information demonstrating that there has occurred a material adverse change with respect to such entity which would deter a prudent investor from becoming a party to this Agreement with such Approved Entity or (3) TIAA LLC or any of its Majority-Owned Affiliates is then actively involved in a material lawsuit with such entity. Notwithstanding the foregoing, in no event may TIAA LLC require the removal of any entity from the Approved Entity List after it has been notified by Reckson that the Reckson Party has either entered into an agreement with such entity which might result in a Change in Control of such Reckson Party or is having substantive discussions with such entity which may lead to such agreement. Any dispute between the Members regarding the addition or removal of an entity from or to the Approved Entity List shall be resolved by arbitration in accordance with Section 13.30.

(ii) Non-Approved Entity Change in Control.

(A) If a Change in Control of a Reckson Party is proposed (a "Proposed Non-Approved Entity Change in Control") which, after giving effect to such Change in Control, would result in the applicable Reckson Party (or the successor entity owning the Interest or the interests in Reckson) being neither an Approved Entity nor an Actively Managed Entity (each a "Non-Approved Entity") and such Change in Control is not an Involuntary Change In Control (as defined below), Reckson shall notify TIAA LLC of the proposed Change in Control and the identity of the proposed transferee (the "Change in Control Notice"). A Change in Control Notice shall state that such notice is a request for TIAA LLC's approval that (I) such Proposed Non-Approved Entity Change in Control does not create a TIAA LLC Conflict and (II) if no TIAA LLC Conflict is triggered, such proposed Non-Approved Entity may be added to the Approved Entity List. Not more than 21 days from receipt of such Change in Control Notice, TIAA LLC shall advise Reckson by written notice (the "Conflict Notice") if the Proposed Non-Approved Entity Change in Control creates a TIAA LLC Conflict (as defined below), in which case the provisions of this 9.06(a)(ii)(A) shall apply, or, if TIAA LLC reasonably determines that the Proposed Non-Approved Entity does not create a TIAA LLC Conflict, but nevertheless believes that such entity should not be added to the Approved Entity List (a "TIAA Determined Non-Approved Entity"), the provisions of Section 9.06(a)(ii)(B) shall apply. If TIAA LLC does not send the Conflict Notice within 21 days following receipt of the Change in Control Notice, the Proposed Non-Approved Entity Change in Control shall, subject to the other terms and conditions hereof, be deemed approved by TIAA LLC with the same force and effect as if the other party thereto were an Approved Entity and TIAA LLC shall be deemed to have waived its Put Sale rights. A "TIAA LLC Conflict" shall mean a Material Business Conflict or an ERISA Problem. An "ERISA Problem" shall occur if the applicable Change in Control would, in the opinion of outside counsel to TIAA LLC (which outside counsel shall be Debevoise & Plimpton (or another firm reasonably acceptable to Reckson)), (i) cause the LLC to be deemed to hold "plan assets" within the meaning of ERISA or (ii) be reasonably likely to result in TIAA LLC (or Teachers) becoming party to a "prohibited transaction" under ERISA; provided, that no ERISA Problem shall exist for so long as the LLC is qualified as a Real Estate Operating Company ("REOC") and if because of such qualification (or otherwise) the LLC is entitled to the same legal protection in all material respects as it is entitled under current law. The Members agree to use commercially reasonable efforts to cause the LLC to be and remain qualified as a REOC so long as the requirements therefor remain substantially the same as they are on the date of this Agreement.

If TIAA LLC furnishes to Reckson a Conflict Notice stating that the Proposed Non-Approved Entity Change in Control creates a TIAA LLC Conflict, and Reckson does not dispute such determination as provided below, Reckson shall have 10 Business Days from receipt of such Conflict Notice to

elect (without prejudice to its rights under Section 9.06(a)(ii)(B) below) by notice to TIAA LLC to (1) abandon the Proposed Non-Approved Entity Change of Control, in which event there shall be no Interest Alteration or (2) proceed with the Proposed Non-Approved Entity Change in Control, in which event TIAA LLC may elect, by notice to Reckson (the "Put Election Notice") within 10 Business Days from receipt of the Reckson Election Notice, to sell its Interest in the LLC to Reckson or its designee (the "Put Sale") at a price (the "Put Sale Price") which is the greater of (x) the "Adjusted Portfolio Valuation" (which shall mean an amount calculated by multiplying TIAA LLC's then current Percentage Interest by the aggregate of the Allocated Values of the Properties then owned by the Property Owners and subtracting any Net Extraordinary Cash Flow distributed to TIAA LLC with respect to such Properties as of such date) and (y) TIAA LLC's then Percentage Interest in the appraised fair market value of the Properties as determined below (the "Properties Appraised Market Value").

If Reckson shall dispute TIAA's determination that the proposed entity created a TIAA LLC Conflict, such dispute shall be resolved by arbitration in accordance with Section 13.30.

If a Change in Control of a Reckson Party with a Non-Approved Entity shall have occurred which did not result from a merger, sale of assets or other transaction entered into voluntarily by the Reckson Party (an "Involuntary Change in Control"), promptly following Reckson's receipt of notification that such Involuntary Change in Control occurred, Reckson shall furnish to TIAA LLC a Change in Control Notice and the provisions set forth above in this paragraph (A) shall apply.

The Properties Appraised Market Value shall be determined in accordance with Section 13.30 of this Agreement, except that the arbitration procedure shall be modified as follows: within 30 days following receipt of the Put Election Notice, each of Reckson and TIAA LLC shall prepare a calculation of the Properties Appraised Market Value and submit such calculation to the arbitrator, who, solely for purposes of this Section 9.06(a)(ii), shall be an MAI-designated appraiser having at least 10 years experience in appraising Class A Office buildings in the New York Metropolitan area (the "Appraiser"). TIAA LLC and Reckson shall appoint the Appraiser within 30 days of receipt of the Put Election Notice (or, if TIAA LLC and Reckson are unable to agree upon an Appraiser within said 30-day period), then the selection of the Appraiser shall be governed by the selection process set forth in Section 13.30. Each of Reckson and TIAA LLC shall submit to the Appraiser its calculation of the Properties Appraised Market Value. Within 20 days after receipt of such submissions, the Appraiser shall make a determination of the Properties Appraised Market Value, which determination shall be limited to selecting as the Properties Appraised Market Value either Reckson's or TIAA LLC's calculation.

The Put Sale shall close on or prior to the date (the "Put Closing Date") that is (x) 30 days following TIAA LLC's delivery of the Put Election Notice, with respect to an Involuntary Change In Control and (y) in all other cases, simultaneously with the closing of the Proposed Non-Approved Entity Change in Control (or on such date as otherwise agreed to in writing by the parties). On the Put Closing Date:

(I) TIAA LLC shall deliver to Reckson (or its designee) a duly executed and acknowledged instrument of assignment conveying its Interest to Reckson or its designee(s) free and clear of all liens and encumbrances, which assignment shall contain a surviving representation and warranty as to ownership of such interest and the absence of such liens and encumbrances;

(II) TIAA LLC shall (A) unless otherwise agreed to by the parties, pay any transfer, stamp or similar taxes due in connection with the conveyance of its Interest, to the extent attributable to any portion of the Put Sale Price which is in excess of the Adjusted Portfolio Valuation and (B) pay any amounts due to Reckson or the LLC under this Agreement;

(III) Reckson (or its designee) shall (A) unless otherwise agreed to by the parties pay any transfer, stamp or similar taxes due in connection with the transfer of TIAA LLC's Interest to the extent attributable to any portion of the Put Sale Price which is equal to the Adjusted Portfolio Valuation and (B) pay the Put Sale Price (as adjusted by the credits and apportionments herein set forth) by wire transfer in immediately available funds;

(IV) Net Ordinary Cash Flow and Net Extraordinary Cash Flow to the Put Closing Date shall be distributed in accordance with the provisions of Article VI unless the parties agree to apportionment on a different basis;

(V) the Put Sale Price shall (A) be increased by the aggregate amount of all additional Capital Contributions made by TIAA LLC in the period between the date of the Put Election Notice and the Put Closing Date and (B) be decreased by any Net Extraordinary Cash Flow distributed to TIAA LLC during the period; and

(VI) the Members shall execute all amendments to fictitious name, membership or similar certificates necessary to reflect the withdrawal of TIAA LLC from the LLC (if applicable), the admission of any new Member to the LLC (if applicable), the termination of the LLC, or as may otherwise be required by law or as is contemplated by Section 2.02.

If there is an Involuntary Change in Control and a dispute arises as to the amount of the Put Sale Price, the Put Sale shall close in all respects on the scheduled Put Closing Date except that the Put Sale Price dispute shall be resolved by arbitration in accordance with Section 13.30. On the scheduled Put Closing Date Reckson shall (I) pay to TIAA LLC the amount (the "Reckson Amount") set forth in Reckson's calculation of Properties Appraised Market Value (or, if applicable, the Adjusted Portfolio Valuation) that was submitted to the Appraiser and (II) place in an escrow account an amount (the "Disputed Amount") equal to the difference between TIAA LLC's calculation of Properties Appraised Market Value (or, if applicable, the Adjusted Portfolio Valuation) that was submitted to the Appraiser and the Reckson Amount. At Reckson's election, Reckson may deliver to TIAA LLC a letter of credit in the Disputed Amount. The escrow account shall be held by a party mutually agreeable to the parties and the distribution of the Disputed Amount shall be governed by an escrow agreement mutually agreeable to the parties acting reasonably. The Disputed Amount (if the same shall not be in the form of a letter of credit) shall be placed in an interest bearing account. Upon the arbitrator's final determination of the Put Sale Price, the Disputed Amount (plus all accrued interest (if applicable)) shall be delivered to the party whose calculation was selected by the arbitrator.

(B) If a Proposed Non-Approved Entity Change in Control does not (or is deemed not to) cause a TIAA LLC Conflict, but TIAA LLC notifies Reckson in the Conflict Notice that the proposed entity is a TIAA-Determined Non-Approved Entity, then, Reckson shall have 10 Business Days from receipt of any such notice (but without prejudice to its rights below) to elect by written notice to TIAA LLC to (I) if the Change in Control is not an Involuntary Change in Control, abandon the proposed Non-Approved Entity Change of Control, in which event there will be no Interest Alteration or (II) proceed with the Proposed Non-Approved Entity Change of Control in which case (and in the case of an Involuntary Change of Control to an entity which is a Non-Approved Entity), following the consummation of the Change in Control, the provisions of Section 7.02(c) shall apply and, subject to the further provisions of this Section 9.06(a)(ii)(B), the Buy-Sell Rights set forth in Section 9.05 may be exercised (x) despite any Buy-Sell Lockouts and (y) only with respect to all of the Properties (such modified Buy-Sell Rights shall be referred to as the "Modified Buy-Sell Rights").

If Reckson shall dispute TIAA LLC's determination of a proposed entity as a TIAA-Determined Non-Approved Entity, such dispute shall be resolved by arbitration in accordance with the terms of Section 13.30. If the arbitrator finds that TIAA LLC properly determined that such entity was a Non-Approved Entity, then, following such arbitrator's determination, either party may exercise the Modified Buy-Sell Rights and if the Modified Buy-Sell Rights are exercised by either party within 120 days following the arbitrator's determination and if TIAA LLC shall be the party purchasing any Sale Properties under Section 9.05, TIAA LLC shall pay, subject to the last sentence of this paragraph, an amount equal to 97% of the amount that would otherwise be payable by TIAA LLC under Section 9.05(c) and if Reckson shall be the party purchasing any Sale Properties under Section 9.05 Reckson shall pay, subject to the last sentence of this paragraph, 103% of the amount that would otherwise be payable by Reckson under Section 9.05(c). If, however, the arbitrator determines that TIAA LLC improperly determined that the proposed entity was a Non-Approved Entity, then TIAA LLC may, for a period ending on the date that is 120 days following the closing of the applicable Proposed Non-Approved Entity Change of Control, exercise the Modified Buy-Sell Rights and (x) if TIAA LLC shall be the party purchasing any Sale Properties, TIAA LLC shall pay, subject to the last sentence of this paragraph, an amount equal to 103% of the amount that would otherwise be payable by TIAA LLC under Section 9.05(c) and (y) if Reckson shall be the party purchasing any Sale Properties, Reckson shall pay, subject to the last sentence of this paragraph, an amount equal to 97% of the amount that Reckson would otherwise have paid under Section 9.05(c). Solely for the purposes of calculating any premium or discount contemplated by this paragraph, the amount payable by Reckson or TIAA LLC shall be calculated by (a) subtracting from the amount payable by the Property Purchasing Party under Section 9.05, the amount that would be distributed by the LLC under Section 6.05(c) in connection with such transaction to the Member which is (or which designated) the Property Purchasing Member and (b) then applying the discount or premium to such remaining amount.

Notwithstanding anything to the contrary contained herein (and regardless of any notices or elections made by the Members) if Reckson shall notify TIAA LLC that a proposed Change in Control with respect to a Reckson Party has been withdrawn, abandoned or terminated prior to the consummation thereof, then (i) any Put Election Notice given by TIAA LLC or any Modified Buy-Sell Rights invoked by either Member shall be deemed void, (ii) there shall be no Interest Alteration and (iii) the rights and the obligations of the parties shall be returned as if there had been no such proposed Change in Control.

(b) Other Transfers by Reckson.

(i) If Reckson proposes to transfer its Interest to a Non-Approved Entity other than in connection with a Change in Control with respect to a Reckson Party (a "Proposed Non-Approved Entity Transfer"), Reckson shall give written notice to TIAA LLC identifying the proposed transferee (the "Transfer Notice") which shall be deemed to be a request to add the proposed transferee to the Approved Entity List. TIAA LLC shall advise Reckson by written notice within 21 days after receipt of the Transfer Notice (the "Conflict Notice") if the Proposed Non-Approved Entity Transfer creates a TIAA LLC Conflict and whether such entity will be added to the Approved Entity List. If TIAA LLC does not send the Conflict Notice within such 21-day period, the Proposed Non-Approved Entity Transfer shall be deemed approved by TIAA LLC. If the Conflict Notice is timely delivered and properly identifies a TIAA LLC Conflict, then Reckson shall have 10 Business Days from receipt of the Conflict Notice to elect by notice to TIAA LLC to (A) proceed with the Proposed Non-Approved Entity Transfer, in which event either party shall be entitled to invoke the Modified Buy-Sell Rights so long as the Sale Closing Date occurs on or prior to the closing of the Proposed Non-Approved Entity Transfer or (B) abandon the Proposed Non-Approved Entity Transfer, in which event there shall be no Interest Alteration. If the Conflict Notice is timely delivered and provides that such entity will not be added to the Approved Entity List, the provisions of Section 9.06(b)(ii) shall apply. Any dispute as to whether a TIAA LLC Conflict occurred under this Section 9.06(b)(i) or whether TIAA LLC properly refused to add the proposed transferee to the Approved Entity List shall be resolved by arbitration in accordance with Section 13.30.

(ii) If Reckson proposes to transfer its Interest to a Non-Approved Entity in a transfer other than a Change in Control with respect to a Reckson Party which does not cause (or is deemed not to cause) a TIAA LLC Conflict or which causes a TIAA LLC Conflict but was approved by TIAA LLC and the transfer closes, then (A) the provisions of Section 7.02(c) shall apply and (B) either party may, at any time thereafter, invoke the Modified Buy-Sell Rights.

9.07 Conditions Applicable to All Transfers

(a) (i) Notwithstanding anything to the contrary contained in this Agreement, any transfer, of any Interest by a Member or any Upper Tier Transfer with respect to a Member shall be made in full compliance with (A) all applicable statutes, laws, ordinances, rules and regulations of all federal, state and local governmental bodies, agencies and subdivisions having jurisdiction over the LLC or any Property Owners or the Properties and (B) the mortgages, loan agreements, and other material agreements binding upon the LLC and any affected Property Owner at the time of such transfer. In the event that any filing, application, approval or consent is required in connection with any such transfer, the "Responsible Member" (as hereinafter defined) shall promptly make such filing or application or obtain such approval or consent, at its sole expense, and shall reimburse the other Member for any costs or expenses (including attorneys' fees) incurred by such Member in connection with any filing, application, approval or consent.

(ii) The "Responsible Member" shall be transferring Member. In the event the Responsible Member shall fail to comply with its obligations as such, the other Member, upon 10 Business Days prior written notice to the Responsible Member, may do so at the sole cost and expense of the Responsible Member and adjourn the closing for such periods of time as are necessary, and all amounts so incurred by the other Member, including accounting, attorneys and other professional fees, shall be payable by the Responsible Member upon demand.

(b) Notwithstanding anything to the contrary contained in this Agreement, no transfer of the Interest of any Member shall be binding upon the other Member unless (i) registration is not required under the Securities Act of 1933, as amended, in respect of such transfer, (ii) such transfer does not violate any applicable federal or state securities, real estate syndication, or comparable laws, (iii) such transfer will not be subject to, or such transfer, when aggregated with prior transfers in accordance with applicable law, will not result in the imposition of, any state, city or local transfer taxes to the LLC, the Property Owners or the non-transferring Member (except to the extent it is specifically provided herein that the non-transferring Member is obligated to pay all or a portion of such taxes), unless the transferring Member agrees to pay such transfer tax and to indemnify the non-transferring Member, (iv) the transfer does not create any risk that the LLC will be treated as a publicly-traded partnership within the meaning of Section 7704 of the Code and the Treasury Regulations promulgated thereunder, (v) true copies of the instruments of transfer executed and delivered pursuant to or in connection with such transfer shall have been delivered to such other Member, (vi) in the case of a transfer of a direct Interest the transferee shall have delivered to such other Member an executed and acknowledged assumption agreement pursuant to which the transferee assumes all the obligations of the transferor from and after the date of such transfer under, and agrees to be bound by all the provisions of,

this Agreement (or, in the case where the transferee is an Affiliate of the transferor, from and after the date of this Agreement), subject to the limitations of liabilities set forth herein and (vii) the transferee shall have executed, acknowledged and delivered any instruments required under the LLC Act to effect such transfer and its admission to the LLC. The transferee may also be required to make certain representations, warranties and covenants to evidence compliance with U.S. federal and state securities laws, including, but not limited to, representations as to its net worth, sophistication and investment intent. Notwithstanding anything in this Agreement to the contrary, in no event shall an Interest be transferred to a Person who is the subject of any pending bankruptcy proceedings, or to a Person who is a minor or who otherwise lacks legal capacity, and any attempt to effect a transfer to such a Person shall be void and of no effect and shall not bind the LLC.

(c) At the election of the purchasing Member (or if requested by any other Member remaining in the LLC), any change of ownership of the Interest of any Member will, if practically and commercially feasible, be structured to avoid a termination of the LLC for federal income tax purposes so long as the selling Member is not obligated to increase its costs and/or liability, unless the purchasing Member(s) provides a reasonably acceptable indemnity to the selling Member.

(d) The transferring Member shall remain primarily liable for all accrued obligations (as of the date of transfer) of the transferring Member under this Agreement, notwithstanding any transfer pursuant to this Article 9 or Article 10, unless the transferee agrees to assume in writing all accrued obligations of the transferring member, in which event the transferring Member shall have no further obligation after a transfer. In connection with any transfer permitted under this Article 9 or under Article 10, each Member hereby consents to the withdrawal of the transferring Member as a Member and the admission of the transferee as a Member with the rights of the transferring Member hereunder.

(e) The LLC, each Member and any other Person or Persons having business with the LLC, need deal only with Members who are admitted as Members or as substituted Members of the LLC, and they shall not be required to deal with any other Person by reason of transfer by a Member or by reason of the death of a Member, except as otherwise provided in this Agreement. In the absence of the substitution (as provided herein) of a Member for a transferring or a deceased Member, any payment to a Member or to a Member's executors or administrators shall acquit the LLC and the Members of all liability to any other Persons who may be interested in such payment by reason of an assignment by, or the death of, such Member.

9.08 Admission of Transferee

Any person or entity who becomes a Member, accepts, ratifies and agrees to be bound by all actions duly taken pursuant to the terms and provisions of this Agreement by the LLC prior to the date of its membership in the LLC and, without limiting the generality of the foregoing, specifically ratifies and approves all agreements and other instruments as may have been properly executed and delivered on behalf of the LLC or any Property Owner in accordance with this Agreement prior to said date and which are in force and effect on said date. Unless and until a transferee is admitted as a substituted Member, the transferee shall be entitled only to allocations and distributions with respect to such Interest in accordance with this Agreement, and shall have no right to any information or accounting of the affairs of the LLC, shall not be entitled to inspect the books or records of the LLC, and shall not have no right to exercise any of the powers, rights, and privileges of a Member hereunder.

9.09 Pledge of Interest

(a) Either Member (a "Member Debtor") may, provided same is permitted under the terms of any then existing loan documents binding upon the LLC or any Property Owner, Pledge all (but not part) of its Interest to an Approved Pledgee to secure a debt or obligation of such Member Debtor or of an Affiliate of such Member Debtor, to such Approved Pledgee, pursuant to an agreement which is expressly subject to the provisions of this Section 9.09; and such pledged Interest may be transferred by foreclosure, assignment in lieu thereof or other enforcement of such a pledge; provided and upon the condition that (i) the Person (the "Purchaser", who may be the Approved Pledgee) who purchases or otherwise acquires the pledged Interest does so subject to all of the terms and conditions of this Agreement as it may have been modified or amended, (ii) the Purchaser, for its acquisition of a pledged Interest to be effective, shall comply with the provisions of Section 9.07 and 9.08 but not 9.04 and (iii) in the case of Reckson's pledged Interest which is being foreclosed upon, assigned in lieu thereof or otherwise transferred in enforcement of such Pledge if the Purchaser is a Non-Approved Entity, then TIAA LLC may upon foreclosure or transfer to the Purchaser (A) immediately exercise the Modified Buy-Sell Rights and (B) the provisions of Section 7.02(c) shall apply. Subject to the immediately preceding sentence, the Members hereby consent to any transfer resulting from the foreclosure of a Pledge permitted under this Section 9.09, or an assignment in lieu thereof, or other such enforcement of such a Pledge, the withdrawal of a Member Debtor if its entire Interest was so transferred, and the admission of the Purchaser as

a substitute Member, as the case may be, with all of the rights of the Member Debtor hereunder including, without limitation, its rights with respect to management and distributions. No such pledge, foreclosure or other enforcement shall require the Approved Pledgee or its Affiliate to assume the obligations of a Member Debtor hereunder unless and until such Approved Pledgee or its Affiliate acquires the pledged Interest of such Member Debtor.

(b) If an Approved Pledgee of a Member Debtor's Interest shall have given the other Member a written notice specifying such Approved Pledgee's name and address, then, whenever the other Member shall thereafter give notice to such Member Debtor of a default by the Member Debtor under this Agreement, the other Member shall also give such Approved Pledgee at such address a copy of each notice given by the other Member to the Member Debtor in the same manner and at the same time as any such notice is given to the Member Debtor. No such notice by the other Member shall be deemed to have been given to the Member Debtor unless and until a copy thereof shall have been so given to the Approved Pledgee. The other Member will accept performance by any such Approved Pledgee of any covenant or obligation on the Member Debtor's part to be performed hereunder, with the same force and effect as though performed by the Member Debtor and the Approved Pledgee shall be entitled to the same notice and grace periods as the Member Debtor hereunder. In the event that an OM Termination Event under Section 7.02(c) occurs and the Approved Pledgee subsequently (whether before or after any foreclosure or transfer-in-lieu of foreclosure to the Approved Pledgee) cures the applicable OM Termination Event, such event shall no longer be deemed to be an OM Termination Event and (x) if there has been no transfer of Reckson's Interest by foreclosure (or transfer in lieu thereof) Reckson's rights as Operating Member shall be restored as if no OM Termination Event shall have occurred and (y) if such a transfer has occurred and the transferee is an Approved Entity, such transferee shall be entitled to act as Operating Member as if no OM Termination Event occurred. For purposes of the preceding sentence, an OM Termination Event which by its nature is not curable by an Approved Pledgee (i.e. those described in clauses (ii), (iii), (vii), (viii) and (xi) of Section 7.02(c), and clause (xii) of such Section insofar as it relates to the Bankruptcy of the Manager) shall be deemed cured if, after giving effect to a foreclosure or transfer in lieu thereof, the OM Termination Event no longer exists (for example, with respect to clause (viii) the Approved Pledgee is not bankrupt or with respect to clause (vii) the transferee is permitted under the terms of this Agreement to hold the Interest it acquired). The Members shall not terminate, or modify in any material respect, this Agreement without the prior written consent of each Approved Pledgee, except to the extent required hereunder.

(c) The Member which is not the Member Debtor shall not unreasonably withhold its consent to the execution by the LLC of such instruments as are reasonably required by an Approved Pledgee in order to ensure the perfection of its security interest in the Member Debtor's Interest.

(d) "Approved Pledgee" means (i) an Approved Entity; (ii) an Institutional Lender to whom assets other than the pledged Interest are being Pledged; (iii) a proposed pledgee to whom the other Member does not reasonably object within 10 Business Days after written notification from the Member Debtor identifying the proposed pledgee; (iv) a pledgee to secure any existing or future line of credit of the Reckson Companies or (v) a pledgee required in connection with a Change in Control under Section 9.06(a). Notwithstanding the foregoing, if, at the time Reckson intends to grant a pledge, the proposed pledgee is a person who if it became the Member would cause a TIAA LLC Conflict, then TIAA LLC may disapprove of the proposed pledgee.

ARTICLE X
SALE AND FINANCING OF PROPERTIES

10.01 Sale of Properties to Third Parties

(a) Either Member (the "Property Recommending Member") may, at any time after the expiration of the relevant Buy-Sell Lockout (or prior thereto, Reckson) tender to the other Member (the "Non-Approving Member") a written offer (a "Third Party Offer Notice") in which the Property Recommending Member recommends that the LLC direct the sale of one or more specified Properties owned by the Property Owners at the time of the Third Party Offer Notice (each such Property, a "Third Party Sale Property" and collectively, the "Third Party Sale Properties") to a third party. The Third Party Offer Notice shall (i) provide a gross sales price for each of the Third Party Sale Properties, free and clear of all liabilities secured by or otherwise relating to such Third Party Sale Properties (the "Third Party Sale Price") and (ii) provide the LLC Accountants' calculation of the amount that would be distributed to each Member under Article VI (after paying all LLC liabilities secured by or otherwise relating to such Third Party Sale Properties (as determined by the LLC Accountants) as provided in such Article if the Third Party Sale Properties were sold for cash in an amount equal to the value set forth in the Third Party Property Offer Notice. The Non-Approving Member shall have 45 days from receipt of the Third Party Property Offer Notice to deliver to the Property Recommending Member a notice (the "Binding Third Party Property Notice") stating its binding commitment to either (x) approve the proposed sale of the Third Property Sale Properties

subject to the further provisions of this Section 10.01 and direct the applicable Property Owner(s) to market the Third Party Sale Properties, in which event the Property Recommending Member shall market the Third Party Sale Properties on behalf of the applicable Property Owner for a period of up to 180 days (the "Marketing Period") or (y) purchase the Third Party Sale Properties by delivering to the Escrow Agent a deposit in an amount equal to 10% of the price set forth in the Third Party Property Offer Notice, which amount shall be non-refundable (except in the event of the Property Recommending Member's failure to deliver title, in which case such deposit shall be returned to the Non-Approving Member) and shall be held in escrow pursuant to an escrow agreement reasonably satisfactory to each of the Members and the Property Recommending Member shall be obligated to close on the purchase of the Third Party Sale Properties on a date (x) selected by the Non-Approving Member on not less than 20 days written notice to the Property Recommending Member and (y) no more than 120 days following the delivery of the Binding Third Party Property Notice. In the event that a third party bona fide purchaser who is unaffiliated with the Property Recommending Member enters into a binding contract to buy the Third Party Sale Properties, which contract shall (A) provide for a minimum deposit of not less than 5% of the Third Party Sale Price to be paid simultaneously with the execution of such contract, (B) contain no financing contingencies and (C) be on otherwise commercially reasonable terms during the Marketing Period at a gross purchase price (without any deduction for any brokerage commissions or similar fees payable in connection with such sale and without adjustment for apportionments (a "Valid Third Party Contract") then the Property Recommending Member shall deliver to the Non-Approving Member the proposed contract (which shall be in a form that the Property Recommending Member is willing to execute) and if (A) the proposed contract is a Valid Third Party Contract and (B) the price set forth in the proposed contract is not less that 97.5% of the Third Party Sale Price, then the Non-Approving Party shall be deemed to have approved the Valid Third Party Contract. If, however, the Valid Third Party Contract is less than 97.5% of the Third Party Sale Price stated in the Third Party Offer Notice and the Property Recommending Member is willing to sell at such lesser price (the "Lesser Price Offer") then upon written notice by the Property Recommending Member to the Non-Approving Member, (xx) the Non-Approving Member shall have the right to purchase the Third Party Sale Properties pursuant to the terms of the applicable Valid Third Party Contract at the Lesser Price Offer as if such notice were a Third Party Sale Notice, except that the time to deliver a Binding Third Party Property Notice shall be reduced to a 15-day period or (yy) if the Non-Approving Member does not timely elect to so purchase the Third Party Sale Properties then the Property Recommending Member may cause the applicable Property Owner to sell the Third Party Sale Properties to such bona fide third party for the Lesser Price Offer with the closing of such sale to occur within 180 days. Any dispute as to whether a proposed contract is a Valid Third Party Contract shall be resolved by arbitration in accordance with Section 13.30.

(b) For purposes of the remainder of this Section 10.01, (i) the Member who shall purchase (or whose designee(s) shall purchase) the Third Party Sale Properties shall be called the "Third Party Property Purchasing Party", (ii) the Property Owner which sells the Third Party Sale Properties to the Third Party Property Purchasing Party shall be called the "Selling Property Owner" and (iii) the date upon which the Third Party Property Purchasing Party is obligated to close on the purchase of the Third Party Sale Properties shall be called the "Sale Closing Date".

On the Sale Closing Date:

(A) unless otherwise provided in the Valid Third Party Contract (if applicable), the Third Party Property Purchasing Party shall take title to each Sale Property in its "as is" physical condition;

(B) the Third Party Property Purchasing Party shall deliver to the Selling Property Owner the purchase price (less the deposit) set forth in the Valid Third Party Contract by wire transfer in immediately available funds and the deposit, together with all interest accrued thereon, shall be transferred from the Escrow Agent to the Selling Property Owner;

(C) unless otherwise provided in the Valid Third Party Contract (if applicable), the Selling Property Owner shall pay the transfer, stamp or similar taxes due in connection with the conveyance of each Third Party Sale Property;

(D) each Selling Property Owner shall deliver to the Third Party Property Purchasing Party or its designee a duly executed and acknowledged bargain and sale deed without covenant (or equivalent form for the particular state in which the Third Party Sale Property is located) or assignment instrument with respect to 90 Merrick conveying the applicable Third Party Sale Property to the Third Party Property Purchasing Party or its designee(s), subject to all liens, encumbrances and other matters affecting title thereto other than LLC liabilities secured by, or otherwise relating to, the Third Party Sale Property, which conveyance shall be without any representation, warranty or recourse against the Selling Property Owner or the LLC unless otherwise provided in the Valid Third Party Contract (if applicable);

(E) unless otherwise provided in the Valid Third Party Contract (if applicable), all items of revenue and expense of the Selling Property Owner which are customarily apportioned in the sale of properties comparable to such Third Party Sale Property shall be apportioned between the Selling Property Owner and the Third Party Property Purchasing Party for the current calendar period as of 11:59 p.m. on the day preceding the Sale Closing Date in accordance with the customs and practices usual in transactions involving properties comparable to the Third Party Sale Properties; and

(F) the Selling Property Owner and the Third Party Property Purchasing Party shall deliver such additional instruments (without representation or warranty by the Property Owner) which are customarily delivered by buyers or sellers of properties comparable to the Properties being sold.

(c) If the Selling Property Owner or the Property Purchasing Party shall fail to close the sale of any Third Party Sale Property contemplated by this Section 10.01, after the end of the commitment period provided in the relevant sale contract, then, unless such terms would have been excused under the terms set forth in the Valid Third Party Contract (if applicable) the non-failing party may, as its sole remedies (i) seek specific performance of the failing party's obligations or (ii) if the failing party is the Third Party Property Purchasing Party, the Selling Property Owner may retain the deposit as liquidated damages. In addition, if the failing party is the Third Party Property Purchasing Party and if such failure was not due to a prohibition under applicable law first arising after the date the Property Purchasing Party elected to purchase, the Property Recommending Member may thereafter sell the Third Property Sale Properties to any unrelated third party pursuant to a Valid Third Party Contract without the Third Party Property Purchasing Party having any rights to purchase such Properties under this Section 10.01 or otherwise consent thereto.

(d) If any Property Owner has entered into a contract to sell a Property, neither Member shall have the right to designate such Property as a Third Party Sale Property unless and until such contract terminates without a closing occurring thereunder.

10.02 Relationship of Certain Rights

If a Member has initiated the procedures under Section 9.04, 9.05 or 10.01 with respect to any or all of the Properties, no Member shall initiate any procedure under any such Section until the proceeding first initiated shall have been fully exercised, exhausted or extinguished, except that if a Member has initiated the procedures under Section 9.05 or 10.01 with respect to less than all of the Properties either Member may initiate the procedures under Section 9.05 or 10.01 with respect to other Properties, subject to the restrictions set forth in this Agreement.

10.03 Financing/Refinancing by Reckson

(a) Subject to the provisions of Section 10.03(b) and 10.03(g), at any time and from time to time during the term of this Agreement, Reckson may elect to effectuate one or more borrowings or refinance any existing borrowing at then current market rates and terms (each such financing transaction, a "Loan") that satisfies each of the following requirements (the "Loan Guidelines"):

(i) after giving effect to any Loan, the weighted average interest rate on all Loans secured by any one Property shall not exceed 9% taking into account (A) any Loans (or portions thereof) which bear a fixed rate and (B) any Loans (or portion thereof) which, although bearing a floating rate are subject to a "cap", "collar" or other hedge which has the effect of limiting the interest rate (assuming the maximum rate after giving effect to such cap, collar or other hedge). Any Loan which shall bear interest at a floating rate shall be subject to a cap, collar or other hedge which has the effect of limiting the interest rate;

(ii) after giving effect to any Loan, the aggregate loan to value ratio with respect to the Property affected by such Loan shall not exceed 65% based on the lender's appraisal of the fair market value of the Property securing the Loan, or if there is no such lender's appraisal, on the appraised fair market value of the Property secured by the Loan on a date which is not more than 180 days prior to the Loan Closing Date based on an appraisal prepared by an appraiser retained by the Operating Member and reasonably approved by the other Member setting forth the appraiser's opinion of the fair market value of said Property valued free and clear of other indebtedness of the LLC;

(iii) the Loan shall be nonrecourse to the LLC, the Property Owners and the Members, except it may be recourse to (or guaranteed by) the LLC and the Property Owners and Reckson or its Affiliates with respect to environmental issues, fraud, misapplication of funds or other standard carve-outs which are then customary for non-recourse mortgage loans and the Loan may be recourse to (or guaranteed by) the Property Owner of the Property securing the Loan;

(iv) no Loan may be secured by more than one Property (i.e. cross-collateralization is not permitted);

(v) participation or contingent payments based on revenues, sales, proceeds from the Loan, appreciation in value or other items shall not be permitted;

(vi) the amortization schedule for the Loan shall be no less than 20 years; and

(vii) the Loan shall not have a term of more than 10 years; and

(viii) the Loan shall either (x) be prepayable at any time without premium or penalty (other than customary breakage costs for floating rate loans) or (y) permit transfers by Reckson of its Interest to TIAA LLC without penalty or default.

(b) If Reckson desires to cause one or more Property Owners to effectuate a borrowing in accordance with Section 10.03(a), Reckson shall first send a notice to TIAA LLC describing the proposed Loan, including the identity of the Property to be secured by each such Loan and a summary of the proposed terms and conditions of the financing, which terms and conditions must comply with the Loan Guidelines (the "Proposed Loan Notice"). Within 10 Business Days following delivery of the Proposed Loan Notice, TIAA LLC acting reasonably and in good faith may by written notice object to the proposed Loan but only on the basis that the proposed Loan either does not meet the Loan Guidelines or that the proposed Loan is inappropriate for the Property. A proposed Loan shall be deemed "inappropriate for the Property" only if the Loan would either create undue risk of default (e.g. because of the leasing profile of the Property) or harm Property operations (e.g. leave insufficient cash flow (taking into anticipated reserves) to meet reasonably projected capital needs). For the avoidance of doubt, the parties confirm that a Loan will not be deemed "inappropriate for the Property" because it contains features (such as restrictions on sale and/or prepayment penalties) which would make it more difficult to sell the Property or an interest in the Property Owner during the term of the Loan or because TIAA LLC would prefer different financial terms (e.g. floating vs. fixed rate or vice versa or a longer or shorter terms). If TIAA LLC objects to a proposed Loan it shall set forth it reasons therefor in reasonable detail in its objection notice. The failure of TIAA LLC to timely object to a Proposed Loan Notice shall be deemed a waiver of its right to do so. Reckson may respond to any such objection notice by (i) modifying the terms of the proposed Loan to satisfy the objections of TIAA LLC or (ii) submitting to arbitration in accordance with Section 13.30 as to whether TIAA LLC has properly objected to the Proposed Loan Notice or (iii) elect not to proceed with the Loan. If (x) TIAA LLC is determined in two (or more) separate arbitration proceedings to have not properly objected to a Proposed Loan Notice, TIAA LLC shall forfeit the right to object to future Proposed Loan Notices based on the Loan being "inappropriate for the Property" for a 24-month period from the second of such arbitrator's decisions and for a 24-month period from any succeeding arbitrator's decision and (y) if TIAA LLC is determined in two (or more) separate arbitration proceedings to have properly objected to a Proposed Loan Notice, Reckson shall be prohibited from effectuating a Loan without TIAA LLC's approval for a 12-month period from such second arbitrator's decision and for a 12-month period from any succeeding arbitrator's decision.

(c) If TIAA LLC does not object (or is deemed to waive its right to object) to a proposed Loan, then within 10 Business Days following delivery of the Proposed Loan Notice (the "ROFO Period"), TIAA LLC may cause Teachers to send to Reckson a binding loan commitment (the "Binding Loan Commitment") in which Teachers offers to make the Loan upon terms and conditions which in every material respect are the same or more favorable to the Borrower than those stated in the Proposed Loan Notice; provided, however, Reckson may reject any such Binding Loan Commitment if in its reasonable judgment the making of the Loan by Teachers (or the terms thereof) is reasonably likely to create any negative tax consequences for Reckson. If Reckson elects to cause the applicable Property Owner to accept the Binding Loan Commitment, the closing of the Loan shall occur on the date specified in the Binding Loan Commitment.

(1) If TIAA LLC fails timely to deliver a Binding Loan Commitment to Reckson, Reckson shall have the right, subject to satisfaction of the Loan Guidelines and provided TIAA LLC has not properly objected (or has been deemed to have waived its objection) as provided in paragraph (b) above, to cause the applicable Property Owner to effectuate the borrowing substantially in accordance with the Proposed Loan Notice, provided that the closing of the Loan occurs within 180 days after the date of the failure to deliver the Binding Loan Commitment.

(2) If Reckson does not cause the applicable Property Owner to close the Loan, which satisfies the requirements of subparagraph (1) above within the 180-day period described therein, then Reckson may not cause such Property Owner to effectuate a Loan without again giving a Proposed Loan Notice to TIAA LLC pursuant to this paragraph (c).

(3) If Teachers executes a Binding Loan Commitment which is accepted by Reckson on behalf of a Property Owner and Teachers thereafter wrongfully fails to close on the Loan contemplated thereby, TIAA LLC shall thereafter have no further right to deliver a Binding Loan Commitment to Reckson with respect to any proposed Loan. The foregoing shall be in addition to any other rights and remedies available to Reckson, the LLC or the applicable Property Owner with respect to such failure.

(d) If Reckson or any Affiliate elects to give an environmental indemnity or guaranty recourse carve-outs to a lender in connection with a Loan, the LLC and the Property Owners, subject to Section 13.05, shall indemnify, defend and hold harmless Reckson from and against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, proceedings, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, all costs and expenses of defense, appeal, and settlement of any and all suits, actions, or proceedings threatened or instituted against the indemnified party and all costs of investigations in connection therewith) which may be imposed on, incurred by, or asserted against Reckson in any way relating to or arising out of such indemnity or guaranty of recourse carve-outs.

(e) If in connection with this Section 10.03, Reckson or any Affiliate (other than the LLC or any Property Owner) would or could potentially become personally liable to a lender for any sum on account of the LLC opposing in any manner whatsoever the foreclosure of a mortgage given by any Property Owner to such lender or any other enforcement proceeding under such mortgage or any other instrument entered into in connection therewith, Reckson may cause the relevant Property Owner to elect not to oppose a foreclosure or other enforcement proceeding by such lender.

(f) In connection with any Loan, (i) Reckson may execute and deliver on behalf of the LLC and the Property Owners notes, mortgages, security agreements, pledges of equity interest in the Property Owners, assignment of rents and leases, environmental indemnities, non-recourse carve-out guarantees and other customary loan documents, (ii) Reckson or its Affiliate may (x) give any guaranty contemplated by 10.03(a)(iii) and (y) guaranty any Loan if there is a default under such Loan or Reckson reasonably believes a default is likely; provided that the LLC and the Property Owners (other than the borrowing Property Owner) shall not indemnify Reckson with respect to any such guaranty under this sub-clause (y) but the borrowing Property Owner shall so indemnify Reckson, and TIAA LLC shall have the right, but not the obligation, to issue a similar guaranty, and (iii) Reckson may cause the LLC or any Property Owner to enter into any "bankruptcy remote" covenants required by the lender under the Loan, including, without limitation, requiring the Property Owner to comply with "single purpose entity" covenants and the admission of unaffiliated third parties as "independent managers" or "independent members" (with a nominal or non-economic interest) with approval rights over bankruptcy filings and certain other matters as is customarily required to comply with bankruptcy remote requirements.

(g) If an OM Termination Event has occurred, Reckson must obtain TIAA LLC's prior written consent to effectuate any Loan. TIAA agrees not to unreasonably withhold such consent if the OM Termination Event is of the type described in Section 7.02(c)(ii), (iii) or (iv). If, following an OM Termination Event of the type described in Section 7.02(c) (ii), (iii) or (iv), Reckson delivers a Proposed Loan Notice to TIAA LLC under Section 10.03(b) and TIAA LLC does not consent to the proposed Loan described in the Proposed Loan Notice, if Reckson disputes the reasonableness of TIAA LLC's refusal to consent, such dispute shall be resolved by arbitration in accordance with Section 13.30. If the arbitration shall be resolved in favor of Reckson, Reckson shall be permitted to effectuate the proposed Loan notwithstanding any such OM Termination Event; provided that (i) either party may exercise the Modified Buy Sell Rights and (ii) Reckson may not so effectuate the Loan if, within 15 days following the determination of such arbitration, TIAA LLC shall exercise such Modified Buy Sell Rights, in which case Reckson may not enter into such Loan until the closing of the Buy-Sell occurs under Section 9.05.

ARTICLE XI
DISSOLUTION AND LIQUIDATION

11.01 Events Causing Dissolution

The LLC shall be dissolved and its affairs wound up upon the occurrence of any of the following:

(a) the Members consent in writing to such dissolution;

(b) the sale or other disposition (voluntarily or involuntarily) by the LLC of all or substantially all of the LLC Assets and the collection of all amounts derived from any such sale or other disposition, including all amounts payable to the LLC under any promissory notes or other evidences of indebtedness taken by the LLC (unless the Members shall elect to distribute such indebtedness to the Members in liquidation), and the

satisfaction of contingent liabilities of the LLC in connection with such sale or other disposition;

(c) the Termination Date;

(d) the occurrence of any event that, under the LLC Act, would cause the dissolution of the LLC or that would make it unlawful for the business of the LLC to be continued; or

(e) any Member becomes Bankrupt.

11.02 Right to Continue Business of the LLC

Upon an event described in Section 11.01(c), (d) or (e) (but not an event described in Section 11.01(d) that makes it unlawful for the business of the LLC to be continued), the LLC thereafter shall be dissolved and liquidated unless, within 90 days after the event described in any of such Sections, an election to continue the business of the LLC shall be made in writing by the Members. If such an election to continue the LLC is made, then the LLC shall continue until another event causing dissolution in accordance with this Article XI shall occur.

11.03 Distributions Upon Dissolution

(a) Upon the dissolution of the LLC, the Operating Member (or any other Person responsible for winding up the affairs of the LLC) shall proceed without any unnecessary delay to sell or otherwise liquidate the LLC Assets (including the assets of the Property Owners) and pay or make due provision for the payment of all debts, liabilities and obligations of the LLC and the Property Owners.

(b) Subject to Section 5.02(e), the net liquidation proceeds and any other liquid assets of the LLC after the payment of all debts, liabilities and obligations of the LLC and the Property Owners (including, without limitation, all amounts owing to either Member under this Agreement or under any agreement between a Property Owner and a Member entered into by the Member other than in its capacity as a Member in the LLC), the payment of expenses of liquidation of the LLC, and the establishment of a reasonable reserve in an amount estimated by the Operating Member to be sufficient to pay any amounts reasonably anticipated to be required to be paid by the LLC or a Property Owner, shall be distributed to the Members pro rata, in accordance with their respective Percentage Interests. In paying the debts, liabilities and obligations of the LLC or any other Property Owner any available funds shall be applied (to the extent practical and permitted by law), first, to repay any indebtedness or liabilities of the LLC and the Property Owners for which the Members (or any guarantor of the obligations of the LLC or a Property Owner) shall have recourse liability, second, to repay any other indebtedness or liabilities of the LLC or a Property Owner, and third to repay any loans made to the LLC or a Property Owner by the Members (in proportion to the amounts so loaned together with the accrued interest thereon).

(c) Each of the Members shall be furnished with a statement prepared by, or under the supervision of, the LLC Accountants, the Operating Member and any other person or entity responsible for winding up the affairs of the LLC which shall set forth the assets and liabilities of the LLC as of the date of complete liquidation. Upon dissolution and liquidation of the LLC, the Members shall execute, acknowledge and cause to be filed any notice or certificate required by law to reflect the termination of the LLC.

ARTICLE XII
REPRESENTATIONS AND WARRANTIES

12.01 Representations and Warranties

(a) Reckson represents and warrants to TIAA LLC the following as of the date hereof; provided, however, that, except as otherwise expressly provided below, the representations and warranties contained in paragraphs (i), (v) and (x) below shall only relate to the Leases set forth on Schedule 5 (the "Applicable Leases"). In addition, at such time as an estoppel certificate for an Applicable Lease is executed by the applicable tenant and delivered to TIAA LLC, the representations and warranties set forth in such paragraphs shall be of no force or effect with respect to such Applicable Lease, except to the extent a representation or warranty shall be inconsistent with an item set forth in the applicable estoppel certificate, in which case such representation or warranty shall continue to be applicable.

(i) Schedule 6 sets forth all Leases. True and complete copies of the Applicable Leases have been delivered to TIAA LLC and constitute the entire agreement between landlord and Tenant with respect to the premises demised thereunder. The Applicable Leases have not been amended or modified by Reckson or any Affiliate of Reckson, except as set forth on said Schedule 5 or, to the best of Reckson's knowledge, otherwise amended or modified. Schedule 5 sets forth all security deposits held by or on behalf of Reckson under the Applicable Leases. Except as set forth on Schedule 5:

(A) to the best of Reckson's knowledge, no tenant

under an Applicable Lease (a "Tenant") is more than 30 days in arrears in the payment of base rent due under its Applicable Lease; Reckson has not given any written notice to any Tenant that such Tenant has failed to perform any of its material obligations under its Applicable Lease, which failure remains uncured;

(B) Reckson has not received written notice from any Tenant that Reckson has failed to perform any of its material obligations under its Applicable Lease, which failure remains uncured; and

(C) Reckson has not received written notice from any Tenant that such Tenant is insolvent and/or has filed for bankruptcy and/or reorganization:

(ii) Reckson has not received written notice of and, to the best of Reckson's knowledge, there are no pending condemnation proceeding or similar proceeding affecting any of the Properties.

(iii) Except for violations (which shall be governed exclusively by clause (v) below), Reckson has not received written notice (including a summons or complaint) of any action, suit, litigation, proceeding or governmental investigation, which remains pending against the Properties, is not covered by insurance and if adversely determined would have a material adverse affect on the Properties.

(iv) Reckson has not granted to any Person any right or option to acquire any of the Properties or any interest in the LLC or in any other Property Owner.

(v) To the best of Reckson's knowledge, Schedule 5 sets forth all tenant improvement work and tenant work allowances outstanding with respect to the Applicable Leases.

(vi) Reckson has not received, during the 12-month period immediately preceding the date hereof, written notice from any governmental entity having jurisdiction over any of the Properties of any violation of law applicable to the Properties which violation remains uncured.

(vii) To the best of Reckson's knowledge, Schedule 7 sets forth all of the brokerage commissions outstanding and unpaid relating to the Properties.

(viii) To the best of Reckson's knowledge, all licenses and permits required to be obtained by Reckson in connection with the present use and occupancy of any Property have been obtained and are in full force and effect, other than any licenses and permits the failure of which to obtain and be in full force and affect would not have a material adverse effect on the present use and occupancy of such Property and other than licenses and permits which a tenant is obligated to obtain pursuant to a Lease.

(ix) Reckson has delivered to TIAA LLC true and correct copies of the annual income and expense statements for 1997, 1998 and 1999 and the semi-annual income and expense statements for the period ending 6/30/2000 with respect to each Property for the entire period for which Reckson (or its Affiliate) has owned such Property.

(x) Except as set forth on Schedule 5, Reckson has paid or performed all of Landlord's obligations under all Applicable Leases which are a condition to a Tenant's initial occupancy thereunder and required to be performed prior to the date hereof.

(xi) Reckson is a "non-foreign person" within the meaning of Section 1445 of the Code, and, concurrently herewith, Reckson shall deliver to TIAA LLC a confirmatory affidavit.

(xii) Reckson is not an "employee benefit plan", as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"), or a "plan", as defined in Section 4975(e) of the Internal Revenue Code (the "Code"), and the assets of Reckson have not been deemed "plan assets" of one or more such plans for purposes of Title I of ERISA or Section 4975 of the Code. Reckson is not a "governmental plan" within the meaning of Section 3(32) of ERISA, and no transaction by or with Reckson is subject to or in violation of any state statutes applicable to regulation of investments of and fiduciary obligations with respect to governmental plans.

(xiii) Reckson has heretofore delivered to TIAA LLC true and complete copies of each of the material contracts affecting the Property (the "Contracts"); each of the Contracts is in full force and effect and has not been modified or amended; Reckson is not in default of any of its material obligations under any of the Contracts and knows of no material default on the part of the other parties thereto; and the Contracts represent the complete agreement between Reckson and such other parties as to the services to be performed or materials to be provided thereunder and the compensation to be paid for such services or materials, as applicable, and

such other parties possess no unsatisfied claim against Reckson.

(xiv) All insurance policies held by Reckson, the LLC or any Other Property Owner relating to or affecting the Properties are described in Schedule 8 hereof; all of such policies are in full force and effect and Reckson has not received any notice of default or notice terminating or threatening to terminate any of such insurance policies that remains uncured.

(xv) To the best of Reckson's knowledge, each Property Owner owns, leases or has the legal right to use all personal property (whether tangible or intangible) currently employed in the operation of its respective Property except where the failure to own, lease or have the legal right to use such property would not have a material adverse effect on the applicable Property.

(xvi) The sole ground lease applicable to the Properties is the Ground Lease, a true and complete copy of which has been delivered to TIAA LLC. To Reckson's knowledge (A) there exists no default (or event, condition or act that, with the giving of notice or lapse of time, or both, would become a default) of 90 Merrick LLC under the Ground Lease, (B) the Ground Lease is in full force and effect and (C) all rents, additional rents and sums payable pursuant to the Ground Lease that were or are due and payable have been paid.

(xvii) There are no collective bargaining agreements or other labor union contract to which Reckson is a party. None of the Property Owners has any employees. There are no material controversies pending between the Managing Agent and any of its employees at the Properties and as of the date hereof, there are no strikes, slowdowns, work stoppages or lockouts pending with respect to any employees of the Managing Agent at the Properties.

(xviii) Neither Reckson nor any Affiliate thereof owns any interest, or has an option to acquire any interest in (A) any of the Properties or Property Owners that is not subject to the terms of this Agreement, or (B) any land adjacent to the Properties that was acquired for the purposes of the expansion of any of the Properties.

(xix) No third party is entitled to receive any interest, rent or other payments from any Property Owner calculated based on the cash flow, receipts or income of any of the Properties.

(xx) Reckson is not a party to any written contract having a remaining non-cancelable term of more than one year and involving the payment of more than $100,000 per year affecting any Property.

(xxi) The aggregate tax basis of the LLC in the Properties immediately before the Closing is not less than $225,000,000.

(xxii) The admission of TIAA LLC to the LLC will not create a default under any agreement binding as of the date hereof upon the LLC or any Property Owner.

Any and all uses of the phrase, "to the best of Reckson's knowledge" or other references to Reckson's knowledge in this Agreement shall mean the actual, present, conscious knowledge of Jason Barnett and Richard Conniff (the "Reckson Knowledge Individuals") as to a fact at the time given after inquiry of Salvatore Campofranco, Jeff Schotz, F.D. Rick Rich, Mitchell Rechler and Gregg Rechler (the "Managing Directors"). Without limiting the foregoing, TIAA LLC acknowledges that the Reckson Knowledge Individuals have not performed and are not obligated to perform any investigation or review of any files or other information in the possession of Reckson, or to make any inquiry of any persons, or to take any other actions in connection with the representations and warranties of Reckson set forth in this Agreement other than inquiry of the Managing Directors. Neither the actual, present, conscious knowledge of any other individual or entity, nor the constructive knowledge of the Reckson Knowledge Individuals or of any other individual or entity, shall be imputed to the Reckson Knowledge Individuals.

(b) The representations and warranties contained in Section 12.01(a) shall survive for 12 months following the date hereof (the "Rep. Closing Date"). Each such representation and warranty shall automatically be null and void and of no further force or effect on the Rep. Closing Date unless, prior to the Rep. Closing Date, TIAA LLC shall have commenced a legal proceeding (a "Proceeding") against Reckson alleging that Reckson shall be in breach of such representation or warranty and that TIAA LLC shall have suffered actual damages as a result thereof in excess of $250,000.00 (the "Rep. Basket"). Notwithstanding anything to the contrary contained herein TIAA LLC shall not have claim for any breach of a representation or warranty if TIAA LLC had actual knowledge of such breach on or before the date hereof. If TIAA LLC shall have timely commenced a Proceeding and a court of competent jurisdiction shall, pursuant to a final, non-appealable order in connection with such Proceeding, determine that (i) Reckson was in breach of any applicable representation or warranty as of the date of this Agreement, (ii) TIAA LLC suffered actual damages (the "Damages") by reason of such breach in

an amount exceeding the Rep. Basket and (iii) TIAA LLC did not have actual knowledge of such breach on or prior to the date hereof, then, subject to the next sentence, TIAA LLC shall be entitled to receive an amount equal to the Damages minus the Rep. Basket. Notwithstanding anything to the contrary contained herein (A) if Reckson breaches any representation or warranty with respect to a particular Property or Properties, then Reckson's liability to TIAA LLC and TIAA LLC's damages for such breach shall not exceed Reckson's Percentage Interest in the allocated value of that Property or Properties and (B) in no event shall Reckson's liability for all breaches exceed $7,500,000.00 in the aggregate. Any amounts payable to TIAA LLC under this Section 12.01(b) shall be paid to TIAA LLC within 30 days following the entry of such final, non-appealable order and delivery of a copy thereof to Reckson. TIAA LLC's sole remedy for breach of a representation or warranty contained herein is to seek damages, subject to the limitations in this paragraph.

(c) Each Member hereby represents and warrants to the other Member as of the date hereof that:

(i) It has the requisite partnership or limited liability company corporate power and authority to enter into and perform the terms of this Agreement; the execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized and no other partnership, corporate, limited liability company or other action on the part of such Member or any of its shareholders, partners or members is necessary in order to permit such Member to consummate the transactions contemplated hereby. This Agreement constitutes the valid and binding obligation of such Member, enforceable in accordance with its terms as the same may be limited, however, by applicable insolvency, bankruptcy or other laws affecting creditors' rights generally or by general principles of law.

(ii) Neither the execution, delivery or performance by such Member of this Agreement or the transactions contemplated hereby will conflict with, or will result in a breach of, or will constitute a default under, (A) any agreement or instrument by which such Member may be bound or (B) any legal requirement or any other judgment, statute, rule, law, order, decree, writ or injunction of any court or governmental authority.

(iii) Other than as set forth herein, no approval, consent, order or authorization of, or designation, registration or declaration with, any governmental authority or other third party is required in connection with the valid execution and delivery of, and compliance with, this Agreement by the Member and the performance by the Member of the transactions contemplated hereby which has not heretofore been obtained.

(iv) The tax identification number of such Member is as set forth by its signature block to this Agreement.

(d) TIAA LLC acknowledges that, except as expressly set forth in this Agreement, neither Reckson nor any of its Affiliates has made, and no such party is liable for or bound in any manner by, any express or implied warranties, guaranties, promises, statements, inducements, representations or information pertaining to the Properties, the Property Owners, the income, expenses, operation or tax benefits of Reckson, the Properties, the status of the Interests or any other matter or thing with respect thereto.

ARTICLE XIII
MISCELLANEOUS PROVISIONS

13.01 Compliance with LLC Act

Each Member agrees not to take any action or fail to take any action which, considered alone or in the aggregate with other actions or events, would result in the termination of the LLC under the LLC Act.

13.02 Additional Actions and Documents

Each of the Members hereby agrees to take or cause to be taken such further actions, to execute, acknowledge, deliver and file or cause to be executed, acknowledged, delivered and filed such further documents and instruments, and to use commercially reasonable efforts to obtain such consents, as may be necessary or as may be reasonably requested in order to fully effectuate the purposes, terms and conditions of this Agreement.

13.03 Notices

All notices, demands, requests, or other communications which may be or are required to be given, served, delivered, or sent by any party to any other party pursuant to this Agreement shall be in writing and shall be mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, or transmitted by hand delivery (including delivery by internationally recognized courier), or facsimile transmission (with a copy simultaneously delivered by one of the other permitted methods of

delivery), addressed as follows:

(a) To Reckson:

c/o Reckson Associates Realty Corp.
225 Broadhollow Road
Melville, New York 11747
Attention: Jason Barnett, Esq.

with a copy to:

Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004
Attention: Joshua Mermelstein, Esq.

(b) To TIAA LLC:

Teachers Insurance and Annuity
Association College Retirement Equities Fund
730 Third Avenue
New York, New York 10017-3206
Attention: Managing Director, Real Estate Portfolio
and Vice President of Investments-Real Estate

with a copy to:

To TIAA LLC:

Teachers Insurance and Annuity
Association College Retirement Equities Fund
730 Third Avenue
New York, New York 10017-3206
Attention: Chief Counsel, Real Estate Law
and Vice President of Investments-Real Estate

Each party may designate by notice in writing a new address to which any notice, demand, request or communication may thereafter be so given, served, delivered or sent. Each notice, demand, request, or communication which shall be mailed, delivered or transmitted in the manner described above shall be deemed, given, served or delivered at such time as it is received by the addressee upon presentation or at such times as delivery is attempted in the case of any change in address as to which notice was not given to the other party as required hereunder or in the case of a refusal to accept delivery.

No provision in this Agreement that a failure of one Member to timely respond or object to a specified notice shall be treated as, or deemed to be, the approval of such Member of the matter set forth in the specified notice (or as a waiver of the Member's right to object thereto) unless such specified notice states in ALL CAPITAL LETTERS that the failure to timely respond or object to such specified notice within a specified time period set forth herein shall be treated as approval of such matter set forth herein (or as a waiver of such Member's right to object thereto).

13.04 Expenses

(a) TIAA LLC shall pay all costs of its due diligence in connection with this transaction. Each Member shall each pay its own legal fees and expenses in connection with the preparation, negotiation and execution of this Agreement. TIAA LLC shall be responsible for paying all costs of title insurance to insure its Interest and is exclusively entitled to any proceeds which may result from the title policies insuring its Interest. Reckson is exclusively entitled to any proceeds which may result from the title insurance policies insuring the Properties and the Property Owners' title therein as of the day before the date hereof. All other costs and expenses attributable to TIAA LLC's acquisition of its Interest shall be deemed to be LLC Charges. TIAA LLC acknowledges that, in connection with the transfer of the Properties to the LLC, TIAA LLC shall waive any obligation on the part of Operating Member to pursue Reckson OP under the warranty deeds executed in connection with such transfers and, if such a claim is made, any amounts collected pursuant to such claim shall be retained solely by Reckson.

(b) In the event of any dispute which results in legal proceedings between the Members, all reasonable legal fees, court costs and disbursements incurred in connection with such action by the party prevailing in such legal proceedings after a final non-appealable judgment of a court of competent jurisdiction has been entered shall be paid by the party not prevailing in such action within 10 days after demand therefor.

13.05 Obligations Are Without Recourse

Notwithstanding anything to the contrary contained in this Agreement, no recourse shall be had against either Member, whether by levy or execution or otherwise, for the payment of any loans or other payments due or for any other claim under this Agreement or based on the failure of

performance or observance of any of the terms and conditions of this Agreement against such Member, the partners, members or shareholders of such Member or any predecessor, successor or Affiliate of such Member or any of their respective assets other than such Member's Interest or any undistributed Net Ordinary Cash Flow or Net Extraordinary Cash Flow due or to become due to such Member (collectively, "Undistributed Income") or against any principal, partner, shareholder, controlling person, officer, director, agent or employee of any of the aforesaid Persons, under any rule of law, statute or constitution, or by the enforcement of any assessment or penalty, or otherwise, nor shall any of such Persons be personally liable for any contributions, loans, payments or claims, or liable for any deficiency judgment based thereon or with respect thereto, it being expressly understood that the sole remedies of the LLC or any other Member with respect to such amounts and claims shall be against such Interest and such Member's Undistributed Income, and that all such liability of the aforesaid Persons, except as expressly provided in this Section, is expressly waived and released as a condition of, and as consideration for, the execution of this Agreement; provided, however, that nothing contained in this Agreement (including, without limitation, the provisions of this Section), (a) shall constitute a waiver of any obligation of a Member under this Agreement, (b) shall be taken to prevent recourse to and the enforcement against such Interest and Undistributed Income for all of the respective liabilities, obligations, and undertakings of the aforesaid Persons contained in this Agreement, (c) shall be taken to prevent recourse to and the enforcement against (i) a transferring Member of its liabilities, obligations and undertakings contained in any instrument of assignment or indemnity delivered in connection with such transfer (but such recourse shall be limited to the proceeds received by such transferring Member in connection with the assignment to the purchasing Member (or its designee)) or (ii) any security delivered by any of the aforesaid Persons pursuant to this Agreement or (d) shall be taken to limit or restrict any action or proceeding against any of the aforesaid Persons which does not seek damages or a money judgment or does not seek to compel payment of money (or the performance of obligations which would require the payment of money) by any of the aforesaid Persons. For the purposes of this Section 13.05, the term "shareholder" shall be deemed to include the shareholders of any corporation which is a shareholder, principal, partner or agent and the term "partner" shall be deemed to include the partners of any partnership which is (w) a partner in a partnership, (x) a shareholder in a corporation, (y) a principal or (z) an agent.

13.06 Time of the Essence

Except as otherwise expressly provided in this Agreement, time shall be of the essence with respect to all time periods set forth in this Agreement.

13.07 Ownership of LLC Assets

The Interest of each Member shall be personal property for all purposes. All real and other property owned by the LLC shall be deemed owned by the LLC as LLC property. No Member, individually, shall have any direct ownership of such property and title to such property shall be held in the name of the LLC.

13.08 Status Reports

Recognizing that each Member may find it necessary from time to time to establish to third parties, such as accountants, banks, mortgagees, prospective transferees of its Interest, or the like, the then current status of performance of the LLC and the Interests, each Member shall, within 10 Business Days following the written request of the other Member (provided any such written request is not made more than twice in any 12-month period), furnish a written statement (in recordable form, if requested) on the status of the following:

(a) that this Agreement is unmodified and in full force and effect (or if there have been modifications, that this Agreement is in full force and effect as modified and stating the modifications);

(b) stating whether or not to the best knowledge of such certifying Member (i) the other Member in the LLC is in default in keeping, observing or performing any of the terms contained in this Agreement and, if in default, specifying each such default (limited to those defaults of which the certifying Member has knowledge) and (ii) there has occurred an event that with the passage of time or the giving of notice, or both, would ripen into a default hereunder on the part of such other Member (limited to those events of which the certifying Member has knowledge);

(c) stating the amount of Default Loans made by or to such certifying Member and the amount of accrued but unpaid interest thereon; and

(d) stating the Percentage Interests of the Members; and

(e) to the best of the knowledge and belief of the party making such statement, with respect to any other matters as may be reasonably requested by the other Member.

Such statement may be relied upon (and shall state that it may be relied upon) by the other Member and any other Person for whom such statement is requested, but no such statement shall operate as a waiver as to any default or other matter as to which the Member executing it did not have actual knowledge.

13.09 Survival

Subject to the provision of Section 12.01(b), it is the express intention and agreement of the Members that all covenants, agreements, statements, representations, warranties and indemnities made in this Agreement shall survive the execution and delivery of this Agreement.

13.10 Waivers

Neither the waiver by the LLC or either Member of a breach of or a default under any of the provisions of this Agreement, nor the failure of the LLC or either Member, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right, remedy or privilege hereunder, shall thereafter be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any such provisions, rights, remedies or privileges hereunder. Each Member hereby waives the right to trial by jury in connection with any legal proceeding between the Members with respect to this Agreement or the LLC.

13.11 Exercise of Rights

No failure or delay on the part of either Member or the LLC in exercising any right, power or privilege hereunder and no course of dealing between the Members or between a Member and the LLC shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as otherwise provided in this Agreement, the rights and remedies herein expressly provided are cumulative and not exclusive of any other rights or remedies which either Member or the LLC would otherwise have at law or in equity or otherwise.

13.12 Binding Effect

Subject to any provisions hereof restricting assignment, this Agreement shall be binding upon and shall inure to the benefit of both Members and their respective heirs, devises, executors, administrators, legal representatives, successors and assigns.

13.13 Limitation on Benefits of this Agreement

It is the explicit intention of the Members that no Person other than the Members and the LLC is or shall be entitled to bring any action to enforce any provision of this Agreement against either Member or the LLC, and that the covenants, undertakings and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, the Members (or their respective successors and assigns as permitted hereunder), and the LLC.

13.14 Severability

The invalidity of any one or more provisions hereof or of any other agreement or instrument given pursuant to or in connection with this Agreement shall not affect the remaining portions of this Agreement or any such other agreement or instrument or any part thereof, all of which are inserted conditionally on their being held valid in law; and in the event that one or more of the provisions contained herein or therein should be invalid, or should operate to render this Agreement or any such other agreement or instrument invalid, this Agreement and such other agreements and instruments shall be construed as if such invalid provisions had not been inserted.

13.15 Amendment Procedure

This Agreement may only be modified or amended by the unanimous written consent of the Members.

13.16 Entire Agreement

This Agreement and any agreements executed contemporaneously herewith contain the entire agreement between the Members with respect to the matters contemplated herein, and supersede all prior oral or written agreements, commitments or understandings with respect to the matters provided for herein and therein.

13.17 Headings

Article, Section and subsection headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

13.18 Governing Law

This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of Delaware (but not including the choice of law rules thereof).

13.19 Execution in Counterparts

To facilitate execution, this Agreement may be executed in as many counterparts as may be required; and it shall not be necessary that the signatures of, or on behalf of, each party, or that the signatures of all persons required to bind any party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each party, or that the signatures of the persons required to bind any party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the parties hereto.

13.20 Consents and Approvals

No consent or approval requested of either Member shall be effective unless such consent or approval shall be delivered by such Member in a written instrument in advance of the action with respect to which such consent or approval was requested.

13.21 Brokerage

Each Member represents and warrants to the other Member that it has not dealt with any broker in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby except Eastdil Realty ("Broker"). Reckson will pay the Broker's commission by separate agreement and will indemnify TIAA LLC from any claims asserted against TIAA LLC or the LLC by Broker. Each Member shall indemnify the other and the LLC from any claims asserted against the other Member or the LLC by reason of any party other than Broker claiming to have dealt with such Member.

13.22 Indemnification

(a) The LLC shall indemnify each of the Members and hold them and their Affiliates (collectively, the "Indemnitees") harmless from and against any and all claims, demands, losses, damages, liabilities, lawsuits and other proceedings, judgments, awards, costs and expenses (including reasonable attorneys' fees, disbursements and court costs) to the extent the same arise directly or indirectly from the ownership, operation, use, maintenance or management of the Properties, provided the same does not arise out of the gross negligence or willful misconduct of, or willful breach of the express terms of this Agreement by, such Indemnitee. The LLC shall indemnify, defend and protect each Member from any losses, liabilities, damages, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by each Member by reason of its acts or omissions which are for or on behalf of the LLC, except for such Member's gross negligence or willful misconduct or willful breach of the express terms of this Agreement; provided, however, that in seeking to recover from the LLC either Member may look solely to the LLC Assets and neither Member (nor any of their Affiliates) shall be personally liable nor shall any of their (or their Affiliates') assets be available to satisfy any claim or judgment awarded to either Member seeking indemnity hereunder. Except in the case of gross negligence or willful misconduct or willful breach of the express terms of this Agreement by a Member, neither Member shall be liable to the other Member or the LLC for (i) any act or omission performed or omitted in good faith, (ii) such Member's failure or refusal to perform any act, except those required by the terms of this Agreement or (iii) the negligence, dishonesty or bad faith of any agent, consultant or broker of the LLC selected, engaged or retained in good faith and with reasonable prudence. The indemnification provided by this Section 13.22 shall be recoverable only out of the LLC Assets, and neither Member shall have any personal liability (or obligation to contribute capital to the LLC) on account thereof. The Members shall be entitled to rely on the advice of counsel or public accountants experienced in the matter at issue and any act or omission of such Member pursuant to such advice shall in no event subject either Member to liability to the LLC or the other Member.

(b) Without limiting the provisions of Section 13.22(a) above, in any action brought against either Member pursuant to the LLC Act, the Member named as a defendant in such suit shall be entitled to be indemnified to the fullest extent permitted under Section 18-108 of the LLC Act or any other applicable law (the "Indemnity Laws") and, to the fullest extent permitted under the Indemnity Laws, the LLC shall advance any expenses incurred by such defending Member in defending such action, subject to repayment.

13.23 Business Day Extension

In the event any time period or any date provided in this Agreement ends or falls on a day other than a business day, then such time period shall be deemed to end and such date shall be deemed to fall on the next succeeding business day, and performance hereunder may be made on such Business Day with the same force and effect as if made on such other day.

13.24 Consent to Jurisdiction

Any legal suit, action or proceeding against either Member arising out of or relating to this Agreement, may be instituted in any Federal or state court in New York, New York, and each of the Members hereby waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, and each of the Partners hereby irrevocably submits to the jurisdiction of any such court in any such suit, action or proceeding.

13.25 Transactions with Affiliates

Anything contained in this Agreement to the contrary notwithstanding, in addition to the Management Agreement, the Operating Member may cause the LLC or the Property Owners to enter into agreements or other arrangements for the furnishing to the LLC of goods or services with Frontline Capital Group LLC ("Frontline") or any entity in which Frontline has a direct or indirect investment or any Person who is an Affiliate of the Operating Member (including, but not limited to, agreements or arrangements for the construction of Tenant improvements and other construction relating to the Properties and telephone, internet and other communication services) if such agreements or other arrangements shall be on fair market terms and the services shall be competitive with those that the LLC would have obtained from an unaffiliated third party of quality and reputation similar to such Affiliate.

13.26 No Presumption

This Agreement shall be construed without regard to any presumption against the party causing this Agreement to be drafted.

13.27 Confidentiality

(a) Each of the Members represents and warrants that prior to the date hereof it has not, except with the consent of the other Members, disclosed any of the terms, conditions, obligations or matters contained in, or relating to, this Agreement and the transactions contemplated herein other than to their respective counsel, accountants and other advisors and their members, partners, managers, investors and lenders. Each of the Members covenants and agrees (and agrees to cause its employees, agents, or Affiliates) not to disclose the economic terms of this Agreement except (i) to any lender providing financing to the LLC, (ii) to such Member's lenders, accountants and attorneys, (iii) to any prospective purchaser of its Interest, so long as such party is bound by a confidentiality agreement on terms which are substantially similar in all respects to this Section 13.05, (iv) pursuant to a subpoena or order issued by a court, arbitrator or governmental body, agency or official, (v) to one or more of its potential investors, (vi) pursuant to any other governmental requirements (e.g., securities law requirements), or (vii) with the prior written consent of the other Member. To avoid any ambiguity, TIAA LLC recognizes and agrees that Reckson will be required to file this Agreement with the Securities and Exchange Commission. In the event that either Member shall receive a request to disclose any of the terms of this Agreement under a subpoena or order, such Member shall (x) promptly notify the LLC and the other Member, (y) consult with the LLC on the advisability of taking steps to resist or narrow such request, and (z) if disclosure is required or deemed advisable, reasonably cooperate with the LLC (at no cost to such Member) in any attempt it may make to obtain an order or other assurance that confidential treatment will be accorded those terms of this Agreement that are disclosed.

(b) No Member shall issue any press releases or other announcements regarding the transactions contemplated hereby unless the other Member first shall reasonably approve such release or announcement, in writing.

13.28 Intentionally Omitted

13.29 Cooperation of Operating Member

In the event of any proposed sale, assignment or other transfer of all or a portion of a Property or portion thereof or a transfer of an interest in any Member or a Transfer of any Member's Interest in accordance with the terms hereof, the Operating Member shall, or shall cause the Managing Agent to, upon reasonable notice, (a) make available to the prospective transferee at all reasonable hours all books of account, correspondence, leases, and all other information related to the Properties and to the management thereof at the request and expense of the requesting Member, or copies thereof; and (b) cause the management personnel involved directly or

indirectly in the affairs of the LLC and the Property Owners to cooperate fully with the requesting Member and its proposed transferee or designees of either of them and furnish information in their possession as reasonably requested by such persons as to the status of the affairs of the LLC and the Property Owners.

13.30 Arbitration

(a) Except as otherwise expressly provided herein, any dispute requiring arbitration in accordance with the terms of this Agreement shall be finally settled by arbitration in accordance with the CPR Institute for Dispute Resolution Rules for Non-Administered Arbitration, except as modified herein. The place of arbitration shall be New York, New York. Either Party may commence arbitration by addressing to the other party a notice of arbitration. Within 5 days after receipt of the notice of arbitration, the respondent shall deliver to the claimant a notice of defense. In the event respondent does not deliver such a notice, all claims set forth in the demand shall be deemed denied.

(b) The arbitration shall be conducted by a sole arbitrator jointly appointed by the parties within 10 days of receipt by the respondent of the notice of arbitration. If the parties have not jointly appointed an arbitrator by that time, either party may request the CPR to appoint the sole arbitrator, and the CPR shall endeavor to make the appointment within 5 days of that request, provided, however, that its failure to meet that deadline shall in no way impair the effectiveness of the appointment. The CPR shall endeavor to appoint as arbitrator a person with substantial experience in the real estate business, but the appointee's qualifications or lack of qualifications in this respect shall under no circumstances impair the effectiveness of the appointment or provide cause for challenge. The CPR shall have no obligation to follow the procedures set forth in Rule 6, but shall instead appoint a person whom it deems qualified to serve.

(c) The arbitrator shall have authority to take all steps necessary and appropriate in order to hold a hearing within 40 days of his or her appointment and to render an award within 5 days thereafter. The arbitrator shall have full discretion to set the procedure or modify the Rules in any way he or she deems necessary in order to meet those deadlines, provided, however, that failure to meet those deadlines shall in no way affect the validity or effectiveness of the award.

(d) The arbitrator shall have no authority to award damages of any kind in connection with any matter or claim that is subject to arbitration under this Agreement and the parties expressly waive their right to seek any damages for any matter or claim which is subject to arbitration hereunder.

(e) The arbitration and this clause shall be governed by Title 9 (Arbitration) of the United States Code, and judgment on the award may be entered by any court of competent jurisdiction. The arbitrator's award shall be final and binding upon the parties. The parties herewith consent to jurisdiction in the federal and state courts located in the County of New York, State of New York, for the purpose of enforcing the award.

(f) Each party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement, unless to do so would be impossible or impracticable under the circumstances.

13.31 Lender's Rights

If a mortgage is granted with respect to a Property, the mortgagee may foreclose on its collateral free and clear of any rights under Articles 9 or 10 on the part of the Members under this Agreement.

13.32 Art Work

All art work at or on the Properties as of the date hereof (except for the art work described on Schedule 9) (all such art work other than as set forth on Schedule 9, is collectively, the "Reckson Artwork"), shall be the exclusive personal property of members of Senior Management of Reckson or Affiliates of Reckson other than a Property Owner. Reckson or any of its agents may at any time remove the Reckson Artwork and the LLC shall agree to cure any damage to the Properties caused by such removal other than structural damage, which shall be the responsibility of Reckson. Notwithstanding the foregoing, no rental (or other fee) shall be charged to the Property Owner or the LLC in connection with the Reckson Artwork.

13.33 Signage

Reckson may place at the Properties signs, logos and other items identifying the Properties as "Reckson" or "RA" properties or as properties "managed by Reckson" (or employing similar nomenclature); provided that in no event shall it be stated on such items that the Properties are "owned" by Reckson.

13.34 Ground Lease

Without in any way limiting Reckson's rights elsewhere under this Agreement, Reckson may cause the LLC to guarantee to the landlord under the Ground Lease the obligations of the tenant thereunder accruing from and after the date hereof, it being understood and acknowledged by TIAA LLC that a primary purpose of such guarantee shall be to obtain the release of Reckson OP from its obligations under the Ground Lease.

IN WITNESS WHEREOF, the undersigned have caused this Operating Agreement to be duly executed on their behalf as of the day and year first hereinabove set forth.

RECKSON TRI-STATE MEMBER LLC

Reckson Operating Partnership, L.P.

By: Reckson Associates Realty Corp., its general partner

By:_____
Name:
Title:
Tax Identification Number:
11-3233647

TIAA TRI-STATE LLC

By: Teachers Insurance And Annuity Association, its sole Member

By:_____
Name:
Title:
Tax Identification Number:

SCHEDULE 3

The parties acknowledge that in connection with its engineering review of Stamford Towers TIAA LLC had identified a potential issue relating to the installation of the exterior pre-cast concrete facade panels (the "Potential Issue"). From and after the date hereof, Reckson, acting reasonably and in good faith, with the best interest of the LLC in mind, will continue to investigate and take the appropriate actions in addressing the Potential Issue, including retaining Wiss Janney, or another reputable engineering firm reasonably acceptable to TIAA LLC, to prescribe a plan of action to further investigate the Potential Issue. If as a result of such investigation the engineering firm recommends that repairs be made to remediate the Potential Issue, Reckson shall promptly cause the LLC to make such repairs. The cost of such repairs shall be borne as follows:

(a) The first $823,000 of cost shall be borne by the LLC as an LLC Charge;

(b) Any additional cost shall be contributed by Reckson to the LLC (without any increase in its Capital Account or any increase in its deemed Capital Contribution or Percentage Interest).

OPERATING AGREEMENT
OF
RT TRI-STATE LLC

TABLE OF CONTENTS

Page

SCHEDULES

EXHIBITS

PROPERTY MANAGEMENT AND LEASING AGREEMENT

THIS PROPERTY MANAGEMENT AND LEASING AGREEMENT ("Agreement") dated _____, 2000, is between _____ ("Owner"), whose principal offices are located _____, and RECKSON MANAGEMENT GROUP, INC., a New York corporation ("Manager"), whose principal office is located at 225 Broadhollow Road, Melville, New York 11747.

RECITALS

A. On the date hereof, RT Tri-State LLC (the "LLC") owns all right, title and interest in Owner, the owner of the ground lessee's interest in the building commonly known as _____ (the "Property").

B. Pursuant to the Operating Agreement of the LLC (the "Operating Agreement"), one hundred percent (100%) of the beneficial membership interests of the LLC are held by Reckson Tri-State Member LLC, a Delaware limited liability company, whose address is 225 Broadhollow Road, Melville, New York 11747, together with its permitted successors and assigns under the Operating Agreement, "Reckson" and TIAA Tri-State LLC, a Delaware limited liability company, whose principal office is located at 730 Third Avenue, New York, New York 10017, together with its permitted successors and assigns under the Operating Agreement, "TIAA LLC". Reckson and TIAA LLC shall hereinafter be collectively referred to as the "Members".

C. Owner desires to retain Manager as exclusive manager and leasing agent for the Property, and Manager desires to serve as exclusive manager and leasing agent for the Property, all upon the terms and conditions set forth below.

D. All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Operating Agreement.

NOW THEREFORE, in consideration of the promises, covenants and conditions contained in this Agreement, Owner and Manager, intending to be legally bound, agree as follows:

AGREEMENT

I. Appointment. Owner hereby appoints Manager, and Manager hereby accepts appointment, on the terms and conditions hereinafter set forth, as sole and exclusive leasing and management agent for the Property. Manager shall manage the Property in accordance with the Operating Standard and the Business Plan. "Operating Standard" shall mean the management of the Property in an efficient, prudent and economic manner, consistent with (A) its existing character, condition and level of operation and maintenance (subject to reasonable wear and tear) as a first-class suburban office building, (B) the manner in which Manager historically has conducted and, as of the date hereof, conducts the management of the Property and (C) then current prudent business and management practices applicable to the operation and maintenance of first-class suburban office buildings in the suburban marketplace in the state in which the Property is located of similar size, character and location. Both Manager and Owner agree to use all commercially reasonable efforts subject to the Business Plan to maintain the Operating Standard with respect to the Property.

II. Term. The term of this Agreement shall commence on the date hereof and terminate upon the first to occur of the events specified in Section VIII.

III. Services To Be Performed By Manager. Manager shall provide the following services for Owner, all of which shall be performed in a manner consistent with the Operating Standard and the Business Plan, subject to the specific provisions of this Agreement, including the limitations with respect to expenditures of funds (as set forth in Section III(B)(ii)) and the availability of funds.

(A) Collecting Rents and Enforcing Obligations. Manager shall make diligent efforts to collect all rents and other sums due from (i) tenants of the Property; (ii) users of any garage or other parking space in or on the Property; (iii) concessionaires in connection with their authorized operation of facilities on or in the Property, and (iv) all others from whom rents or other sums are due to Owner with respect to the Property in the ordinary course of business. Owner authorizes Manager to request, demand, collect, receive and give receipt for all such rents and other charges in the name of and on behalf of Owner. All funds collected by Manager shall be deposited promptly into the Bank Account. Manager shall bill tenants of the Property on a monthly basis. Furthermore, subject to Owner's prior written consent and provided the same is consistent with the Operating Standard, the Manager shall, in Owner's name and at Owner's expense, (a) give notices to terminate leases at the Property by reason of the default of the tenants thereunder; (b) institute and prosecute legal actions relating to such leases; (c) evict tenants and recover possession of the portions of the Property occupied by

such tenants; (d) sue for and recover rents and other sums due Owner and (e) settle, compromise and release such actions or suits or reinstate such tenancies. Manager is hereby authorized on behalf of Owner to retain approved counsel, collection agents and other such professionals to assist Manager in connection with the foregoing obligations. Notwithstanding the foregoing, Manager shall not enter into any Lease or any modification, amendment, shortening of the term, surrender or termination of any Lease, it being understood that all of the foregoing may be executed only by Owner.

(B) Paying Expenses.

(i) Power to Disburse. Owner shall be responsible for providing funds for the Bank Account or causing funds to be so provided to meet on a timely basis the cash requirements of Manager for the proper operation of the Property pursuant to this Agreement. Manager shall be a signatory on the Bank Account and as such shall have the power, and is hereby authorized and directed, to disburse or cause to be disbursed from the Bank Account any amounts either payable to third parties or to Manager in accordance with this Agreement.

(ii) Limitation on Disbursements. Manager shall not disburse any sum in connection with the operation, maintenance or repair of the Property, whether such expenditures are operating or capital expenditures, except (a) as permitted under the Business Plan; (b) if such cost is incurred in connection with a Necessary Expense; (c) expenditures in connection with providing additional services to tenants for which Owner or Manager is entitled to be reimbursed by such tenant or (d) with the prior written consent or approval of Owner.

(iii) No Obligation to Advance. Manager shall not be required to make any advance to or for the account of Owner, or to pay any amount, except out of funds held by Manager in the Bank Account for the account of Owner or provided by Owner as aforesaid; nor shall Manager be required to incur any obligation to third parties unless Owner shall furnish Manager with necessary funds for the discharge thereof. Subject to the provisions of paragraph (ii) above, if the Bank Account has insufficient funds to permit Manager's proper and timely performance of its obligations under this Agreement, Manager shall notify Owner of the same at least fifteen (15) Business Days (or seven (7) Business Days if required for payment of Necessary Expenses), but not more than forty five (45) days, prior to the need for such funds and, on or before such date, Owner shall deposit such amount in the Bank Account to enable Manager to pay expenses in accordance with this Agreement.

(iv) Remainder Remitted to Owner. After paying the expenses of the Property as set forth herein and maintaining a sufficient reserve as determined by Manager, but at no time less than $10,000.00 ("Property Level Reserves"), for the timely payment of future expenses, taking into account anticipated revenues and expenses, Manager shall remit to Owner the remainder of the rents and other sums collected hereunder from time to time as directed by Owner, but in no event later than the 24th day of each month for the preceding month.

(v) Excluded Expenses. Except as specifically provided below, any payments to be made by Manager shall be made by Manager on behalf of Owner out of the Bank Account or as may otherwise be provided by Owner. Manager shall not be reimbursed under this Agreement for the following expenses:

(a) cost of salary, wages, commissions or other remuneration, and related benefits for any officer, director, partner, principal or executive of Manager, except that Manager shall be reimbursed for the salary and other benefits of the employees of Manager, including, but not limited to, any building manager ("Building Manager") (but excluding any employee above the level of Building Manager) employed to supervise the employees at the Property in accordance with Section III(H), which sums shall be an operating expense of the Property but allocated to the extent that such Building Manager or other employee devotes his or her time to management, maintenance and operation of any properties other than the Property;

(b) the cost of Manager's own office equipment, stationary, postage, telephone, and all other administrative expenses not properly chargeable to the Property and general overhead of Manager; and

(c) general accounting and reporting services as such services are performed by Manager required to fulfill Manager's accounting and reporting obligations under this Agreement, including, but not limited to, cost of electronic data processing equipment or cost of data processing provided by third party data processing companies.

(C) Property Management/Leasing Office. If Owner does not currently maintain a property management/leasing office in the Property, Owner may make available up to 1,000 square feet of space in the Property for a property management/leasing office, which office the Building Manager (or other appropriate employee of Manager) shall use solely to perform the duties set forth in this Agreement. Owner may determine the size and location of such office and Manager shall not pay any rent or other charges by

reason of such office. The cost of remodeling the space, and the cost (or rental) of furniture, furnishings, fixtures and equipment, including but not limited to, personal computers, to be placed in such office, shall be paid for by Owner as an operating expense of the Property in accordance with the Business Plan and shall at all times be, and remain, the property of the Owner. Notwithstanding the foregoing, Manager may continue to use any portion of the Property which is presently used for the operation of the Property and which is depicted on Exhibit A annexed hereto, for such purpose.

(D) Preparing the Business Plan.

(i) On or before October 15, or at least 75 days before the beginning of each new Fiscal Year (hereinafter defined), Manager shall prepare and submit to Owner for its approval a proposed pro-forma business plan in preliminary draft form (the "Proposed Plan") for the promotion, operation, and maintenance of the Property in accordance with the Operating Standard taking into consideration then current market conditions (each a "Business Plan"). Each Business Plan shall consist of an operating budget (the "Operating Budget"), a capital improvements budget (the "Capital Budget" and together with the Operating Budget, the "Budgets"), and the leasing guidelines (the "Leasing Guidelines"). Each Operating Budget shall show, on a month-by-month basis, in reasonable detail, each line item of anticipated income and expense including, without limitation, amounts required to establish, maintain and/or increase Cash Reserves. Each Capital Budget shall show, in reasonable detail, anticipated expenditures and cost of completion for Capital Improvements with respect to each Property or portion thereof (exclusive of CM Fees or construction oversight fees payable to RCG under Sections III(E)(ii)(a) or (b)). The Leasing Guidelines for the Property shall specify net average effective rent over the term of the Lease, on a space-by-space basis, taking into account Base Rent, the term of the Lease, leasing commissions (including overrides to Manager), tenant improvements, free rent and any other tenant concessions. Owner may give comments or seek revisions to the Proposed Plan, but its failure to do so shall not prejudice its right to do so with respect to the Revised Plan (as hereinafter defined). Manager shall submit to Owner, within 15 days after the delivery to Owner of the Proposed Plan, but no later than November 1, the Proposed Plan in definitive form (the "Revised Plan"). Within 15 days from delivery of the Revised Plan, but no later than November 15, Owner shall submit to Manager any comments or proposed revisions to the Revised Plan. Manager shall submit to Owner, within 15 days thereafter, but no later than December 1, the final Business Plan incorporating Owner's comments and revisions (the "Final Plan"). Owner shall approve or disapprove the Final Plan, within 15 days after receipt thereof, but no later than December 15, which as so approved shall constitute the "Business Plan". Owner acknowledges and agrees that the Business Plan is only an estimate and not a guaranty by Manager and there may be substantial variations between the estimates set forth in the Business Plan and the actual results. The parties acknowledge and agree that the Business Plan for the current Fiscal Year is annexed hereto as Exhibit B and that such Exhibit will serve as the form of the Business Plan for all subsequent Fiscal Years during the term of this Agreement.

(ii) During any Fiscal Year when Owner has failed to approve any portion of the Business Plan for any Property prior to the commencement of the Fiscal Year to which such Business Plan relates, the Property shall be operated during such Fiscal Year (A) in accordance with such portions of such Business Plan as to which agreement has been reached, (B) at rates or levels of expenditures as are actually charged or incurred with respect to Necessary Expenses and (C) with respect to those portions of such Business Plan which are discretionary and as to which agreement has not been reached at rates or levels of expenditures in the approved Business Plan for the preceding Fiscal Year, (x) increased by the CPI Increase (computed for this purpose from the January 1st of the last Fiscal Year for which a Business Plan was approved to December 31st of the Fiscal Year immediately preceding the Fiscal Year to which the Business Plan in dispute relates) and (y) increased or decreased to reflect increases or decreases in the percentage of the Property occupied by tenants since the last Fiscal Year for which a Business Plan was approved (but only to the extent the Owner reasonably determines that such increases or decreases are reasonably related to the level of the Property's occupancy). Unless Manager is otherwise notified by Owner, the fiscal year of the Property (the "Fiscal Year") shall be from the first (1st) day of January of each year, to and including the last day of December of such year except that the current Fiscal Year shall be from the date hereof through December 31, 2000. The Fiscal Year may not be changed without the express prior written approval of Owner. Manager shall be entitled to pay all LLC Charges as and when due to the extent such LLC Charges are either consistent with the Business Plan, are Necessary Expenses or if inconsistent with the applicable Business Plan, do not exceed the budgeted line item cost in the Operating Budget and Capital Budget by more than 10% or increase the Budgets by more than 7% (exclusive of increases attributable to temporary timing differences arising in the ordinary course of business), provided that Manager will act prudently and in the best economic interest of Owner in incurring Necessary Expenses. Owner and Manager shall review the Business Plan on a quarterly basis and, in connection therewith, Manager shall prepare and submit for Owner's review any proposed modifications to the Business Plan. Following any modification approved by Owner, the "Business Plan" shall be the original Business Plan as so modified.

(iii) Monthly and Quarterly Reports. During the term of this

Agreement, Manager shall render to Owner a monthly (and year to date) written report (the "Monthly Report"), containing the information and in the form set forth on Exhibit C for the immediately preceding calendar month. During the term of this Agreement, Manager shall render to Owner a written quarterly report (the "Quarterly Report") containing the information and in the form set forth on Exhibit D for the immediately preceding quarter. Manager shall prepare all financial statements that are a part of the Monthly and Quarterly Reports on an accrual basis in accordance with GAAP. Owner, at its election, may inspect Manager's books and records with respect to the Property and Owner and may review and make copies of invoices, bills or other supporting data in connection with a Monthly or Quarterly Report. Manager shall provide itemization of and supporting data for any sums retained by or claimed to be due to Manager as a Management Fee (hereinafter defined), Leasing Commission (hereinafter defined), or otherwise.

(E) Making Contracts for the Property.

(i) Manager, as agent for Owner, shall enter into contracts (payable at Owner's sole cost and expense) or otherwise arrange for fuel, oil, vermin extermination, janitorial service, trash removal, snow removal and other necessary services (each, a "Contract") as shall be consistent with the Operating Standard and the Business Plan. Unless otherwise approved in writing by Owner, all contracts shall be terminable by Manager or Owner upon thirty (30) days notice. Manager shall also be authorized on behalf of Owner to place orders in Manager's or Owner's name for such equipment, tools, appliances, materials and supplies ("Personal Property") as are necessary to maintain the Property in a matter consistent with the Operating Standard and the Business Plan. Owner hereby acknowledges and agrees that the Contracts executed prior to the date hereof and set forth on Exhibit E annexed hereto (the "Existing Contracts") are hereby approved in all respects.

(ii) (a) Subject to the provisions of paragraph (b) below, so long as Reckson Construction Group, Inc. (or any successor or affiliate thereof) ("RCG") remains an affiliate of Manager, Owner hereby authorizes Manager to utilize RCG to provide construction management services ("CM Services") for tenant improvements and capital improvement projects at the Property (each particular tenant improvement or capital improvement project, a "Construction Project" and the CM Services for a Construction Project a "CM Service"). Subject to Owner's prior approval, RCG shall be reimbursed by Owner for all costs actually paid to third parties by RCG in connection with the Construction Project at the Property. If RCG shall perform the CM Services (and another Qualified Bidder was not engaged to perform such CM Services pursuant to clause (b) below), RCG shall receive a fee for the CM Services in an amount equal to six percent (6%) (the "CM Fee") of all costs, except for the cost of the CM Fee or other amounts in the nature of a fee paid to RCG, actually paid to third parties under each contract for a particular tenant improvement or capital improvement (the "Total Project Cost"). CM Services do not include and no CM Fee shall be paid to RCG for a Construction Project for which Manager determines no contract was required or which costs less than $10,000.00.

(b) If a particular Construction Project (other than a Construction Project which is necessary (and so limited in scope) to remediate an emergency condition (an "Emergency Project")) is not specified in the then approved Business Plan or if TIAA LLC has not otherwise received written notice of a Construction Project, Manager shall give written notice to Owner and TIAA LLC at least sixty (60) days prior to the commencement of such Construction Project or such shorter notice as may be practicable under the circumstances. Notwithstanding the provisions of (a) above, TIAA LLC may, on behalf of Owner, by notice given to Manager at least thirty (30) days prior to the commencement of a particular Construction Project (or if TIAA LLC was given less than 60 days' notice, then within 15 days after such notice was given), elect not to permit RCG to perform CM Services for that particular Construction Project; provided, however, TIAA LLC may not make such election with respect to an Emergency Project. In the event Owner does not approve RCG's performance of CM Services for the Construction Project pursuant to the foregoing sentence, Owner shall retain a general contractor to perform such Construction Project by (x) bidding out the Construction Project to at least three (3) (or, if RCG is not one of the bidders, to less than three (3) if Manager does not deem three (3) to be practicable) general contractors who are reputable and have reasonable financial strength, and such bidders may include RCG (each a "Qualified Bidder") and (y) awarding such Construction Project to RCG or to another Qualified Bidder as Owner, may determine in its sole and absolute discretion, provided however, that the bid shall not be awarded to RCG without the prior consent of TIAA LLC (the "Successful Contractor"). Manager shall retain RCG to oversee the Successful Contractor's Construction Project, for which RCG shall be paid a construction oversight fee equal to 2% of all costs (except for the cost of paying such construction oversight fees or other amounts in the nature of a fee paid to RCG) actually paid for the Construction Project.

(c) So long as RCG remains an affiliate of Manager, Owner hereby authorizes Manager to utilize RCG to provide architectural and engineering services ("A&E Services") to the Property (each, an "A&E Project") provided such A&E Services are (1) of satisfactory quality, (2) provided at no higher than the then current market rates and (3) in accordance with the

applicable Business Plan to the extent the A&E Services are scheduled to commence on or after the beginning of the 2001 Fiscal Year. Subject to Owner's approval, RCG shall be reimbursed by Owner for all costs actually paid to third parties by RCG in connection with an A&E Project. Notwithstanding the foregoing, if the A&E Service to be provided by RCG with respect to a particular A&E Project is estimated to exceed $50,000.00, which amount shall be adjusted annually by the CPI Fraction, then Owner shall (x) bid out such A&E Project to at least three (3) (or, if RCG is not one of the bidders, to less than three (3) bidders if Manager does not deem three (3) to be practicable) qualified third parties who are reputable and have reasonable financial strength and such bidders may include RCG (each a "Qualified A&E Bidder") and (y) award such A&E Project to RCG or another Qualified A&E Bidder as Owner may determine in its sole and absolute discretion, provided however, that the bid shall not be awarded to RCG without the prior consent of TIAA LLC.

(d) Manager will deliver to Owner copies of any bids which Owner is required to provide to TIAA LLC under Section 8.07 of the Operating Agreement.

(F) Maintaining the Property. Manager shall maintain the grounds, buildings and other improvements of the Property in a manner consistent with the Operating Standard, subject to limitations set forth in Section III(B) and the Business Plan.

(G) Maintaining Insurance. (i) Manager shall place any and all insurance coverage contemplated in this Section III(G) with such companies, in such amounts, and with such beneficial interest appearing therein as shall be acceptable to Owner, in its sole discretion, and such insurance coverage shall otherwise be in conformity with the requirements of law or any contractual obligation of Owner with respect thereto. Any changes in such coverage shall require the approval of TIAA LLC, which approval shall not be unreasonably withheld. In any event, all such policies shall, at a minimum, name Owner as beneficiary and each shall provide that the policy shall not be canceled or amended unless thirty (30) days' prior written notice of such cancellation or amendment is given to Owner. Manager and its Affiliates (as defined in the Operating Agreement) maintain insurance coverage as set forth on Exhibit F for all of the Properties and the other properties owned or managed by Manager and its Affiliates.

(ii) Owner hereby authorizes Manager to maintain, at Owner's expense, subject to the Business Plan, throughout the term of this Agreement, comprehensive general liability insurance policy in such amounts and with such insurance carriers as Owner from time to time shall determine, insuring Owner and naming Manager as an additional insured. Manager shall pay the premiums and other charges with respect thereto on Owner's behalf out of the Bank Account as operating expenses of the Property. Manager, on its own behalf and at its own expense, shall also maintain, and provide to Owner evidence of maintaining, comprehensive general liability insurance in an amount not less than Two Million Dollars ($2,000,000.00) naming Owner, TIAA LLC and the LLC as additional insureds.

(iii) Owner shall maintain, or shall authorize Manager to maintain, at Owner's expense, such fire, extended coverage and other insurance on the Property in such amounts and with such insurance carriers as Owner shall from time to time determine. All insurance carriers covering the Property shall waive any right of subrogation against Manager for negligence in the performance of its services, under this Agreement with respect to any fire, extended coverage or other like insurance claim paid to Owner regarding the Property.

(iv) Manager shall, at Owner's expense, cause to be placed and kept in force all workers' compensation insurance, insurance against theft by Manager's employees. To the extent such insurance is required in the conduct of Manager's business or to cover Manager's employees, such insurance shall be at Manager's expense, otherwise it shall be an expense of the Property. Manager understands and agrees that the insurance coverage required herein by this Agreement shall not limit the extent of Manager's responsibilities and liabilities otherwise imposed by this Agreement or by any Federal, State or local law.

(v) Manager shall require all contractors performing work at the Property to maintain workers compensation and general liability insurance coverage with such companies, in such amounts, and with such beneficial interest appearing therein as shall be acceptable to Owner, in its sole discretion.

(vi) Manager shall notify Owner, in writing, of any material fire or any other material damage to the Property promptly following such casualty. Subject to Owner's consent, except in the case of an emergency, in the event of any personal injury or property damage occurring to or claimed by any tenant or third party on or with respect to the Property, Manager shall take such actions as is prudent and consistent with the Operating Standard, subject to the limitations set forth in Section III(B). Manager shall not settle any claims against insurance carriers for damages to the Property or personal injury without the prior written consent of Owner in each instance.

(H) Employing Personnel. Manager shall interview, investigate, hire, pay, supervise, discipline and discharge the personnel necessary to be employed in or on the Property in order to manage, maintain and operate the Property in accordance with the Operating Standard and the Business Plan. Manager shall comply with all applicable laws with respect to the employment of such personnel, including without limitation laws regarding employment and withholding taxes, workers compensation insurance, employee benefits and employment discrimination. Owner or TIAA on Owner's behalf may direct Manager to remove any employee of Manager from any assignment at the Property; provided, however, that if TIAA LLC so directs Manager and the direction is not for good cause, TIAA LLC shall indemnify and hold Manager and Owner harmless from any loss, cost or expense (including reasonable attorneys fees) arising therefrom. Manager shall not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, physical handicap, age or sex; and all employment advertising shall indicate that Manager is an "Equal Opportunity Employer." Such personnel shall in every instance be employees of Manager and not of Owner.

(I) Employing Counsel and Other Professionals. Manager may, on Owner's behalf and at Owner's expense, employ approved counsel and other professionals in connection with negotiating, amending and renewing leases consistent with the Operating Standard and the Business Plan and as otherwise may be required to perform Manager's obligations under this Agreement.

(J) Miscellaneous.(i)Records. Manager shall maintain full and complete records, books, and accounts (including equipment guarantees, warranties and construction plans) relating to the Property in a manner consistent with the Operating Standard. Owner and TIAA LLC shall have the right (at their sole expense) to inspect and audit such records and statements required by this Agreement at reasonable hours during the term of this Agreement and for a period of one (1) year after the effective termination date of this Agreement, and at any time to take possession of copies of all bank statements, check registers, canceled checks and invoices, bills and supporting data related to the Property.

(ii) Tenant Complaints. Consistent with the Operating Standard, Manager shall maintain businesslike relations with tenants and shall maintain and, if requested, provide to Owner in a timely manner, records setting forth tenants' service requests and complaints received and Manager's action taken to resolve the same.

(iii) Inspections. As part of a continuing program to secure full performance by tenants of all maintenance and other obligations for which they are responsible, Manager shall make regular inspections of the Property, including all rentable and common areas, and, in addition, shall make such other inspections as may be consistent with the Operating Standard.

(iv) Personnel Returns Required by Law. Manager shall prepare, execute and file punctually when due (after giving effect to permitted extensions) all forms, tax returns and other reports required by law relating to the employment of personnel. Manager shall promptly and timely pay all taxes and other payments required in connection therewith.

(v) Compliance with Legal Requirements; Contracts. Subject to the limitations set forth in Section III(B) of this Agreement and to the extent the same is materially consistent with the Operating Standard, Manager shall take such necessary action to comply with any and all governmental constitutions, statutes, regulations, codes, orders or other requirements affecting the Property from time to time in effect or enacted by any federal, state, county, municipal or other authority having jurisdiction thereover, and to comply with all requirements or orders of the Board of Fire Underwriters or other similar bodies and with all contracts and other agreements affecting the Property (collectively and individually, the "Legal Requirements"). Manager, however, shall not take any such action so long as Manager (with Owner's consent) or Owner is contesting or either party has affirmed to the other its intention to contest (and promptly institutes proceedings contesting) any such Legal Requirement, except that if failure to comply promptly with any such Legal Requirement would or might expose Manager or Owner to criminal liability, Manager shall cause the same to be complied with, with or without Owner's approval.

Manager, promptly following receipt of notice of any significant violation of any Legal Requirement, shall give written notice of same to Owner and shall deliver to Owner copies thereof.

(K) Renting the Property. Manager shall use commercially reasonable efforts consistent with the Operating Standard and the Business Plan (x) to lease vacant space and (y) to keep the Property fully rented to desirable, credit-worthy tenants. In connection with the leasing of the Property, Manager shall perform the following:

(i) Enlisting Cooperating Brokers. Manager is hereby authorized on behalf of Owner and at Owner's expense to (x) enter into an exclusive agency agreement pursuant to which a third party broker ("Exclusive Broker") will be retained by Manager on behalf of Owner to act as Owner's

representative and exclusive agent to lease all or a portion of the Property (an "Exclusive Agency Agreement") or (y) cooperate with or permit an Exclusive Broker to cooperate with third-party real estate brokers representing tenants ("Co-Brokers") and to pay such Exclusive Broker and Co-Brokers a leasing commission as determined by the then current market rates ("Standard Commission"). The parties acknowledge that current market rates are as set forth on Exhibit G annexed hereto. Manager shall notify Owner in writing giving reasonable detail (and Manager shall give a copy of such notice to TIAA LLC) of any changes in market rates.

(ii) Advertising the Property. Manager shall advertise the Property or portions thereof, prepare and secure advertising signs, publish and distribute brochures, and advertise in periodicals and other forms of advertising in accordance with the Operating Standard and the Business Plan.

(iii) Referrals; Negotiating. Owner shall refer to Manager all inquiries for any rental of space or for renewals of leases for space in the Property; and, except as hereinafter set forth, all negotiations connected therewith shall be conducted solely by or under the direction of Manager. Manager shall make such investigation of prospective tenants as shall be consistent with the Operating Standard. Owner hereby acknowledges that Manager manages and acts as leasing agent for, and affiliates of Manager own (directly or indirectly), other properties in the same commercial property market as the Property which may be competitive with the Property and that the continuation of such management, leasing or ownership shall not serve as the basis of any claim against, or result in any liability to, Manager or its affiliates. Notwithstanding the foregoing sentence, Manager shall not unfairly allocate leasing opportunities to other properties owned, managed or leased by Manager or any of its Affiliates (i) which are appropriate for the Property, (ii) if the Property can satisfy all of the prospective tenant's specific leasing requirements and (iii) which (if consummated) would comply with the Business Plan.

IV. Compensation. The compensation of Manager for the performance of its obligations under this Agreement shall be as follows:

(A) Management Fee. (i) Subject to clause (ii) below, Manager shall be compensated for its services under this Agreement in an amount equal to 3% of Gross Collections (hereinafter defined) collected by Manager in the current calendar month as set forth in the Monthly Report (the "Management Fee"). Manager shall include in the Monthly Report the calculation used in determining the Management Fee. The Management Fee for each month shall be accrued as of last day of the current month. Manager is authorized to pay itself the Management Fee at any time subsequent to the date that the Management Fee is accrued and the Monthly Report has been delivered to Owner.

(ii) If the Annual Report shall indicate that the Adjusted Net Ordinary Cash Flow from the Properties at the end of any Fiscal Year is less than the anticipated income set forth in the original approved Business Plans for the Properties for such Fiscal Year and to the extent that such shortfall, whether from a decrease in revenue or increase in expenses, is not attributable to changes in market conditions, then the Management Fees for all the Properties shall be reduced on a dollar for dollar basis, to not less than 2% of Gross Collections from all of the Properties. Owner or TIAA LLC, on behalf of Owner, shall notify Manager of the extent to which Owner believes it is entitled to any reduction in the Management Fee pursuant to this clause (ii). The provisions of this clause (ii) are intended to operate in tandem with (and without duplication of) the corresponding provisions of the other Management Agreements between the other Property Owners and Manager to affect the aggregate Management Fees payable under all such Management Agreements.

(iii) Any dispute regarding the Management Fee (including any dispute under clause (ii)) shall be resolved by arbitration in accordance with Article XIX.

(B) Leasing Commissions. For Manager's services under Section III(K) of this Agreement, Owner shall pay to Manager a leasing commission ("Leasing Commission") in the following manner:

(i) Existing Leases. Manager shall not be entitled to a Leasing Commission by virtue of any leases executed by Owner prior to the date hereof for space in the Property (each, an "Existing Lease"), whether or not the terms of such Existing Lease have commenced or the tenants under such lease have commenced to occupy the space; provided, that, subject to the limitations set forth in subparagraph (v) below, Manager shall receive a Leasing Commission in connection with (a) any renewal of any Existing Lease (whether or not pursuant to an existing option), (b) the expansion of the space presently covered by such Existing Lease (whether or not pursuant to the exercise of any option contained in the Existing Lease) (c) an amendment of an Existing Lease that results in additional income to the Owner or (d) existing Leases set forth on Exhibit H.

(ii) Space Occupied by Owner and by Agent. Manager shall not be entitled to a Leasing Commission on account of any space in the Property leased to or occupied by Owner, by Manager, or by any affiliate of Owner or Manager, where such leased or occupied space is used primarily for the

management and operation of the Property.

(iii) New Leases and Expansions. Manager shall not be entitled to a Leasing Commission on account of any space in the Property leased to a tenant by an Exclusive Broker retained by Manger pursuant to an Exclusive Agency Agreement. Subject to the limitation in the foregoing sentence, in connection with (a) all new leases for space in the Property (and the renewals of such new leases or the expansion of the premises demised pursuant to such new leases during the term of this Agreement) and (b) those instances set forth in paragraph (i) above where Manager shall be entitled to a Leasing Commission, Manager shall receive the following as a Leasing Commission: (1) if a Co-Broker is entitled to a leasing commission, Manager shall be entitled to a Leasing Commission in an amount equal to 25% of a Standard Commission or (2) if no Co-Broker is involved in the transaction, Manager shall be entitled to a Leasing Commission equal to 50% of the Standard Commission. Manager, on behalf of Owner, shall pay all leasing commissions, fees, and commissions of the Co-Broker from the Bank Account.

(iv) Payment of Leasing Commissions. Leasing Commissions shall be due and payable to Manager as follows: Leasing Commission upon (1) with respect to a new lease, lease amendment, lease expansion or lease renewal (other than to evidence the exercise of a lease expansion or renewal option, which shall be governed by clause (2) of this sentence), 50% upon the execution and delivery of a final lease (or lease amendment) by Owner (or Manager) and tenant and 50% upon the taking of occupancy and the commencement of rent payments and (2) with respect to a lease expansion option or lease renewal option, the date such tenant exercises its option; provided, however, that if the tenant defaults prior to paying the first month's rent with respect to the expansion space (in the case of a lease expansion option) or the first month's rent with respect to the renewal period (in the case of a lease renewal option), (as the case may be) and the lease is terminated on account thereof, Manager shall refund 50% of the Leasing Commission paid with respect to such lease expansion option or lease renewal option.

(v) Commission After Termination. Manager shall not be entitled to a Leasing Commission respecting (a) a lease for space in the Property or (b) any renewal or expansion by a tenant, in each case occurring after termination of this Agreement. Notwithstanding the foregoing, Manager shall be entitled to a Leasing Commission for (x) any Leasing Commission accruing through the date of the termination of this Agreement which was not yet payable as of the date of the termination; or (y) all Prospective Tenants with whom Manager was in negotiation at the time of giving or receipt of such notice of termination, provided that within fifteen (15) days following notice of termination of this Agreement, Manager shall register with Owner in writing a list of all such Prospective Tenants and setting forth with respect to each such Prospective Tenant, the tenant's name and address, and the space(s) in the Property for which negotiations were then in progress, and further provided that, within a period of one hundred thirty-five (135) days after the effective date of termination, a lease with such prospective tenant for space in the Property was actually entered into. As used herein the term "Prospective Tenants" shall mean (i) prospective new tenants at the Property and (ii) existing tenants with whom Manager was negotiating for renewal of their leases and/or expansion of their premises and who agree to such renewal or expansion within such 135 day period.

(vi) Cancellation Provision. In leases containing a cancellation privilege on the part of the tenant, Owner shall pay to Manager a Leasing Commission in accordance with the provisions of Section IV(B)(iv) computed as if the lease term ended on the date when cancellation could first occur (the "Cancellation Date"), and, in the event of cancellation, no further Leasing Commission will be due. If the tenant does not exercise the cancellation privilege and remains as a tenant in the Property beyond the Cancellation Date, Owner shall pay the remainder of the Leasing Commission.

V. Bank Account. Owner shall establish a bank account (the "Bank Account") into which all funds collected by Manager for the benefit of each Owner under this Agreement shall, without exception, be deposited promptly by Manager. The Bank Account shall be in Owner's name, and Manager and Owner shall be authorized to deposit and withdraw moneys from the Bank Account in accordance with this Agreement. Owner and Manager shall maintain in the Bank Account the Property Level Reserves to permit the proper and timely performance by Manager of its obligations under this Agreement and to maintain the Operating Standard taking into account anticipated future revenues and expenses. To the extent required by law or provided in leases at the Property, Manager shall deposit any security deposits received by Manager in a separate bank account in the name of, and for the benefit of, Owner to be administered and applied by Manager on behalf of Owner in accordance with such leases and applicable law.

VI. Hold Harmless

(A) Owner agrees to (i) hold and save Manager free and harmless from any damages or injuries to persons or property by reason of any cause whatsoever either in and about the Property or elsewhere when Manager is carrying out the provisions of this Agreement or acting under the express or implied directions of Owner; (ii) reimburse Manager upon demand for any monies

which Manager is required to pay out for any reason whatsoever, either in connection with, or as an expense in defense of, any claim, civil or criminal action, proceeding, charge or prosecution made, instituted or maintained against Manager or Owner and Manager jointly or severally, affecting or due to the condition or use of the Property, or acts or omissions of employees of Owner, or arising out of or based upon any law, regulation, discriminatory practices (sexual or harassment), requirement, contract or award relating to the hours of employment, working conditions, wages and/or compensation of employees or former employees of Owner, or otherwise in connection with the ownership, operation, leasing, maintenance or status of the Property or the performance by Manager of its duties under this Agreement; and (iii) defend promptly and diligently, at Owner's sole expense, any claim, action or proceeding brought against Manager or Manager and Owner jointly or severally arising out of or connected with any of the foregoing, and to hold harmless and fully indemnify Manager from any judgment, loss or settlement on account thereof; provided, however that Owner shall have no obligation under (i)-(iii) hereof with respect to any matter for which it is finally determined that Manager is obligated to indemnify Owner under (B) below, although pending such a determination Owner shall advance the cost of defense subject to a right to recoup the same upon final determination that Manager is not entitled to indemnification hereunder. It is expressly understood and agreed that the foregoing provisions of this Section shall survive the termination of this Agreement, but this shall not be construed to mean that Owner's liability does not survive as to other provisions of this Agreement.

(B) Manager shall indemnify and hold Owner harmless of, from and against any and all expenses, claims, damages, losses and liabilities caused or occasioned by or arising out of the fraud, gross negligence, willful or wanton misconduct of Manager or acts of Manager beyond the authority granted to Manager under this Agreement.

VII. Representations, Warranties and Covenants of Manager. Manager hereby warrants and represents that Manager is a duly licensed real estate broker in the State where the Property is located. Manager further represents and warrants that it is in good standing and otherwise is qualified to do business in such jurisdiction, and has full power and authority to enter into this Agreement and carry out its obligations under this Agreement.

VIII. Termination.

(A) During the term of this Agreement, including any renewal term, TIAA LLC on behalf of Owner may terminate this Agreement upon ten (10) Business Days' prior written notice to Manager if an OM Termination Event occurs pursuant to Section 7.02(c) of the Operating Agreement.

(B) In the event of a sale (including a sale by foreclosure or deed in lieu of foreclosure) of the Property, this Agreement shall automatically terminate with respect to such Property upon the consummation of such sale.

(C) Manager may terminate this Agreement at any time upon 45 days' prior written notice, which notice shall specify the effective date of termination.

(D) Upon termination:

(i) Manager shall have the right to remove from the Property, without compensation to Owner, any computer equipment and any proprietary software owned by Manager;

(ii) an escrow fund held by a bank, title insurance company or other escrow agent designated by Manager and reasonably acceptable to Owner ("Escrow Agent") in an amount reasonably acceptable to Manager and Owner shall be established from Gross Collections (or, if Gross Collections are not sufficient, with funds provided by Owner) to cover (a) any amounts which are due or shall become due to Manager, (b) any expenses which are required to be paid by Manager under the Management Agreement and (c) other pending or contingent claims, including those which arise after termination for causes arising during the term of this Agreement.

(iii) an escrow fund to be held by Escrow Agent in an amount reasonably acceptable to Manager and Owner shall be established from Gross Collections (or, if Gross Collections are not sufficient, with funds provided by Owner) to reimburse Manager for all costs and expenses incurred by Manager which arise out of the termination of employment of Manager's employees at the Property, such as reasonable severance pay, payments with respect to any pension plan, unemployment compensation or other employee liability costs; and

(iv) any signage which contains the word "Reckson" (or any initials or abbreviations thereof) or any trademark, tradename or logo identifying "Reckson", directly or indirectly, may be removed by Manager from the Property, provided that Manager shall repair any physical damage caused by such removal.

(E) Notwithstanding the termination of this Agreement under this Section VIII, Owner and Manager shall be liable for and shall be

obligated to perform their respective duties or obligations under this Agreement up to and including the effective date of termination and Manager shall be entitled to compensation in accordance with this Agreement accruing through the date of termination, as well as any compensation which may be owed to Manager after the termination of this Agreement pursuant to this Agreement. Upon any such termination, Manager shall forthwith (i) deliver to Owner, as received, any funds due Owner under this Agreement but received after such termination, (ii) deliver to Owner all materials and supplies, and keys, leases, contracts and documents, and such other accounting, paper, correspondence, files and records pertaining to the Property or to this Agreement, (iii) assign to Owner, or to anyone designated by Owner without recourse, representation or warranty, such existing Contracts as Owner shall require, (iv) furnish to Owner, or to anyone designated by Owner, all such information, and take all such action as Owner shall require in order to effectuate a professional, orderly and systematic ending of Manager's duties and activities hereunder. Within ten (10) days after the effective date of any such termination, Manager shall deliver to Owner a Monthly Report for the period since the last Monthly Report, and within sixty (60) days after the effective date of any such termination, Manager shall deliver to Owner the Annual Report for the Fiscal Year or portion thereof ending on the effective date of termination. The provisions of this Section and Manager's and Owner's obligations hereunder, shall survive the termination of this Agreement.

IX. Notices. All notices required or permitted by any party under this Agreement shall be in writing, and served upon any party by (A) personal delivery, (B) by United States mail, postage prepaid, by registered or certified mail, return receipt requested, (C) by telecopier with confirmation of receipt, confirmed in a writing by overnight courier sent on the same day in accordance with (D) below, or (D) by overnight courier, in each instance addressed to the respective parties at their respective addresses as set forth below:

To Owner:

with a copy to:
TIAA Tri-State LLC
c/o Teachers Insurance and Annuity Association/College Retirement Equities Fund
730 Third Avenue
New York, New York 10017-3206
Attention: Nicholas E. Stolatis
Telephone: (212) 916-4479
Telecopier: (212) 916-6306

and a copy to:
TIAA Tri-State LLC
c/o Teachers Insurance and Annuity Association/College Retirement Equities Fund
730 Third Avenue
New York, New York 10017-3206
Attention: Chief Counsel-Mortgage and Real Estate Law
Telephone: (212) 916-4479
Telecopier: (212) 916-6306

To Manager:
Reckson Management Group, Inc.
c/o Reckson Associates Realty Corp.
225 Broadhollow Road
Melville, New York 11747
Attention: Jason Barnett, Esq.
Telephone: (516) 694-6900
Telecopier: (516) 622-6788

Each notice, demand, request or communication which shall be mailed, delivered or transmitted in the manner described above shall be deemed, given, served or delivered at such time as it is received by the addressee upon presentation or at such times as delivery is attempted in the case of any change in address as to which notice was not given to the other party as required hereunder or in the case of a refusal to accept delivery. Counsel for each party may deliver notices on behalf of such party.

X. No Joint Venture. Nothing herein shall be deemed or construed to create any partnership, joint venture or other form of joint enterprise between the parties hereto.

XI. Agreement Not Assignable. This Agreement is personal in nature, and neither party may, without the express prior written consent of the other party, assign or transfer its rights hereunder, nor permit any assignee or transferee to assume its obligations hereunder. Without intending to limit the foregoing, each party is expressly prohibited from appointing sub-agents without the express prior written consent of the other party. Notwithstanding the foregoing, without Owner's consent, Manager may (A) assign its rights under this Agreement or (B) transfer its ownership interests, so

long as in each case after such assignment or transfer, Manager remains an Special Affiliate of Reckson; provided however that an assignment of this Agreement to an entity which is not a Special Affiliate of Reckson or a transfer of the ownership interests in Manager which results in Manager not being a Special Affiliate of Reckson which Reckson deems reasonably necessary or desirable in order for Reckson Associates (as defined in the Operating Agreement) to maintain its tax status as a REIT, shall be permitted, so long as the Senior Management of Reckson remains actively involved in the management of the assignee or transferee.

XII. Entire Agreement and Binding Effect. This Agreement shall constitute the entire agreement between the parties hereto and no modification or amendment thereof shall be effective unless made by supplemental agreement in writing, executed by both of the parties hereto. This Agreement shall be binding, upon and shall inure to the benefit of the parties hereto, and, to the extent assignment does not violate the provisions of Section XII hereof, upon their respective successors and assigns.

XIII. New York Law. This Agreement is made under and shall be governed by the laws of the State of New York without giving effect to principles of conflict of laws. Any court of competent jurisdiction within the State of New York shall be the proper forum for bringing an action to enforce or construe the provisions of this Agreement. If any court of competent jurisdiction is unable to construe any provision of this Agreement or holds any part thereof to be invalid, such holding, shall in no way affect the validity of the remainder of this Agreement.

XIV. Attorneys' Fees. In the event of any action between Manager and Owner seeking enforcement of any of the terms and conditions of this Agreement, or in connection with the Property, the prevailing party in such action shall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses, including reasonable attorneys' fees.

XV. Authority. Subject to the limitations set forth in this Agreement, Manager may enter into and execute any agreement or agreements (other than leases, lease amendments, renewals, modifications, terminations or surrenders which shall be entered into and executed only by Owner) and any other instruments or documents and take all actions consistent with the Operating Standard and the Business Plan, for, and on, Owner's behalf as shall be necessary to carry out the intent and purposes of this Agreement. All actions taken by Manager on behalf of Owner shall be binding on Owner and all third parties shall be entitled to rely on any document signed, or actions taken, by Manager to be the action or obligation of Owner. So long as Reckson is the Operating Member under the Operating Agreement, every act of Manager which requires Owner's consent and does not specifically require TIAA LLC's consent shall be deemed consented to by Owner to the extent the Operating Member is entitled to act without the Non-Operating Member's consent under the Operating Agreement. So long as Reckson is the Operating Member under the Operating Agreement, every act of Manager which requires notice to Owner and does not specifically require notice to TIAA LLC shall be deemed given to Owner.

XVI. Signage. Manager may, subject to Owner's prior consent, place on the Property such signage as Manager deems to be consistent with the Operating Standard, provided that such signage shall not refer to Manager or its Affiliates as the owner of the Property.

XVII. Independent Contractor. Manager understands and agrees that its relationship to Owner is that of independent contractor and that it will not represent to anyone that its relationship to owner is other than that of independent contractor.

XVIII. Books and Records. Manager will cooperate with Owner to coordinate a download from IBS to Timberline for the maintenance of parallel books by the Members.

XIX. Arbitration

(A) Any dispute under Section IV(A)(i) or (ii) of this Agreement shall be finally settled by arbitration in accordance with CPR Institute for Dispute Resolution Rules for Non-Administered Arbitration, except as modified herein. The place of arbitration shall be New York, New York. Either Party may commence arbitration by addressing to the other party a notice of arbitration. Within 5 days after receipt of the notice of arbitration, the Respondent shall deliver to the Claimant a notice of defense. In the event Respondent does not deliver such a notice, all claims set forth in the demand shall be deemed denied.

(B) The arbitration shall be conducted by a sole arbitrator jointly appointed by the parties within 10 days of receipt by the Respondent of the notice of arbitration. If the parties have not jointly appointed an arbitrator by that time, either party may request the CPR to appoint the sole arbitrator, and the CPR shall endeavor to make the appointment within 5 days of that request, provided, however, that its failure to meet that deadline shall in no way impair the effectiveness of the appointment. The CPR shall

endeavor to appoint as arbitrator a person with substantial experience in the real estate business, but the appointee's qualifications or lack of qualifications in this respect shall under no circumstances impair the effectiveness of the appointment or provide cause for challenge. The CPR shall have no obligation to follow the procedures set forth in Rule 6, but shall instead appoint a person whom it deems qualified to serve.

(C) The arbitrator shall have authority to take all steps necessary and appropriate in order to hold a hearing within 40 days of his or her appointment and to render an award within 5 days thereafter. The arbitrator shall have full discretion to set the procedure or modify the Rules in any way he or she deems necessary in order to meet those deadlines. Provided, however, that failure to meet those deadlines shall in no way affect the validity or effectiveness of the award.

(D) In each arbitration, the arbitrator shall only determine the disputed amount of the Management Fee under Section IV(A)(i) of this Agreement or the disputed amount of any reduction in the Management Fee under Section IV(A)(ii) of this Agreement. The arbitrator shall have no authority to award damages beyond the disputed amount in Section IV(A)(ii). The parties expressly waive their right to seek any such damages.

(E) The arbitration and this clause shall be governed by Title 9 (Arbitration) of the United States Code, the decision of the arbitration shall be final and judgment on the award may be entered by any court of competent jurisdiction. The parties herewith consent to jurisdiction in the federal and state courts located in the county of New York, New York, for the purpose of enforcing the award.

(F) Each party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of relating to this Agreement, unless to do so would be impossible or impracticable under the circumstances.

IN WITNESS WHEREOF, Owner and Manager have each caused their duly authorized officers to execute this Agreement as of the day and year first written above.

OWNER

By:_____
Name:
Title:

MANAGER

RECKSON MANAGEMENT GROUP, INC.

By:_____
Name: Jason Barnett
Title: Executive Vice President

PROPERTY MANAGEMENT AND LEASING AGREEMENT

BETWEEN

_____

AND

RECKSON MANAGEMENT GROUP, INC., A NEW YORK CORPORATION

TABLE OF CONTENTS

INDEX OF DEFINED TERMS

Unless otherwise specified references to Articles of Sections are to articles and sections of this Agreement. Unless the context otherwise specifies or requires, capitalized terms used herein shall apply equally to both the singular and the plural forms of such capitalized terms and shall have the following respective meanings:

A&E Project: As defined in Section III(E)(ii)(b).

A&E Services: As defined in Section III(E)(ii)(b).

Adjusted Net Ordinary Cash Flow: As defined in Article I of the Operating Agreement.

Annual Report: Means the financial report of the LLC prepared by the Operating Member and delivered to the Non-Operating Member within 90 days after the end of each Fiscal Year in accordance with Section 8.04 of the Operating Agreement.

Bank Account: As defined in Section V.

Budgets: As defined in Section III(D)(i).

Building Manager: As defined in Section III(B)(iv)(a)

Business Day: Monday through Friday of each week, except that a legal holiday recognized as such by the Government of the United States and any other day on which banks in the State of New York are required or permitted to be closed shall not be regarded as a business day.

Business Plan: As defined in Section III(D)(i)

Cancellation Date: As defined in Section IV(B)(vi).

Capital Budget: As defined in Section III(D)(i).

CM Fee: As defined in Section III(E)(ii)(a).

CM Service: As defined in Section III(E)(ii)(a).

Co-Brokers: As defined in Section III(K)(i).

Construction Project: As defined in Section III(E)(ii)(a).

Contract: As defined in Section III(E)(i).

CPI: Means the Consumer Price Index for All Urban Consumers (CPI-U), All Items, applicable to the N.Y.-Northeastern N.J. area (1982-84 = 100) for urban wage earners and clerical workers, as published by the U.S. Department of Labor, Bureau of Labor Statistics. If such Consumer Price Index is discontinued or otherwise revised during the term of this Agreement, the Consumer Price Index for All Urban Consumers (CPI-U), All Items, U.S. City Average (1982-84 = 100) for urban wage earners and clerical workers, as published by the U.S. Department of Labor, Bureau of Labor Statistics, shall be used, and if such national index is discontinued or otherwise revised during the term of this Agreement, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Consumer Price Index had not been discontinued or revised.

CPI Increase: As of any date during the term of this Agreement (such date, the "Determination date"), the percent of increase, if any, in the CPI for the month in which the applicable Determination Date occurs over the CPI for September, 2000. The parties agree that if such percentage increase is not an even multiple of 10%, such percentage shall be reduced to the next lowest even multiple of 10%.

Emergency Project: As defined in Section III(E)(ii)(b).

Escrow Agent: As defined in Section VIII(D)(ii).

Exclusive Agency Agreement: As defined in Section III(K)(i).

Exclusive Broker: As defined in Section III(K)(i).

Existing Contracts: As defined in Section III(E)(i).

Existing Lease: As defined in Section IV(B)(i).

Final Plan: As defined in Section III(D)(i).

Fiscal Year: As defined in Section III.

Gross Collections: Means all amounts actually collected by Manager as rents or additional rent or other charges in connection with the use and occupancy of the Property, but shall exclude: (i) income derived from interest on investments or otherwise; (ii) proceeds of claims on account of insurance policies (except for business interruption or rental insurance); (iii) abatement or refund of taxes; (iv) awards arising out of takings by eminent domain; (v) discounts and dividends on insurance policies; (vi) payments made by tenants for amortization of the cost of above-standard tenant improvements paid for by Owner, which payments are separately identified in the lease and are not included in the base rent thereunder; (vii) all purchase discounts, concessions, rebates and allowances; and (viii) security deposits unless applied.

Lease: Any lease, license or other agreement now or hereafter entered into which permits the use and occupancy of any portion of any Property.

Leasing Commission: As defined in Section IV(B).

Leasing Guidelines: As defined in Section III(D)(i).

LLC Expenses: As defined in Section III.

Management Agreements: At any time, collectively, this Agreement and each other Management Agreement (as defined in Article I of the Operating Agreement) then in effect for the Properties.

Management Fee: As defined in Section IV(A).

Management Fees: At any time, the aggregate of the "Management Fee" payable to Manager under the Management Agreements then in effect for all of the Properties.

Manager: As defined in the first paragraph of this Agreement.

Members: As defined in the recitals to this Agreement.

Monthly Report: As defined in Section III(D)(iii).

Necessary Expense: Means expenses required to provide necessary services for the Property and to operate and maintain the level and quality of services for the Property provided as of the date hereof, plus (without duplication) (i) any amounts required to comply with (A) all applicable Legal Requirements, (B) obligations under Leases other than the general obligation to maintain the applicable property in a first class manner and (C) other contractual obligations to third parties; (ii) utility charges, ground rent, amounts payable to Manager under this Agreement, wages and benefits to employees and insurance premiums; and (iii) amounts necessary to avoid imminent danger to life or property.

Net Ordinary Cash Flow: As defined in Article I of the Operating Agreement.

Non-Operating Member: Means TIAA LLC and any party succeeding to TIAA LLC's membership interest in the LLC.

OM Termination Event: As defined in Section 7.02(c) of the Operating Agreement.

Operating Agreement: As defined in the recitals to this Agreement.

Operating Budget: As defined in Section III(D)(i)

Operating Member: Means Reckson and any party succeeding to the Reckson's membership interest in the LLC pursuant to the provisions of the Operating Agreement.

Operating Standard: As defined in Section I.

Owner: As defined in the recitals to this Agreement.

Person: Any individual, corporation, association, partnership, limited liability company, joint venture, trust, estate or other entity or organization.

Personal Property: As defined in Section III(E)(i).

Property: As defined in the recitals to this Agreement.

Property: As defined in the Operating Agreement.

Properties: As defined in Article I of the Operating Agreement.

Property Owners: As defined in Article I of the Operating

Agreement.

Property Level Reserves: As defined in Section III(B)(iv).

Prospective Tenant: As defined in Section IV(B)(v).

Proposed Plan: As defined in Section III(D)(i).

Qualified A&E Bidder: As defined in Section III(E)(ii)(b).

Qualified Bidder: As defined in Section III(E)(ii)(b).

Quarterly Report: As defined in Section III(D)(iii).

RCG: As defined in Section III(E)(ii)(a).

Reckson: As defined in the recitals to this Agreement.

Reckson Associates: As defined in Article I of the Operating Agreement.

REIT: Means a Real Estate Investment Trust.

Revised Plans: As defined in Section III(D)(i).

Special Affiliate: As defined in Article I of the Operating Agreement.

Standard Commission: As defined in Section III(K)(i).

Successful Contractor: As defined in Section III(E)(ii)(b).

Taxes: Means all sales, payroll, real estate, personal property, occupancy and other exercise, property, privilege or other taxes and assessments imposed upon the Property, the LLC (with respect to the Property) or Owner.

TIAA LLC: As defined in the recitals to this Agreement.

Total Project Cost: As defined in Section III(E)(ii)(a).

AMENDMENT AND RESTATEMENT OF EMPLOYMENT AND NONCOMPETITION AGREEMENT

This AMENDMENT AND RESTATEMENT OF EMPLOYMENT AND NONCOMPETITION AGREEMENT ("Agreement") is made as of the 15th day of August, 2000 by and between Donald J. Rechler ("Executive") and Reckson Associates Realty Corp., a Maryland corporation with a principal place of business at 225 Broadhollow Road, Melville, New York 11747 (the "Employer") and amends, supersedes and completely restates the Employment and Noncompetition Agreement made as of June 1, 1998 (the "Prior Agreement") by and between the Executive and the Employer.

1. Term. The term of this Agreement shall commence on the date first above written and, unless earlier terminated as provided in Paragraph 7 below, shall terminate on the fifth anniversary of such date (the "Original Term"); provided, however, that Sections 6 and 8 hereof shall survive the termination of this Agreement as provided therein. The Original Term may be extended for such period or periods, if any, as agreed to by Executive and the Employer (each a "Renewal Term"). The period of Executive's employment hereunder consisting of the Original Term and all Renewal Terms is herein referred to as the "Employment Period".

2. Employment and Duties.

(a) During the Employment Period, Executive shall be employed in the business of the Employer and its affiliates. Executive shall serve the Employer as a senior corporate executive with the title Co-Chief Executive Officer of the Employer. Executive's duties and authority shall be as set forth in the By-laws of the Employer and as otherwise established by the Board of Directors of the Employer, and shall be commensurate with his titles and positions with the Employer.

(b) Executive agrees to his employment as described in this Paragraph 2 and agrees to devote substantially all of his business time and efforts to the performance of his duties under this Agreement, except as otherwise approved by the Board of Directors of the Employer; provided, however, that nothing herein shall be interpreted to preclude Executive from investing his assets as a passive investor in other entities or business ventures, provided that he performs no management or similar role with respect to such other entities or ventures and such investment does not violate Section 8 hereof.

(c) In performing his duties hereunder, Executive shall be available for reasonable travel as the needs of the Employer's business require. Executive shall be based in Nassau County, Suffolk County or New York County, New York.

3. Compensation and Benefits. In consideration of Executive's services hereunder, the Employer shall compensate Executive as provided in this Section 3.

(a) Base Salary. The Employer shall pay Executive an aggregate annual salary at the rate of $525,000 per annum during the Employment Period ("Base Salary"), subject to withholding for applicable federal, state and local taxes. Base Salary shall be payable in accordance with the Employer's normal business practices, but in no event less frequently than monthly. Executive's Base Salary shall be reviewed no less frequently than annually by the Employer and may be increased, but not decreased, by the Employer during the Employment Period.

(b) Incentive Compensation. In addition to the Base Salary payable to Executive pursuant to Section 3(a), during the Employment Period Executive shall be eligible to participate in any incentive compensation plans in effect with respect to senior executive officers of the Employer, subject to Executive's compliance with such criteria as the Employer's Board of Directors may establish for Executive's participation in such plans from time to time. Any awards to Executive under such plans will be established by the Employer's Board of Directors, or a committee thereof, in its sole discretion.

(c) Stock Options. During the Employment Period, Executive shall be eligible to participate in employee stock option plans established from time to time for the benefit of senior executive officers and other employees of the Employer in accordance with the terms and conditions of such plans. All decisions regarding awards to Executive under the Employer's stock option plans shall be made in the sole discretion of the Employer's Board of Directors, or a committee thereof.

(d) Expenses. Executive shall be reimbursed for all reasonable business related expenses incurred by Executive at the request of or on behalf of the Employer, subject to such reasonable requirements with respect to substantiation and documentation as may be specified by the Employer.

(e) Medical and Dental Insurance. During the Employment Period, Executive and Executive's immediate family shall be entitled to participate in such medical and dental benefit plans as the Employer shall maintain from time to time for the benefit of senior executive officers of the Employer and their

families, on the terms and subject to the conditions set forth in such plans.

(f) Life Insurance and Disability Insurance. During the Employment Period, the Employer shall provide Executive with life insurance policies and coverage and comprehensive disability insurance coverage of the same type and at the same levels in effect with respect to other senior executive officers of the Employer.

(g) Vacations. Executive shall be entitled to four weeks of paid vacation per annum in accordance with the then regular procedures of the Employer governing senior executive officers.

(h) Other Benefits. During the Employment Period, the Employer shall provide to Executive such other benefits, including sick leave and the right to participate in retirement or pension plans, as are made generally available to senior executive officers and employees of the Employer from time to time.

4. Indemnification and Liability Insurance. The Employer agrees to indemnify Executive with respect to any actions commenced against Executive in his capacity as an officer or director, or former officer or director, of the Employer or any affiliate thereof for which he may serve in such capacity. The Employer also agrees to use its best efforts to secure and maintain officers and directors liability insurance providing coverage for Executive.

5. Employer's Policies. Executive agrees to observe and comply with the rules and regulations of the Employer as adopted by its Board of Directors regarding the performance of his duties and to carry out and perform orders, directions and policies communicated to him from time to time by the Employer's Board of Directors.

6. Nondisclosure Covenant.

(a) General. All records, financial statements and similar documents obtained, reviewed or compiled by Executive in the course of the performance by him of services for the Employer, whether or not confidential information or trade secrets, shall be the exclusive property of the Employer. Executive shall have no rights in such documents upon any termination of this Agreement.

(b) Confidential Information. Executive will not disclose to any person or entity (except as required by applicable law or in connection with the performance of his duties and responsibilities hereunder), or use for his own benefit or gain, any confidential information of the Employer obtained by him incident to his employment with the Employer. The term "confidential information" includes, without limitation, financial information, business plans, prospects and opportunities which have been discussed or considered by the management of the Employer but does not include any information which has become part of the public domain by means other than Executive's non-observance of his obligations hereunder. This paragraph shall survive the termination of this Agreement.

7. Termination and Severance Payments.

(a) At-Will Employment. Executive's employment hereunder is "at will" and may be terminated by the Employer at any time with or without Good Reason (as defined in Section 7(e) below), by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth in this Section 7, and by the Executive at any time, whether pursuant to Section 7(b) or otherwise.

(b) Termination by Executive. The Employment Period and Executive's employment hereunder may be terminated effective immediately by Executive by written notice to the Board of Directors of the Employer within 30 days of the occurrence of (i) a failure of the Board of Directors of the Employer to elect Executive to offices with the same or substantially the same duties and responsibilities as set forth in Section 2, or (ii) a material failure by the Employer to comply with the provisions of Section 3 or a material breach by the Employer of any other provision of this Agreement.

(c) Certain Benefits upon Termination by Executive. Except as specifically provided in this Section 7 or otherwise required by law, all compensation and benefits to Executive under this Agreement shall terminate on the date of termination of the Employment Period. Notwithstanding the foregoing, if the Employment Period is terminated pursuant to Section 7(b) or if Executive's employment is terminated by the Employer other than for Good Reason, Executive shall be entitled to the following benefits:

(i) The Employer shall continue to pay Executive's Base Salary for the remaining term of this Agreement after the date of Executive's termination, at the rate in effect on the date of his termination and on the same periodic payment dates as payment would have been made to Executive had the Employment Period not been terminated;

(ii) For the remaining term of this Agreement, Executive shall continue to receive all benefits described in Section 3 existing immediately prior to the date of termination, without taking into account

any changes in such benefits effected in violation of this Agreement. For purposes of the application of such benefits, Executive shall be treated as if he had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination;

(iii) For purposes of any stock option plan of the Employer, Executive shall be treated as if he had remained in the employ of the Employer for the remaining term of this Agreement after the date of Executive's termination so that (x) any stock options or other awards (including restricted stock grants) of the Executive under such plan shall continue to vest and become exercisable, and (y) Executive shall be entitled to exercise any exercisable options or other rights;

(iv) If, in spite of the provisions above, any benefits or service credits under any benefit plan or program of the Employer may not be paid or provided under such plan or program to Executive, or to Executive's dependents, beneficiaries or estate, because Executive is no longer considered to be an employee of the Employer, the Employer shall pay or provide for payment of such benefits and service credits to Executive, or to Executive's dependents, beneficiaries or estate, for the remaining term of this Agreement; and

(v) Nothing herein shall be deemed to obligate Executive to seek other employment in the event of any such termination and any amounts earned or benefits received from such other employment will not serve to reduce in any way the amounts and benefits payable in accordance herewith.

(d) Termination by the Employer for Good Reason. If (i) Executive is terminated for Good Reason or (ii) Executive shall voluntarily terminate his employment hereunder (other than pursuant to Section 7(b) hereof), then the Employment Period shall terminate as of the effective date set forth in the written notice of such termination (the "Termination Date") and Executive shall be entitled to receive only his Base Salary at the rate then in effect until the Termination Date and any outstanding stock options held by Executive shall expire in accordance with the terms of the stock option plan or option agreement under which the stock options were granted.

(e) Definitions. The following terms shall be defined as set forth below.

(i) A "Change-in-Control" shall be deemed to have occurred after the effective date of this Agreement if:

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

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

(C) the stockholders of the Employer shall approve (1) any consolidation or merger of the Employer or any subsidiary where the stockholders of the Employer, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, but based solely on their prior ownership of shares of the Employer, shares representing in the aggregate more than 60% of the voting shares of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (2) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Employer or (3) any plan or

proposal for the liquidation or dissolution of the Employer;

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

(ii) "Good Reason" shall mean a finding by the Employer's Board of Directors that Executive has (A) acted with gross negligence or willful misconduct in connection with the performance of his material duties hereunder; (B) defaulted in the performance of his material duties hereunder and has not corrected such action within 15 days of receipt of written notice thereof; (C) willfully acted against the best interests of the Employer, which act has had a material and adverse impact on the financial affairs of the Employer; or (D) been convicted of a felony or committed a material act of common law fraud against the Employer or its employees and such act or conviction has had, or the Employer's Board of Directors reasonably determines will have, a material adverse effect on the interests of the Employer; provided, however, that a finding of Good Reason shall not become effective unless and until the Board of Directors provides the Executive notice that it is considering making such finding and a reasonable opportunity to be heard by the Board of Directors.

(iii) "Person" shall have the meaning used in Sections 13(d) and 14(d) of the Exchange Act; provided however, that the term "Person" shall not include (A) any executive officer of the Employer on the date hereof, or (B) the Employer, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Employer or any of its subsidiaries.

(f) Termination by Reason of Death. The Employment Period shall terminate upon Executive's death and in such event, the Employer shall pay Executive's Base Salary for a period of six (6) months from the date of his death, or such longer period as the Employer's Boards of Directors may determine, to Executive's estate or to a beneficiary designated by Executive in writing prior to his death. Any unexercised or unvested stock options shall remain exercisable or vest upon Executive's death only to the extent provided in the applicable option plan and option agreements.

(g) Termination by Reason of Disability. In the event that Executive shall become unable to efficiently perform his duties hereunder because of any physical or mental disability or illness, Executive shall be entitled to be paid his Base Salary until the later of such time when (i) the period of disability or illness (whether or not the same disability or illness) shall exceed 180 consecutive days during the Employment Period and (ii) Executive becomes eligible to receive benefits under a comprehensive disability insurance policy obtained by the Employer (the "Disability Period"). Following the expiration of the Disability Period, the Employer may terminate this Agreement upon written notice of such termination. Any unexercised or unvested stock options shall remain exercisable or vest upon such termination only to the extent provided in the applicable option plan and option agreements .

(h) Arbitration in the Event of a Dispute Regarding the Nature of Termination. In the event that the Employer terminates Executive's employment for Good Reason and Executive contends that Good Reason did not exist, the Employer's only obligation shall be to submit such claim to arbitration before the American Arbitration Association ("AAA"). In such a proceeding, the only issue before the arbitrator will be whether Executive was in fact terminated for Good Reason. If the arbitrator determines that Executive was not terminated for Good Reason, the only remedy that the arbitrator may award is entitlement to the severance payments and benefits specified in Paragraph 7(c), the costs of arbitration, and Executive's attorneys' fees. If the arbitrator finds that Executive was terminated for Good Reason, the arbitrator will be without authority to award Executive anything, the parties will each be responsible for their own attorneys' fees, and the costs of arbitration will be paid 50% by Executive and 50% by the Employer.

8. Noncompetition Covenant.

(a) Because Executive's services to the Employer are essential and because Executive has access to the Employer's confidential information, Executive covenants and agrees that (i) during the Employment Period and (ii) in the event that this Agreement is terminated by the Employer for Good Reason or by Executive other than pursuant to Section 7(b) hereof, during the Noncompetition Period Executive will not, without the prior written consent of the Board of Directors of the Employer which shall include the unanimous

consent of the Directors who are not officers of the Employer, directly or indirectly:

(A) engage, participate or assist, as an owner, partner, employee, consultant, director, officer, trustee or agent, in any business that engages or attempts to engage in, directly or indirectly, the acquisition, development, construction, operation, management or leasing of any industrial or office real estate property in any of the submarkets throughout the tri-state metropolitan area of New York, New Jersey and Connecticut in which the Company is operating, or

(B) intentionally interfere with, disrupt or attempt to disrupt the relationship, contractual or otherwise, between the Employer or its affiliates and any tenant, supplier, contractor, lender, employee or governmental agency or authority.

(b) For purposes of this Section 8, the Noncompetition Period shall mean the period commencing on the date of termination of Executive's employment under this Agreement and ending on the later of (i) the third anniversary of the effective date of the Prior Agreement, or (ii) the first anniversary of the date of termination of Executive's employment under this Agreement.

(c) Notwithstanding anything contained herein to the contrary, Executive is not prohibited by this Section 8 from (i) maintaining his investment in any Option Property (as such term is defined in the Employer's final prospectus relating to the initial public offering of the Employer's Common Stock), or (ii) from making investments in any entity that engages, directly or indirectly, in the acquisition, development, construction, operation, management or leasing of industrial or office real estate properties, regardless of where they are located, if the shares or other ownership interests of such entity are publicly traded and Executive's aggregate investment in such entity constitutes less than five percent (5%) of the equity ownership of such entity.

(d) The provisions of this Section 8 shall survive the termination of this Agreement.

9. Conflicting Agreements. Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which he is a party or is bound, and that he is not now subject to any covenants against competition or similar covenants which would affect the performance of his obligations hereunder.

10. Notices. Any notice required or permitted hereunder shall be in writing and shall be deemed sufficient when given by hand, by nationally recognized overnight courier or by express, registered or certified mail, postage prepaid, return receipt requested, and addressed to the Employer or Executive, as applicable, at the address indicated above (or to such other address as may be provided by notice).

11. Miscellaneous. This Agreement and the Severance Agreement (i) constitute the entire agreement between the parties concerning the subject matter hereof and supersedes any and all prior agreements or understandings, (ii) may not be assigned by Executive without the prior written consent of the Employer, and (iii) may be assigned by the Employer and shall be binding upon, and inure to the benefit of, the Employer's successors and assigns. Headings herein are for convenience of reference only and shall not define, limit or interpret the contents hereof.

12. Amendment. This Agreement may be amended, modified or supplemented by the mutual consent of the parties in writing, but no oral amendment, modification or supplement shall be effective.

13. Specific Enforcement. The provisions of Sections 6 and 8 of this Agreement are to be specifically enforced if not performed according to their terms. Without limiting the generality of the foregoing, the parties acknowledge that the Employer may be irreparably damaged and there may be no adequate remedy at law for Executive's breach of Sections 6 and 8 of this Agreement and further acknowledge that the Employer may seek entry of a temporary restraining order or preliminary injunction, in addition to any other remedies available at law or in equity, to enforce the provisions thereof.

14. Severability. If a court of competent jurisdiction adjudicates any one or more of the provisions hereof as invalid, illegal or unenforceable in any respect, such provision(s) shall be ineffective only to the extent and duration of such invalidity, illegality or unenforceability and such invalidity, illegality or unenforceability shall not affect the remaining substance of such provision or any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had been limited or modified (consistent with its general intent) to the extent necessary so that it shall be valid, legal and enforceable. If it shall not be possible to so limit or modify such invalid, illegal or

unenforceable provision, this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, and the parties will use their best efforts to substitute a valid, legal and enforceable provision which, insofar as practicable, implements the purpose and intent of the provision originally contained herein.

15. Governing Law. This Agreement shall be construed and governed by the laws of the State of New York.

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

RECKSON ASSOCIATES REALTY CORP.

By: ----------
Name:
Title:

Donald J. Rechler

AMENDMENT AND RESTATEMENT OF
SEVERANCE AGREEMENT

AMENDMENT AND RESTATEMENT OF SEVERANCE AGREEMENT, dated as of the 15th day of August, 2000 (the "Agreement") by and between Donald J. Rechler (the "Executive"), and Reckson Associates Realty Corp., a Maryland corporation with a principal place of business at 225 Broadhollow Road, Melville, New York 11747 (the "Employer") and amends, supersedes and completely restates the Severance Agreement made as of February 25, 1998 by and among the Executive and the Employer.

Terms used in this Agreement with the initial letter capitalized shall, unless otherwise defined herein, have the meanings specified in the Amendment and Restatement of Employment and Noncompetition Agreement, dated August 15, 2000, between the Employer and the Executive and in any amendment to or restatement of such agreement (the "Employment Agreement").

W I T N E S S E T H :

WHEREAS, Executive and Employer have previously entered into the Employment Agreement; and

WHEREAS, the Employer desires to continue to employ the Executive and the Executive desires to continue to be employed by the Employer.

NOW THEREFORE, in consideration of the premises and subject to the terms and conditions set forth herein, the parties hereto agree as follows:

1. Employment and Noncompetition Agreement. This Agreement is supplementary to and, except as explicitly set forth herein, does not limit or alter any of the terms and conditions established under the Employment Agreement.

2. Term. The term and duration of this Agreement shall be identical to the term of the Employment Agreement, provided, however, that if a Change-in-Control shall occur during the Employment Period, the term of this Agreement, the Employment Agreement and the Employment Period shall continue in effect until the later of (i) the date on which the term of the Employment Agreement otherwise would have ended or (ii) the date which is sixty months beyond the end of the calendar year in which the Change-in-Control occurs. Section 1 of the Employment Agreement is hereby amended in accordance with the foregoing.

3. Termination and Severance Payments. Sections 7(a), (b) and (c) of the Employment Agreement are hereby superseded in their entirety by this Section 3.

(a) At-Will Employment. Executive's employment pursuant to the Employment Agreement is "at will" and may be terminated by the Employer at any time with or without Good Reason, by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth in this Section 3 and in Sections 7(d) through 7(h) of the Employment Agreement.

(b) Termination by Executive. The Employment Period and Executive's employment under the Employment Agreement may be terminated effective immediately by Executive by written notice to the Board of Directors of the Employer (i) within 30 days of the occurrence of a failure of the Board of Directors of the Employer to elect Executive to offices with the same or substantially the same duties and responsibilities as set forth in Section 2 of the Employment Agreement, (ii) within 30 days of the occurrence of a material failure by the Employer to comply with the provisions of Section 3 of the Employment Agreement or a material breach by the Employer of any other provision of the Employment Agreement, (iii) at any time during the 30 day period beginning on the effective date of a Change in Control and the 30 day period beginning one year after the effective date of a Change-in-Control, or (iv) within 30 days of the occurrence of a Force Out. For this purpose, a Force Out shall be deemed to have occurred in the event of:

(i) a change in duties, responsibilities, status or positions with the Employer, which, in Executive's reasonable judgment, does not represent a promotion from or maintaining of Executive's duties, responsibilities, status or positions as in effect immediately prior to the Change-in-Control, or any removal of Executive from or any failure to reappoint or reelect Executive to such positions, except in connection with the termination of Executive's employment for Good Reason, disability, retirement or death;

(ii) a reduction by the Employer in Executive's Base Salary as in effect immediately prior to the Change-in-Control;

(iii) the failure by the Employer to continue in effect any of the benefit plans, programs or arrangements in which Executive is participating at the time of the Change-in-Control of the Employer (unless Executive is permitted to participate in any substitute benefit plan, program or arrangement with substantially the same

terms and to the same extent and with the same rights as Executive had with respect to the benefit plan, program or arrangement that is discontinued) other than as a result of the normal expiration of any such benefit plan, program or arrangement in accordance with its terms as in effect at the time of the Change-in-Control, or the taking of any action, or the failure to act, by the Employer which would adversely affect Executive's continued participation in any of such benefit plans, programs or arrangements on at least as favorable a basis to Executive as is the case on the date of the Change-in-Control or which would materially reduce Executive's benefits in the future under any of such benefit plans, programs or arrangements or deprive Executive of any material benefits enjoyed by Executive at the time of the Change-in-Control;

(iv) the failure by the Employer to provide and credit Executive with the number of paid vacation days to which Executive is then entitled in accordance with the Employer's normal vacation policies as in effect immediately prior to the Change-in-Control;

(v) the Employer's requiring Executive to be based in an office located beyond a reasonable commuting distance from Executive's residence immediately prior to the Change-in-Control, except for required travel relating to the Employer's business to an extent substantially consistent with the business travel obligations which Executive undertook on behalf of the Employer prior to the Change-in-Control;

(vi) the failure by the Employer to obtain from any successor to the Employer an agreement to be bound by this Agreement and the Employment Agreement; or

(vii) any refusal by the Employer to continue to allow Executive to attend to matters or engage in activities not directly related to the business of the Employer which, prior to the Change-in-Control, Executive was permitted by the Employer's Boards of Directors to attend to or engage in.

(c) Certain Benefits upon Termination by Executive. Except as specifically provided in this Section 3 or in Sections 7(d) through 7(h) of the Employment Agreement or as otherwise required by law, all compensation and benefits to Executive under the Employment Agreement shall terminate on the date of termination of the Employment Period. Notwithstanding the foregoing, if the Employment Period is terminated pursuant to Section 3(b) or if Executive's employment is terminated by the Employer other than for Good Reason, Executive shall be entitled to the following benefits:

(i) The Employer shall pay the Executive (x) his or her full Base Salary though the date of termination at the rate in effect on such date, (y) compensation for accrued but unused vacation time, plus (z) a pro rata portion of the Executive's incentive compensation for the calendar year in which the event of termination occurs, assuming that the Executive would have received incentive compensation for such full calendar year equal to the product of (A) the Base Salary that would be payable to the Executive pursuant to subsection 3(a) of the Employment Agreement for such full calendar year and (B) the greater of (a) 1/2 or (b) a percentage equal to the following

(I) the sum of (x) the cash bonus awarded to the Executive for the immediately preceding fiscal year, (y) the product of the price per share of Common Stock on the date of termination (as equitably adjusted to reflect any changes in the capitalization of the Employer) and the aggregate number of shares of Common Stock granted, sold or covered by options or loans awarded to the Executive as incentive compensation for the immediately preceding fiscal year, and (z) the value of all other incentive compensation paid or awarded to the Executive for the immediately preceding fiscal year (including, without limitation, all such incentive compensation includible in the Executive's gross income and reported on an Internal Revenue Service Form W-2), divided by (II) the Executive's Base Salary for the immediately preceding fiscal year,

(the greater of clauses (a) and (b) being herein referred to as the "Deemed Bonus Percentage");

(ii) The Employer shall pay as severance to the Executive, not later than the tenth day following the date of termination, a lump sum severance payment (the "Severance Payment") equal to the aggregate of all compensation that would have been due to the Executive hereunder had his or her employment not been so terminated (without duplication of subsection 3(c)(i) above), including, without limitation, (A) Base Salary (at the greater of the rate payable pursuant to subsection 3(a) of the Employment Agreement or the rate payable to the other Co-Chief Executive Officer of the Employer), and (B) all incentive compensation which would have been due to the Executive pursuant to subsection 3(b) of the Employment

Agreement, through the expiration of this Agreement (as such Agreement may continue in effect under Section 2 hereof in the event of a Change-in-Control) assuming that the Executive would have received incentive compensation for each calendar year through the expiration of this Agreement (as such Agreement may continue in effect under Section 2 hereof in the event of a Change-in-Control) equal to the product of (x) the Base Salary payable to the Executive pursuant to clause (A), and (y) the Deemed Bonus Percentage (or, if greater, the Deemed Bonus Percentage determined with respect to the other Co-Chief Executive Officer of the Employer), payable in the same proportions of cash, grants of securities, loans to purchase securities, loan forgiveness and gross-up payments as the incentive compensation paid to the Executive for the immediately preceding fiscal year; provided, however, that such Severance Payment shall not be payable to the Executive until (I) the Executive has executed and delivered to the Employer a general release in a form to be determined by the Employer in good faith, and (II) any applicable revocation period with respect to such release has expired. For purposes of determining Executive's annual compensation in the preceding sentence, compensation payable to the Executive by the Employer shall include, without limitation, every type and form of compensation includible in the Executive's gross income in respect of his or her employment by the Employer (including, without limitation, all income reported on an Internal Revenue Service Form W-2), compensation income recognized as a result of the Executive's exercise of stock options or sale of the stock so acquired and any annual incentive compensation paid in cash or securities to such Executive;

(iii) An amount equal to the Additional Amount pursuant to Section 5 below and an amount equal to the Income Tax Payment pursuant to Section 6 below;

(iv) For the remaining term of the Employment Agreement, Executive shall continue to receive all benefits described in Section 3 of the Employment Agreement existing immediately prior to the date of termination (without taking into account any changes in such benefits effected in violation of the Employment Agreement) and any other benefits then provided by Employer to Executive in addition to those described in Section 3 of the Employment Agreement, including, but not limited to, the life insurance coverage provided by Employer to Executive and the automobile provided by Employer to Executive and automobile insurance and maintenance in respect of such automobile. For purposes of the application of such benefits, Executive shall be treated as if he or she had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination;

(v) For purposes of any equity compensation plan of the Employer, (x) any stock options or other awards (including restricted stock grants) of the Executive under such plan shall vest and become exercisable upon any such termination, and (y) Executive shall be treated as if he or she had remained in the employ of the Employer for the remaining term of the Employment Agreement after the date of Executive's termination so that Executive shall be entitled to exercise any exercisable options or other rights;

(vi) For purposes of any section 401(k) plan or other deferred compensation plan of the Employer, Executive shall be treated as if he or she had remained in the employ of the Employer for the remaining term of the Employment Agreement after the date of Executive's termination so that Executive may continue to receive all matching contributions as provided by the Employer in connection with such plan or any other contributions by Employer in connection with such plan as in effect immediately prior to such termination;

(vii) The amount of any outstanding loans made by the Employer to the Executive, together with any interest accrued on any such loans, and any related "tax" loans made by the Employer to the Executive in respect of tax liabilities owing as the result of the forgiveness of such loans (including forgiveness pursuant to the terms of this Section 3(c)(vii)), together with any interest accrued on any such tax loans, shall be deemed forgiven and Executive shall have no further liability in respect thereof;

(viii) If, in spite of the provisions above, any benefits or service credits under any benefit plan or program of the Employer may not be paid or provided under such plan or program to Executive, or to Executive's dependents, beneficiaries or estate, because Executive is no longer considered to be an employee of the Employer, the Employer shall pay or provide for payment of such benefits and service credits to Executive, or to Executive's dependents, beneficiaries or estate, for the remaining term of the Employment Agreement; and

(ix) Nothing herein shall be deemed to obligate Executive to

seek other employment in the event of any such termination and any amounts earned or benefits received from such other employment will not serve to reduce in any way the amounts and benefits payable in accordance herewith.

4. Expenses. Section 3(d) of the Employment Agreement is hereby supplemented by this Section 4. In addition to the expenses referred to in Section 3(d) of the Employment Agreement, the Employer shall pay all legal fees and related expenses (including the costs of experts, evidence and counsel) incurred by the Executive as they become due as a result of (i) the termination of the Employment Period or Executive's employment pursuant to this Agreement or the Employment Agreement (including all such fees and expenses, if any, incurred in contesting or disputing any such termination), (ii) the Executive seeking to obtain or enforce any right or benefit provided by this Agreement, the Employment Agreement or by any other plan or arrangement maintained by the Employer under which the Executive is or may be entitled to receive benefits or (iii) any action taken by the Employer against the Executive, unless and until such time that a final judgement has been rendered in favor of the Employer and all appeals related to any such action have been exhausted; provided however, that the circumstances set forth above occurred on or after a Change-in-Control.

5. Additional Amount. Whether or not Section 3 is applicable, if in the opinion of tax counsel selected by the Executive and reasonably acceptable to the Employer, the Executive has received or will receive any compensation or recognize any income (whether or not pursuant to this Agreement, the Employment Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) which will constitute an "excess parachute payment" within the meaning of Section 280G(b)(1) of the Code (or for which a tax is otherwise payable under Section 4999 of the Code), then the Employer shall pay the Executive an additional amount (the "Additional Amount") equal to the sum of (i) all taxes payable by the Executive under Section 4999 of the Code with respect to all such excess parachute payments and any such Additional Amount, plus (ii) all federal, state and local income taxes payable by Executive with respect to any such Additional Amount. Any amounts payable pursuant to this Section 4 shall be paid by the Employer to the Executive within 30 days of each written request therefor made by the Executive.

6. Income Tax Payment. Whether or not Section 3 is applicable, if (i) the Executive has received or will receive any compensation or recognize any income (whether or not pursuant to this Agreement, the Employment Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) in connection with a "Change-in-Control" (as that term may be interpreted in this Agreement, the Employment Agreement or any plan or other arrangement of the Employer), and (ii) such compensation or income represents non-cash compensation or income (including, without limitation, non-cash compensation or income attributable to the vesting or exercise of stock options and other awards (including restricted stock grants) under any stock option plan of the Employer), then the Employer shall pay the Executive in cash an amount (the "Income Tax Payment") equal to the sum of (A) all federal, state and local income taxes payable by Executive with respect to such non-cash compensation or income, plus (B) all federal, state and local income taxes payable by Executive with respect to any such Income Tax Payment. The Income Tax Payment shall be paid by the Employer to the Executive within 30 days of the written request therefor made by the Executive.

7. Notices. Any notice required or permitted hereunder shall be in writing and shall be deemed sufficient when given by hand, by nationally recognized overnight courier or by express, registered or certified mail, postage prepaid, return receipt requested, and addressed to the Employer or Executive, as applicable, at the address indicated above (or to such other address as may be provided by notice).

8. Miscellaneous. This Agreement (i) may not be assigned by Executive without the prior written consent of the Employer and (ii) may be assigned by the Employer and shall be binding upon, and inure to the benefit of, the Employer's successors and assigns. Headings herein are for convenience of reference only and shall not define, limit or interpret the contents hereof.

9. Amendment. This Agreement may be amended, modified or supplemented by the mutual consent of the parties in writing, but no oral amendment, modification or supplement shall be effective.

10. Severability. If a court of competent jurisdiction adjudicates any one or more of the provisions hereof as invalid, illegal or unenforceable in any respect, such provision(s) shall be ineffective only to the extent and duration of such invalidity, illegality or unenforceability and such invalidity, illegality or unenforceability shall not affect the remaining substance of such provision or any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had been limited or modified (consistent with its general intent) to the extent necessary so that it shall be valid, legal and enforceable. If it shall not be possible to so limit or modify such invalid, illegal or unenforceable provision, this Agreement shall be construed as if such invalid,

illegal or unenforceable provision had never been contained herein, and the parties will use their best efforts to substitute a valid, legal and enforceable provision which, insofar as practicable, implements the purpose and intent of the provision originally contained herein.

11. Governing Law. This Agreement shall be construed and governed by the laws of the State of New York.

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

RECKSON ASSOCIATES REALTY CORP.

By:

Name:
Title:

Donald J. Rechler

AMENDMENT AND RESTATEMENT OF
EMPLOYMENT AND NONCOMPETITION AGREEMENT

This AMENDMENT AND RESTATEMENT OF EMPLOYMENT AND NONCOMPETITION AGREEMENT ("Agreement") is made as of the 15th day of August, 2000 by and between Gregg Rechler ("Executive") and Reckson Associates Realty Corp., a Maryland corporation with a principal place of business at 225 Broadhollow Road, Melville, New York 11747 (the "Employer") and amends, supersedes and completely restates the Employment and Noncompetition Agreement made as of June 1, 1998 (the "Prior Agreement") by and between the Executive and the Employer.

1. Term. The term of this Agreement shall commence on the date first above written and, unless earlier terminated as provided in Paragraph 7 below, shall terminate on the fifth anniversary of such date (the "Original Term"); provided, however, that Sections 6 and 8 hereof shall survive the termination of this Agreement as provided therein. The Original Term may be extended for such period or periods, if any, as agreed to by Executive and the Employer (each a "Renewal Term"). The period of Executive's employment hereunder consisting of the Original Term and all Renewal Terms is herein referred to as the "Employment Period".

2. Employment and Duties.

(a) During the Employment Period, Executive shall be employed in the business of the Employer and its affiliates. Executive shall serve the Employer as a senior corporate executive with the titles Co-Chief Operating Officer, Executive Vice President and Secretary of the Employer. Executive's duties and authority shall be as set forth in the By-laws of the Employer and as otherwise established by the Board of Directors of the Employer, and shall be commensurate with his titles and positions with the Employer.

(b) Executive agrees to his employment as described in this Paragraph 2 and agrees to devote substantially all of his business time and efforts to the performance of his duties under this Agreement, except as otherwise approved by the Board of Directors of the Employer; provided, however, that nothing herein shall be interpreted to preclude Executive from investing his assets as a passive investor in other entities or business ventures, provided that he performs no management or similar role with respect to such other entities or ventures and such investment does not violate Section 8 hereof.

(c) In performing his duties hereunder, Executive shall be available for reasonable travel as the needs of the Employer's business require. Executive shall be based in Nassau County, Suffolk County or New York County, New York.

3. Compensation and Benefits. In consideration of Executive's services hereunder, the Employer shall compensate Executive as provided in this Section 3.

(a) Base Salary. The Employer shall pay Executive an aggregate annual salary at the rate of $400,000 per annum during the Employment Period ("Base Salary"), subject to withholding for applicable federal, state and local taxes. Base Salary shall be payable in accordance with the Employer's normal business practices, but in no event less frequently than monthly. Executive's Base Salary shall be reviewed no less frequently than annually by the Employer and may be increased, but not decreased, by the Employer during the Employment Period.

(b) Incentive Compensation. In addition to the Base Salary payable to Executive pursuant to Section 3(a), during the Employment Period Executive shall be eligible to participate in any incentive compensation plans in effect with respect to senior executive officers of the Employer, subject to Executive's compliance with such criteria as the Employer's Board of Directors may establish for Executive's participation in such plans from time to time. Any awards to Executive under such plans will be established by the Employer's Board of Directors, or a committee thereof, in its sole discretion.

(c) Stock Options. During the Employment Period, Executive shall be eligible to participate in employee stock option plans established from time to time for the benefit of senior executive officers and other employees of the Employer in accordance with the terms and conditions of such plans. All decisions regarding awards to Executive under the Employer's stock option plans shall be made in the sole discretion of the Employer's Board of Directors, or a committee thereof.

(d) Expenses. Executive shall be reimbursed for all reasonable business related expenses incurred by Executive at the request of or on behalf of the Employer, subject to such reasonable requirements with respect to substantiation and documentation as may be specified by the Employer.

(e) Medical and Dental Insurance. During the Employment Period, Executive and Executive's immediate family shall be entitled to participate in such medical and dental benefit plans as the Employer shall maintain from time to time for the benefit of senior executive officers of the Employer and their

families, on the terms and subject to the conditions set forth in such plans.

(f) Life Insurance and Disability Insurance. During the Employment Period, the Employer shall provide Executive with life insurance policies and coverage and comprehensive disability insurance coverage of the same type and at the same levels in effect with respect to other senior executive officers of the Employer.

(g) Vacations. Executive shall be entitled to four weeks of paid vacation per annum in accordance with the then regular procedures of the Employer governing senior executive officers.

(h) Other Benefits. During the Employment Period, the Employer shall provide to Executive such other benefits, including sick leave and the right to participate in retirement or pension plans, as are made generally available to senior executive officers and employees of the Employer from time to time.

4. Indemnification and Liability Insurance. The Employer agrees to indemnify Executive with respect to any actions commenced against Executive in his capacity as an officer or director, or former officer or director, of the Employer or any affiliate thereof for which he may serve in such capacity. The Employer also agrees to use its best efforts to secure and maintain officers and directors liability insurance providing coverage for Executive.

5. Employer's Policies. Executive agrees to observe and comply with the rules and regulations of the Employer as adopted by its Board of Directors regarding the performance of his duties and to carry out and perform orders, directions and policies communicated to him from time to time by the Employer's Board of Directors.

6. Nondisclosure Covenant.

(a) General. All records, financial statements and similar documents obtained, reviewed or compiled by Executive in the course of the performance by him of services for the Employer, whether or not confidential information or trade secrets, shall be the exclusive property of the Employer. Executive shall have no rights in such documents upon any termination of this Agreement.

(b) Confidential Information. Executive will not disclose to any person or entity (except as required by applicable law or in connection with the performance of his duties and responsibilities hereunder), or use for his own benefit or gain, any confidential information of the Employer obtained by him incident to his employment with the Employer. The term "confidential information" includes, without limitation, financial information, business plans, prospects and opportunities which have been discussed or considered by the management of the Employer but does not include any information which has become part of the public domain by means other than Executive's non-observance of his obligations hereunder. This paragraph shall survive the termination of this Agreement.

7. Termination and Severance Payments.

(a) At-Will Employment. Executive's employment hereunder is "at will" and may be terminated by the Employer at any time with or without Good Reason (as defined in Section 7(e) below), by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth in this Section 7, and by the Executive at any time, whether pursuant to Section 7(b) or otherwise.

(b) Termination by Executive. The Employment Period and Executive's employment hereunder may be terminated effective immediately by Executive by written notice to the Board of Directors of the Employer within 30 days of the occurrence of (i) a failure of the Board of Directors of the Employer to elect Executive to offices with the same or substantially the same duties and responsibilities as set forth in Section 2, or (ii) a material failure by the Employer to comply with the provisions of Section 3 or a material breach by the Employer of any other provision of this Agreement.

(c) Certain Benefits upon Termination by Executive. Except as specifically provided in this Section 7 or otherwise required by law, all compensation and benefits to Executive under this Agreement shall terminate on the date of termination of the Employment Period. Notwithstanding the foregoing, if the Employment Period is terminated pursuant to Section 7(b) or if Executive's employment is terminated by the Employer other than for Good Reason, Executive shall be entitled to the following benefits:

(i) The Employer shall continue to pay Executive's Base Salary for the remaining term of this Agreement after the date of Executive's termination, at the rate in effect on the date of his termination and on the same periodic payment dates as payment would have been made to Executive had the Employment Period not been terminated;

(ii) For the remaining term of this Agreement, Executive shall continue to receive all benefits described in Section 3 existing

immediately prior to the date of termination, without taking into account any changes in such benefits effected in violation of this Agreement. For purposes of the application of such benefits, Executive shall be treated as if he had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination;

(iii) For purposes of any stock option plan of the Employer, Executive shall be treated as if he had remained in the employ of the Employer for the remaining term of this Agreement after the date of Executive's termination so that (x) any stock options or other awards (including restricted stock grants) of the Executive under such plan shall continue to vest and become exercisable, and (y) Executive shall be entitled to exercise any exercisable options or other rights;

(iv) If, in spite of the provisions above, any benefits or service credits under any benefit plan or program of the Employer may not be paid or provided under such plan or program to Executive, or to Executive's dependents, beneficiaries or estate, because Executive is no longer considered to be an employee of the Employer, the Employer shall pay or provide for payment of such benefits and service credits to Executive, or to Executive's dependents, beneficiaries or estate, for the remaining term of this Agreement; and

(v) Nothing herein shall be deemed to obligate Executive to seek other employment in the event of any such termination and any amounts earned or benefits received from such other employment will not serve to reduce in any way the amounts and benefits payable in accordance herewith.

(d) Termination by the Employer for Good Reason. If (i) Executive is terminated for Good Reason or (ii) Executive shall voluntarily terminate his employment hereunder (other than pursuant to Section 7(b) hereof), then the Employment Period shall terminate as of the effective date set forth in the written notice of such termination (the "Termination Date") and Executive shall be entitled to receive only his Base Salary at the rate then in effect until the Termination Date and any outstanding stock options held by Executive shall expire in accordance with the terms of the stock option plan or option agreement under which the stock options were granted.

(e) Definitions. The following terms shall be defined as set forth below.

(i) A "Change-in-Control" shall be deemed to have occurred after the effective date of this Agreement if:

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

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

(C) the stockholders of the Employer shall approve (1) any consolidation or merger of the Employer or any subsidiary where the stockholders of the Employer, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, but based solely on their prior ownership of shares of the Employer, shares representing in the aggregate more than 60% of the voting shares of the corporation issuing cash or securities in the consolidation or merger (or of its

ultimate parent corporation, if any), (2) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Employer or (3) any plan or proposal for the liquidation or dissolution of the Employer;

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

(ii) "Good Reason" shall mean a finding by the Employer's Board of Directors that Executive has (A) acted with gross negligence or willful misconduct in connection with the performance of his material duties hereunder; (B) defaulted in the performance of his material duties hereunder and has not corrected such action within 15 days of receipt of written notice thereof; (C) willfully acted against the best interests of the Employer, which act has had a material and adverse impact on the financial affairs of the Employer; or (D) been convicted of a felony or committed a material act of common law fraud against the Employer or its employees and such act or conviction has had, or the Employer's Board of Directors reasonably determines will have, a material adverse effect on the interests of the Employer; provided, however, that a finding of Good Reason shall not become effective unless and until the Board of Directors provides the Executive notice that it is considering making such finding and a reasonable opportunity to be heard by the Board of Directors.

(iii) "Person" shall have the meaning used in Sections 13(d) and 14(d) of the Exchange Act; provided however, that the term "Person" shall not include (A) any executive officer of the Employer on the date hereof, or (B) the Employer, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Employer or any of its subsidiaries.

(f) Termination by Reason of Death. The Employment Period shall terminate upon Executive's death and in such event, the Employer shall pay Executive's Base Salary for a period of six (6) months from the date of his death, or such longer period as the Employer's Boards of Directors may determine, to Executive's estate or to a beneficiary designated by Executive in writing prior to his death. Any unexercised or unvested stock options shall remain exercisable or vest upon Executive's death only to the extent provided in the applicable option plan and option agreements.

(g) Termination by Reason of Disability. In the event that Executive shall become unable to efficiently perform his duties hereunder because of any physical or mental disability or illness, Executive shall be entitled to be paid his Base Salary until the later of such time when (i) the period of disability or illness (whether or not the same disability or illness) shall exceed 180 consecutive days during the Employment Period and (ii) Executive becomes eligible to receive benefits under a comprehensive disability insurance policy obtained by the Employer (the "Disability Period"). Following the expiration of the Disability Period, the Employer may terminate this Agreement upon written notice of such termination. Any unexercised or unvested stock options shall remain exercisable or vest upon such termination only to the extent provided in the applicable option plan and option agreements .

(h) Arbitration in the Event of a Dispute Regarding the Nature of Termination. In the event that the Employer terminates Executive's employment for Good Reason and Executive contends that Good Reason did not exist, the Employer's only obligation shall be to submit such claim to arbitration before the American Arbitration Association ("AAA"). In such a proceeding, the only issue before the arbitrator will be whether Executive was in fact terminated for Good Reason. If the arbitrator determines that Executive was not terminated for Good Reason, the only remedy that the arbitrator may award is entitlement to the severance payments and benefits specified in Paragraph 7(c), the costs of arbitration, and Executive's attorneys' fees. If the arbitrator finds that Executive was terminated for Good Reason, the arbitrator will be without authority to award Executive anything, the parties will each be responsible for their own attorneys' fees, and the costs of arbitration will be paid 50% by Executive and 50% by the Employer.

8. Noncompetition Covenant.

(a) Because Executive's services to the Employer are essential and because Executive has access to the Employer's confidential information, Executive covenants and agrees that (i) during the Employment Period and (ii)

in the event that this Agreement is terminated by the Employer for Good Reason or by Executive other than pursuant to Section 7(b) hereof, during the Noncompetition Period Executive will not, without the prior written consent of the Board of Directors of the Employer which shall include the unanimous consent of the Directors who are not officers of the Employer, directly or indirectly:

(A) engage, participate or assist, as an owner, partner, employee, consultant, director, officer, trustee or agent, in any business that engages or attempts to engage in, directly or indirectly, the acquisition, development, construction, operation, management or leasing of any industrial or office real estate property in any of the submarkets throughout the tri-state metropolitan area of New York, New Jersey and Connecticut in which the Company is operating, or

(B) intentionally interfere with, disrupt or attempt to disrupt the relationship, contractual or otherwise, between the Employer or its affiliates and any tenant, supplier, contractor, lender, employee or governmental agency or authority.

(b) For purposes of this Section 8, the Noncompetition Period shall mean the period commencing on the date of termination of Executive's employment under this Agreement and ending on the later of (i) the third anniversary of the effective date of the Prior Agreement, or (ii) the first anniversary of the date of termination of Executive's employment under this Agreement.

(c) Notwithstanding anything contained herein to the contrary, Executive is not prohibited by this Section 8 from (i) maintaining his investment in any Option Property (as such term is defined in the Employer's final prospectus relating to the initial public offering of the Employer's Common Stock), or (ii) from making investments in any entity that engages, directly or indirectly, in the acquisition, development, construction, operation, management or leasing of industrial or office real estate properties, regardless of where they are located, if the shares or other ownership interests of such entity are publicly traded and Executive's aggregate investment in such entity constitutes less than five percent (5%) of the equity ownership of such entity.

(d) The provisions of this Section 8 shall survive the termination of this Agreement.

9. Conflicting Agreements. Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which he is a party or is bound, and that he is not now subject to any covenants against competition or similar covenants which would affect the performance of his obligations hereunder.

10. Notices. Any notice required or permitted hereunder shall be in writing and shall be deemed sufficient when given by hand, by nationally recognized overnight courier or by express, registered or certified mail, postage prepaid, return receipt requested, and addressed to the Employer or Executive, as applicable, at the address indicated above (or to such other address as may be provided by notice).

11. Miscellaneous. This Agreement and the Severance Agreement (i) constitute the entire agreement between the parties concerning the subject matter hereof and supersedes any and all prior agreements or understandings, (ii) may not be assigned by Executive without the prior written consent of the Employer, and (iii) may be assigned by the Employer and shall be binding upon, and inure to the benefit of, the Employer's successors and assigns. Headings herein are for convenience of reference only and shall not define, limit or interpret the contents hereof.

12. Amendment. This Agreement may be amended, modified or supplemented by the mutual consent of the parties in writing, but no oral amendment, modification or supplement shall be effective.

13. Specific Enforcement. The provisions of Sections 6 and 8 of this Agreement are to be specifically enforced if not performed according to their terms. Without limiting the generality of the foregoing, the parties acknowledge that the Employer may be irreparably damaged and there may be no adequate remedy at law for Executive's breach of Sections 6 and 8 of this Agreement and further acknowledge that the Employer may seek entry of a temporary restraining order or preliminary injunction, in addition to any other remedies available at law or in equity, to enforce the provisions thereof.

14. Severability. If a court of competent jurisdiction adjudicates any one or more of the provisions hereof as invalid, illegal or unenforceable in any respect, such provision(s) shall be ineffective only to the extent and duration of such invalidity, illegality or unenforceability and such invalidity, illegality or unenforceability shall not affect the remaining substance of such provision or any other provision of this Agreement and this

Agreement shall be construed as if such invalid, illegal or unenforceable provision had been limited or modified (consistent with its general intent) to the extent necessary so that it shall be valid, legal and enforceable. If it shall not be possible to so limit or modify such invalid, illegal or unenforceable provision, this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, and the parties will use their best efforts to substitute a valid, legal and enforceable provision which, insofar as practicable, implements the purpose and intent of the provision originally contained herein.

15. Governing Law. This Agreement shall be construed and governed by the laws of the State of New York.

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

RECKSON ASSOCIATES REALTY CORP.

By:

Name:
Title:

Gregg Rechler

AMENDMENT AND RESTATEMENT OF
SEVERANCE AGREEMENT

AMENDMENT AND RESTATEMENT OF SEVERANCE AGREEMENT, dated as of the 15th day of August, 2000 (the "Agreement") by and between Gregg Rechler (the "Executive"), and Reckson Associates Realty Corp., a Maryland corporation with a principal place of business at 225 Broadhollow Road, Melville, New York 11747 (the "Employer") and amends, supersedes and completely restates the Severance Agreement made as of February 25, 1998 by and among the Executive and the Employer.

Terms used in this Agreement with the initial letter capitalized shall, unless otherwise defined herein, have the meanings specified in the Amendment and Restatement of Employment and Noncompetition Agreement, dated August 15, 2000, between the Employer and the Executive and in any amendment to or restatement of such agreement (the "Employment Agreement").

W I T N E S S E T H :

WHEREAS, Executive and Employer have previously entered into the Employment Agreement; and

WHEREAS, the Employer desires to continue to employ the Executive and the Executive desires to continue to be employed by the Employer.

NOW THEREFORE, in consideration of the premises and subject to the terms and conditions set forth herein, the parties hereto agree as follows:

1. Employment and Noncompetition Agreement. This Agreement is supplementary to and, except as explicitly set forth herein, does not limit or alter any of the terms and conditions established under the Employment Agreement.

2. Term. The term and duration of this Agreement shall be identical to the term of the Employment Agreement, provided, however, that if a Change-in-Control shall occur during the Employment Period, the term of this Agreement, the Employment Agreement and the Employment Period shall continue in effect until the later of (i) the date on which the term of the Employment Agreement otherwise would have ended or (ii) the date which is sixty months beyond the end of the calendar year in which the Change-in-Control occurs. Section 1 of the Employment Agreement is hereby amended in accordance with the foregoing.

3. Termination and Severance Payments. Sections 7(a), (b) and (c) of the Employment Agreement are hereby superseded in their entirety by this Section 3.

(a) At-Will Employment. Executive's employment pursuant to the Employment Agreement is "at will" and may be terminated by the Employer at any time with or without Good Reason, by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth in this Section 3 and in Sections 7(d) through 7(h) of the Employment Agreement.

(b) Termination by Executive. The Employment Period and Executive's employment under the Employment Agreement may be terminated effective immediately by Executive by written notice to the Board of Directors of the Employer (i) within 30 days of the occurrence of a failure of the Board of Directors of the Employer to elect Executive to offices with the same or substantially the same duties and responsibilities as set forth in Section 2 of the Employment Agreement, (ii) within 30 days of the occurrence of a material failure by the Employer to comply with the provisions of Section 3 of the Employment Agreement or a material breach by the Employer of any other provision of the Employment Agreement, (iii) at any time during the 30 day period beginning on the effective date of a Change in Control and the 30 day period beginning one year after the effective date of a Change-in-Control, or (iv) within 30 days of the occurrence of a Force Out. For this purpose, a Force Out shall be deemed to have occurred in the event of:

(i) a change in duties, responsibilities, status or positions with the Employer, which, in Executive's reasonable judgment, does not represent a promotion from or maintaining of Executive's duties, responsibilities, status or positions as in effect immediately prior to the Change-in-Control, or any removal of Executive from or any failure to reappoint or reelect Executive to such positions, except in connection with the termination of Executive's employment for Good Reason, disability, retirement or death;

(ii) a reduction by the Employer in Executive's Base Salary as in effect immediately prior to the Change-in-Control;

(iii) the failure by the Employer to continue in effect any of the benefit plans, programs or arrangements in which Executive is participating at the time of the Change-in-Control of the Employer (unless Executive is permitted to participate in any substitute benefit plan, program or arrangement with substantially the same terms and to the

same extent and with the same rights as Executive had with respect to the benefit plan, program or arrangement that is discontinued) other than as a result of the normal expiration of any such benefit plan, program or arrangement in accordance with its terms as in effect at the time of the Change-in-Control, or the taking of any action, or the failure to act, by the Employer which would adversely affect Executive's continued participation in any of such benefit plans, programs or arrangements on at least as favorable a basis to Executive as is the case on the date of the Change-in-Control or which would materially reduce Executive's benefits in the future under any of such benefit plans, programs or arrangements or deprive Executive of any material benefits enjoyed by Executive at the time of the Change-in-Control;

(iv) the failure by the Employer to provide and credit Executive with the number of paid vacation days to which Executive is then entitled in accordance with the Employer's normal vacation policies as in effect immediately prior to the Change-in-Control;

(v) the Employer's requiring Executive to be based in an office located beyond a reasonable commuting distance from Executive's residence immediately prior to the Change-in-Control, except for required travel relating to the Employer's business to an extent substantially consistent with the business travel obligations which Executive undertook on behalf of the Employer prior to the Change-in-Control;

(vi) the failure by the Employer to obtain from any successor to the Employer an agreement to be bound by this Agreement and the Employment Agreement; or

(vii) any refusal by the Employer to continue to allow Executive to attend to matters or engage in activities not directly related to the business of the Employer which, prior to the Change-in-Control, Executive was permitted by the Employer's Boards of Directors to attend to or engage in.

(c) Certain Benefits upon Termination by Executive. Except as specifically provided in this Section 3 or in Sections 7(d) through 7(h) of the Employment Agreement or as otherwise required by law, all compensation and benefits to Executive under the Employment Agreement shall terminate on the date of termination of the Employment Period. Notwithstanding the foregoing, if the Employment Period is terminated pursuant to Section 3(b) or if Executive's employment is terminated by the Employer other than for Good Reason, Executive shall be entitled to the following benefits:

(i) The Employer shall pay the Executive (x) his or her full Base Salary though the date of termination at the rate in effect on such date, (y) compensation for accrued but unused vacation time, plus (z) a pro rata portion of the Executive's incentive compensation for the calendar year in which the event of termination occurs, assuming that the Executive would have received incentive compensation for such full calendar year equal to the product of (A) the Base Salary that would be payable to the Executive pursuant to subsection 3(a) of the Employment Agreement for such full calendar year and (B) the greater of (a) 1/2 or (b) a percentage equal to the following

(I) the sum of (x) the cash bonus awarded to the Executive for the immediately preceding fiscal year, (y) the product of the price per share of Common Stock on the date of termination (as equitably adjusted to reflect any changes in the capitalization of the Employer) and the aggregate number of shares of Common Stock granted, sold or covered by options or loans awarded to the Executive as incentive compensation for the immediately preceding fiscal year, and (z) the value of all other incentive compensation paid or awarded to the Executive for the immediately preceding fiscal year (including, without limitation, all such incentive compensation includible in the Executive's gross income and reported on an Internal Revenue Service Form W-2), divided by (II) the Executive's Base Salary for the immediately preceding fiscal year,

(the greater of clauses (a) and (b) being herein referred to as the "Deemed Bonus Percentage");

(ii) The Employer shall pay as severance to the Executive, not later than the tenth day following the date of termination, a lump sum severance payment (the "Severance Payment") equal to the aggregate of all compensation that would have been due to the Executive hereunder had his or her employment not been so terminated (without duplication of subsection 3(c)(i) above), including, without limitation, (A) Base Salary (at the greater of the rate payable pursuant to subsection 3(a) of the Employment Agreement or the highest rate then payable to any Executive Vice President of the Employer), and (B) all incentive compensation which would have been due to the Executive pursuant to subsection 3(b) of the Employment

Agreement, through the expiration of this Agreement (as such Agreement may continue in effect under Section 2 hereof in the event of a Change-in-Control) assuming that the Executive would have received incentive compensation for each calendar year through the expiration of this Agreement (as such Agreement may continue in effect under Section 2 hereof in the event of a Change-in-Control) equal to the product of (x) the Base Salary payable to the Executive pursuant to clause (A), and (y) the Deemed Bonus Percentage (or, if greater, the highest Deemed Bonus Percentage determined with respect to any Executive Vice President of the Employer), payable in the same proportions of cash, grants of securities, loans to purchase securities, loan forgiveness and gross-up payments as the incentive compensation paid to the Executive for the immediately preceding fiscal year; provided, however, that such Severance Payment shall not be payable to the Executive until (I) the Executive has executed and delivered to the Employer a general release in a form to be determined by the Employer in good faith, and (II) any applicable revocation period with respect to such release has expired. For purposes of determining Executive's annual compensation in the preceding sentence, compensation payable to the Executive by the Employer shall include, without limitation, every type and form of compensation includible in the Executive's gross income in respect of his or her employment by the Employer (including, without limitation, all income reported on an Internal Revenue Service Form W-2), compensation income recognized as a result of the Executive's exercise of stock options or sale of the stock so acquired and any annual incentive compensation paid in cash or securities to such Executive;

(iii) An amount equal to the Additional Amount pursuant to Section 5 below and an amount equal to the Income Tax Payment pursuant to Section 6 below;

(iv) For the remaining term of the Employment Agreement, Executive shall continue to receive all benefits described in Section 3 of the Employment Agreement existing immediately prior to the date of termination (without taking into account any changes in such benefits effected in violation of the Employment Agreement) and any other benefits then provided by Employer to Executive in addition to those described in Section 3 of the Employment Agreement, including, but not limited to, the life insurance coverage provided by Employer to Executive and the automobile provided by Employer to Executive and automobile insurance and maintenance in respect of such automobile. For purposes of the application of such benefits, Executive shall be treated as if he or she had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination;

(v) For purposes of any equity compensation plan of the Employer, (x) any stock options or other awards (including restricted stock grants) of the Executive under such plan shall vest and become exercisable upon any such termination, and (y) Executive shall be treated as if he or she had remained in the employ of the Employer for the remaining term of the Employment Agreement after the date of Executive's termination so that Executive shall be entitled to exercise any exercisable options or other rights;

(vi) For purposes of any section 401(k) plan or other deferred compensation plan of the Employer, Executive shall be treated as if he or she had remained in the employ of the Employer for the remaining term of the Employment Agreement after the date of Executive's termination so that Executive may continue to receive all matching contributions as provided by the Employer in connection with such plan or any other contributions by Employer in connection with such plan as in effect immediately prior to such termination;

(vii) The amount of any outstanding loans made by the Employer to the Executive, together with any interest accrued on any such loans, and any related "tax" loans made by the Employer to the Executive in respect of tax liabilities owing as the result of the forgiveness of such loans (including forgiveness pursuant to the terms of this Section 3(c)(vii)), together with any interest accrued on any such tax loans, shall be deemed forgiven and Executive shall have no further liability in respect thereof;

(viii) If, in spite of the provisions above, any benefits or service credits under any benefit plan or program of the Employer may not be paid or provided under such plan or program to Executive, or to Executive's dependents, beneficiaries or estate, because Executive is no longer considered to be an employee of the Employer, the Employer shall pay or provide for payment of such benefits and service credits to Executive, or to Executive's dependents, beneficiaries or estate, for the remaining term of the Employment Agreement; and

(ix) Nothing herein shall be deemed to obligate

Executive to seek other employment in the event of any such termination and any amounts earned or benefits received from such other employment will not serve to reduce in any way the amounts and benefits payable in accordance herewith.

4. Expenses. Section 3(d) of the Employment Agreement is hereby supplemented by this Section 4. In addition to the expenses referred to in Section 3(d) of the Employment Agreement, the Employer shall pay all legal fees and related expenses (including the costs of experts, evidence and counsel) incurred by the Executive as they become due as a result of (i) the termination of the Employment Period or Executive's employment pursuant to this Agreement or the Employment Agreement (including all such fees and expenses, if any, incurred in contesting or disputing any such termination), (ii) the Executive seeking to obtain or enforce any right or benefit provided by this Agreement, the Employment Agreement or by any other plan or arrangement maintained by the Employer under which the Executive is or may be entitled to receive benefits or (iii) any action taken by the Employer against the Executive, unless and until such time that a final judgement has been rendered in favor of the Employer and all appeals related to any such action have been exhausted; provided however, that the circumstances set forth above occurred on or after a Change-in-Control.

5. Additional Amount. Whether or not Section 3 is applicable, if in the opinion of tax counsel selected by the Executive and reasonably acceptable to the Employer, the Executive has received or will receive any compensation or recognize any income (whether or not pursuant to this Agreement, the Employment Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) which will constitute an "excess parachute payment" within the meaning of Section 280G(b)(1) of the Code (or for which a tax is otherwise payable under Section 4999 of the Code), then the Employer shall pay the Executive an additional amount (the "Additional Amount") equal to the sum of (i) all taxes payable by the Executive under Section 4999 of the Code with respect to all such excess parachute payments and any such Additional Amount, plus (ii) all federal, state and local income taxes payable by Executive with respect to any such Additional Amount. Any amounts payable pursuant to this Section 4 shall be paid by the Employer to the Executive within 30 days of each written request therefor made by the Executive.

6. Income Tax Payment. Whether or not Section 3 is applicable, if (i) the Executive has received or will receive any compensation or recognize any income (whether or not pursuant to this Agreement, the Employment Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) in connection with a "Change-in-Control" (as that term may be interpreted in this Agreement, the Employment Agreement or any plan or other arrangement of the Employer), and (ii) such compensation or income represents non-cash compensation or income (including, without limitation, non-cash compensation or income attributable to the vesting or exercise of stock options and other awards (including restricted stock grants) under any stock option plan of the Employer), then the Employer shall pay the Executive in cash an amount (the "Income Tax Payment") equal to the sum of (A) all federal, state and local income taxes payable by Executive with respect to such non-cash compensation or income, plus (B) all federal, state and local income taxes payable by Executive with respect to any such Income Tax Payment. The Income Tax Payment shall be paid by the Employer to the Executive within 30 days of the written request therefor made by the Executive.

7. Notices. Any notice required or permitted hereunder shall be in writing and shall be deemed sufficient when given by hand, by nationally recognized overnight courier or by express, registered or certified mail, postage prepaid, return receipt requested, and addressed to the Employer or Executive, as applicable, at the address indicated above (or to such other address as may be provided by notice).

8. Miscellaneous. This Agreement (i) may not be assigned by Executive without the prior written consent of the Employer and (ii) may be assigned by the Employer and shall be binding upon, and inure to the benefit of, the Employer's successors and assigns. Headings herein are for convenience of reference only and shall not define, limit or interpret the contents hereof.

9. Amendment. This Agreement may be amended, modified or supplemented by the mutual consent of the parties in writing, but no oral amendment, modification or supplement shall be effective.

10. Severability. If a court of competent jurisdiction adjudicates any one or more of the provisions hereof as invalid, illegal or unenforceable in any respect, such provision(s) shall be ineffective only to the extent and duration of such invalidity, illegality or unenforceability and such invalidity, illegality or unenforceability shall not affect the remaining substance of such provision or any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had been limited or modified (consistent with its general intent) to the extent necessary so that it shall be valid, legal and enforceable. If it shall not be possible to so limit or modify such invalid, illegal or unenforceable provision, this Agreement shall be construed as if such invalid,

illegal or unenforceable provision had never been contained herein, and the parties will use their best efforts to substitute a valid, legal and enforceable provision which, insofar as practicable, implements the purpose and intent of the provision originally contained herein.

11. Governing Law. This Agreement shall be construed and governed by the laws of the State of New York.

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

RECKSON ASSOCIATES REALTY CORP.

By:

Name:
Title:

Gregg Rechler

AMENDMENT AND RESTATEMENT OF
EMPLOYMENT AND NONCOMPETITION AGREEMENT

This AMENDMENT AND RESTATEMENT OF EMPLOYMENT AND NONCOMPETITION AGREEMENT ("Agreement") is made as of the 15th day of August, 2000 by and between Michael Maturo ("Executive") and Reckson Associates Realty Corp., a Maryland corporation with a principal place of business at 225 Broadhollow Road, Melville, New York 11747 (the "Employer") and amends, supersedes and completely restates the Employment and Noncompetition Agreement made as of June 1, 1998 (the "Prior Agreement"), by and between the Executive and the Employer.

1. Term. The term of this Agreement shall commence on the date first above written and, unless earlier terminated as provided in Paragraph 7 below, shall terminate on the fifth anniversary of such date (the "Original Term"); provided, however, that Sections 6 and 8 hereof shall survive the termination of this Agreement as provided therein. The Original Term may be extended for such period or periods, if any, as agreed to by Executive and the Employer (each a "Renewal Term"). The period of Executive's employment hereunder consisting of the Original Term and all Renewal Terms is herein referred to as the "Employment Period".

2. Employment and Duties.

(a) During the Employment Period, Executive shall be employed in the business of the Employer and its affiliates. Executive shall serve the Employer as a senior corporate executive with the titles Executive Vice President, Chief Financial Officer and Treasurer of the Employer. Executive's duties and authority shall be as set forth in the By-laws of the Employer and as otherwise established by the Board of Directors of the Employer, and shall be commensurate with his titles and positions with the Employer.

(b) Executive agrees to his employment as described in this Paragraph 2 and agrees to devote substantially all of his business time and efforts to the performance of his duties under this Agreement, except as otherwise approved by the Board of Directors of the Employer; provided, however, that nothing herein shall be interpreted to preclude Executive from (i) continuing to serve as a member of the Board of Directors, and as Treasurer, of FrontLine Capital Group ("FrontLine"), (ii) continuing to serve as a member of the Board of Directors of HQ Global Holdings, Inc. ("HQ") or (iii) investing his assets as a passive investor in other entities or business ventures, provided that he performs no management or similar role with respect to such other entities or ventures and such investment does not violate Section 8 hereof.

(c) In performing his duties hereunder, Executive shall be available for reasonable travel as the needs of the Employer's business require. Executive shall be based in Nassau County, Suffolk County or New York County, New York.

3. Compensation and Benefits. In consideration of Executive's services hereunder, the Employer shall compensate Executive as provided in this Section 3.

(a) Base Salary. The Employer shall pay Executive an aggregate annual salary at the rate of $400,000 per annum during the Employment Period ("Base Salary"), subject to withholding for applicable federal, state and local taxes. Base Salary shall be payable in accordance with the Employer's normal business practices, but in no event less frequently than monthly. Executive's Base Salary shall be reviewed no less frequently than annually by the Employer and may be increased, but not decreased, by the Employer during the Employment Period.

(b) Incentive Compensation. In addition to the Base Salary payable to Executive pursuant to Section 3(a), during the Employment Period Executive shall be eligible to participate in any incentive compensation plans in effect with respect to senior executive officers of the Employer, subject to Executive's compliance with such criteria as the Employer's Board of Directors may establish for Executive's participation in such plans from time to time. Any awards to Executive under such plans will be established by the Employer's Board of Directors, or a committee thereof, in its sole discretion.

(c) Stock Options. During the Employment Period, Executive shall be eligible to participate in employee stock option plans established from time to time for the benefit of senior executive officers and other employees of the Employer in accordance with the terms and conditions of such plans. All decisions regarding awards to Executive under the Employer's stock option plans shall be made in the sole discretion of the Employer's Board of Directors, or a committee thereof.

(d) Expenses. Executive shall be reimbursed for all reasonable business related expenses incurred by Executive at the request of or on behalf of the Employer, subject to such reasonable requirements with respect to substantiation and documentation as may be specified by the Employer.

(e) Medical and Dental Insurance. During the Employment Period,

Executive and Executive's immediate family shall be entitled to participate in such medical and dental benefit plans as the Employer shall maintain from time to time for the benefit of senior executive officers of the Employer and their families, on the terms and subject to the conditions set forth in such plans.

(f) Life Insurance and Disability Insurance. During the Employment Period, the Employer shall provide Executive with life insurance policies and coverage and comprehensive disability insurance coverage of the same type and at the same levels in effect with respect to other senior executive officers of the Employer.

(g) Vacations. Executive shall be entitled to four weeks of paid vacation per annum in accordance with the then regular procedures of the Employer governing senior executive officers.

(h) Other Benefits. During the Employment Period, the Employer shall provide to Executive such other benefits, including sick leave and the right to participate in retirement or pension plans, as are made generally available to senior executive officers and employees of the Employer from time to time.

4. Indemnification and Liability Insurance. The Employer agrees to indemnify Executive with respect to any actions commenced against Executive in his capacity as an officer or director, or former officer or director, of the Employer or any affiliate thereof for which he may serve in such capacity. The Employer also agrees to use its best efforts to secure and maintain officers and directors liability insurance providing coverage for Executive.

5. Employer's Policies. Executive agrees to observe and comply with the rules and regulations of the Employer as adopted by its Board of Directors regarding the performance of his duties and to carry out and perform orders, directions and policies communicated to him from time to time by the Employer's Board of Directors.

6. Nondisclosure Covenant.

(a) General. All records, financial statements and similar documents obtained, reviewed or compiled by Executive in the course of the performance by him of services for the Employer, whether or not confidential information or trade secrets, shall be the exclusive property of the Employer. Executive shall have no rights in such documents upon any termination of this Agreement.

(b) Confidential Information. Executive will not disclose to any person or entity (except as required by applicable law or in connection with the performance of his duties and responsibilities hereunder), or use for his own benefit or gain, any confidential information of the Employer obtained by him incident to his employment with the Employer. The term "confidential information" includes, without limitation, financial information, business plans, prospects and opportunities which have been discussed or considered by the management of the Employer but does not include any information which has become part of the public domain by means other than Executive's non-observance of his obligations hereunder. This paragraph shall survive the termination of this Agreement.

7. Termination and Severance Payments.

(a) At-Will Employment. Executive's employment hereunder is "at will" and may be terminated by the Employer at any time with or without Good Reason (as defined in Section 7(e) below), by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth in this Section 7, and by the Executive at any time, whether pursuant to Section 7(b) or otherwise.

(b) Termination by Executive. The Employment Period and Executive's employment hereunder may be terminated effective immediately by Executive by written notice to the Board of Directors of the Employer within 30 days of the occurrence of (i) a failure of the Board of Directors of the Employer to elect Executive to offices with the same or substantially the same duties and responsibilities as set forth in Section 2, or (ii) a material failure by the Employer to comply with the provisions of Section 3 or a material breach by the Employer of any other provision of this Agreement.

(c) Certain Benefits upon Termination by Executive. Except as specifically provided in this Section 7 or otherwise required by law, all compensation and benefits to Executive under this Agreement shall terminate on the date of termination of the Employment Period. Notwithstanding the foregoing, if the Employment Period is terminated pursuant to Section 7(b) or if Executive's employment is terminated by the Employer other than for Good Reason, Executive shall be entitled to the following benefits:

(i) The Employer shall continue to pay Executive's Base Salary for the remaining term of this Agreement after the date of Executive's termination, at the rate in effect on the date of his termination and on the same periodic payment dates as payment would have been made to Executive had the Employment Period not been terminated;

(ii) For the remaining term of this Agreement, Executive shall continue to receive all benefits described in Section 3 existing immediately prior to the date of termination, without taking into account any changes in such benefits effected in violation of this Agreement. For purposes of the application of such benefits, Executive shall be treated as if he had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination;

(iii) For purposes of any stock option plan of the Employer, Executive shall be treated as if he had remained in the employ of the Employer for the remaining term of this Agreement after the date of Executive's termination so that (x) any stock options or other awards (including restricted stock grants) of the Executive under such plan shall continue to vest and become exercisable, and (y) Executive shall be entitled to exercise any exercisable options or other rights;

(iv) If, in spite of the provisions above, any benefits or service credits under any benefit plan or program of the Employer may not be paid or provided under such plan or program to Executive, or to Executive's dependents, beneficiaries or estate, because Executive is no longer considered to be an employee of the Employer, the Employer shall pay or provide for payment of such benefits and service credits to Executive, or to Executive's dependents, beneficiaries or estate, for the remaining term of this Agreement; and

(v) Nothing herein shall be deemed to obligate Executive to seek other employment in the event of any such termination and any amounts earned or benefits received from such other employment will not serve to reduce in any way the amounts and benefits payable in accordance herewith.

(d) Termination by the Employer for Good Reason. If (i) Executive is terminated for Good Reason or (ii) Executive shall voluntarily terminate his employment hereunder (other than pursuant to Section 7(b) hereof), then the Employment Period shall terminate as of the effective date set forth in the written notice of such termination (the "Termination Date") and Executive shall be entitled to receive only his Base Salary at the rate then in effect until the Termination Date and any outstanding stock options held by Executive shall expire in accordance with the terms of the stock option plan or option agreement under which the stock options were granted.

(e) Definitions. The following terms shall be defined as set forth below.

(i) A "Change-in-Control" shall be deemed to have occurred after the effective date of this Agreement if:

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

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

(C) the stockholders of the Employer shall approve (1) any consolidation or merger of the Employer or any subsidiary where the stockholders of the Employer, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, but based solely on their

prior ownership of shares of the Employer, shares representing in the aggregate more than 60% of the voting shares of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (2) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Employer or (3) any plan or proposal for the liquidation or dissolution of the Employer;

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

(ii) "Good Reason" shall mean a finding by the Employer's Board of Directors that Executive has (A) acted with gross negligence or willful misconduct in connection with the performance of his material duties hereunder; (B) defaulted in the performance of his material duties hereunder and has not corrected such action within 15 days of receipt of written notice thereof; (C) willfully acted against the best interests of the Employer, which act has had a material and adverse impact on the financial affairs of the Employer; or (D) been convicted of a felony or committed a material act of common law fraud against the Employer or its employees and such act or conviction has had, or the Employer's Board of Directors reasonably determines will have, a material adverse effect on the interests of the Employer; provided, however, that a finding of Good Reason shall not become effective unless and until the Board of Directors provides the Executive notice that it is considering making such finding and a reasonable opportunity to be heard by the Board of Directors.

(iii) "Person" shall have the meaning used in Sections 13(d) and 14(d) of the Exchange Act; provided however, that the term "Person" shall not include (A) any executive officer of the Employer on the date hereof, or (B) the Employer, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Employer or any of its subsidiaries.

(f) Termination by Reason of Death. The Employment Period shall terminate upon Executive's death and in such event, the Employer shall pay Executive's Base Salary for a period of six (6) months from the date of his death, or such longer period as the Employer's Boards of Directors may determine, to Executive's estate or to a beneficiary designated by Executive in writing prior to his death. Any unexercised or unvested stock options shall remain exercisable or vest upon Executive's death only to the extent provided in the applicable option plan and option agreements.

(g) Termination by Reason of Disability. In the event that Executive shall become unable to efficiently perform his duties hereunder because of any physical or mental disability or illness, Executive shall be entitled to be paid his Base Salary until the later of such time when (i) the period of disability or illness (whether or not the same disability or illness) shall exceed 180 consecutive days during the Employment Period and (ii) Executive becomes eligible to receive benefits under a comprehensive disability insurance policy obtained by the Employer (the "Disability Period"). Following the expiration of the Disability Period, the Employer may terminate this Agreement upon written notice of such termination. Any unexercised or unvested stock options shall remain exercisable or vest upon such termination only to the extent provided in the applicable option plan and option agreements .

(h) Arbitration in the Event of a Dispute Regarding the Nature of Termination. In the event that the Employer terminates Executive's employment for Good Reason and Executive contends that Good Reason did not exist, the Employer's only obligation shall be to submit such claim to arbitration before the American Arbitration Association ("AAA"). In such a proceeding, the only issue before the arbitrator will be whether Executive was in fact terminated for Good Reason. If the arbitrator determines that Executive was not terminated for Good Reason, the only remedy that the arbitrator may award is entitlement to the severance payments and benefits specified in Paragraph 7(c), the costs of arbitration, and Executive's attorneys' fees. If the arbitrator finds that Executive was terminated for Good Reason, the arbitrator will be without authority to award Executive anything, the parties will each be responsible for their own attorneys' fees, and the costs of arbitration will be paid 50% by Executive and 50% by the Employer.

8. Noncompetition Covenant.

(a) Because Executive's services to the Employer are essential and because Executive has access to the Employer's confidential information, Executive covenants and agrees that (i) during the Employment Period and (ii) in the event that this Agreement is terminated by the Employer for Good Reason or by Executive other than pursuant to Section 7(b) hereof, during the Noncompetition Period Executive will not, without the prior written consent of the Board of Directors of the Employer which shall include the unanimous consent of the Directors who are not officers of the Employer, directly or indirectly:

(A) engage, participate or assist, as an owner, partner, employee, consultant, director, officer, trustee or agent, in any business that engages or attempts to engage in, directly or indirectly, the acquisition, development, construction, operation, management or leasing of any industrial or office real estate property in any of the submarkets throughout the tri-state metropolitan area of New York, New Jersey and Connecticut in which the Company is operating, or

(B) intentionally interfere with, disrupt or attempt to disrupt the relationship, contractual or otherwise, between the Employer or its affiliates and any tenant, supplier, contractor, lender, employee or governmental agency or authority.

(b) For purposes of this Section 8, the Noncompetition Period shall mean the period commencing on the date of termination of Executive's employment under this Agreement and ending on the later of (i) the third anniversary of the effective date of the Prior Agreement, or (ii) the first anniversary of the date of termination of Executive's employment under this Agreement.

(c) Notwithstanding anything contained herein to the contrary, Executive is not prohibited by this Section 8 from (i) maintaining his investment in any Option Property (as such term is defined in the Employer's final prospectus relating to the initial public offering of the Employer's Common Stock), (ii) from making investments in any entity that engages, directly or indirectly, in the acquisition, development, construction, operation, management or leasing of industrial or office real estate properties, regardless of where they are located, if the shares or other ownership interests of such entity are publicly traded and Executive's aggregate investment in such entity constitutes less than five percent (5%) of the equity ownership of such entity, (iii) continuing to serve as a member of the Board of Directors, and as Treasurer, of FrontLine or (iv) continuing to serve as a member of the Board of Directors of HQ.

(d) The provisions of this Section 8 shall survive the termination of this Agreement.

9. Conflicting Agreements. Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which he is a party or is bound, and that he is not now subject to any covenants against competition or similar covenants which would affect the performance of his obligations hereunder.

10. Notices. Any notice required or permitted hereunder shall be in writing and shall be deemed sufficient when given by hand, by nationally recognized overnight courier or by express, registered or certified mail, postage prepaid, return receipt requested, and addressed to the Employer or Executive, as applicable, at the address indicated above (or to such other address as may be provided by notice).

11. Miscellaneous. This Agreement and the Severance Agreement (i) constitute the entire agreement between the parties concerning the subject matter hereof and supersedes any and all prior agreements or understandings, (ii) may not be assigned by Executive without the prior written consent of the Employer, and (iii) may be assigned by the Employer and shall be binding upon, and inure to the benefit of, the Employer's successors and assigns. Headings herein are for convenience of reference only and shall not define, limit or interpret the contents hereof.

12. Amendment. This Agreement may be amended, modified or supplemented by the mutual consent of the parties in writing, but no oral amendment, modification or supplement shall be effective.

13. Specific Enforcement. The provisions of Sections 6 and 8 of this Agreement are to be specifically enforced if not performed according to their terms. Without limiting the generality of the foregoing, the parties acknowledge that the Employer may be irreparably damaged and there may be no adequate remedy at law for Executive's breach of Sections 6 and 8 of this Agreement and further acknowledge that the Employer may seek entry of a temporary restraining order or preliminary injunction, in addition to any other remedies available at law or in equity, to enforce the provisions thereof.

14. Severability. If a court of competent jurisdiction adjudicates any

one or more of the provisions hereof as invalid, illegal or unenforceable in any respect, such provision(s) shall be ineffective only to the extent and duration of such invalidity, illegality or unenforceability and such invalidity, illegality or unenforceability shall not affect the remaining substance of such provision or any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had been limited or modified (consistent with its general intent) to the extent necessary so that it shall be valid, legal and enforceable. If it shall not be possible to so limit or modify such invalid, illegal or unenforceable provision, this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, and the parties will use their best efforts to substitute a valid, legal and enforceable provision which, insofar as practicable, implements the purpose and intent of the provision originally contained herein.

15. Governing Law. This Agreement shall be construed and governed by the laws of the State of New York.

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

RECKSON ASSOCIATES REALTY CORP.

By

Name:
Title:

Michael Maturo

AMENDMENT AND RESTATEMENT OF
SEVERANCE AGREEMENT

AMENDMENT AND RESTATEMENT OF SEVERANCE AGREEMENT, dated as of the 15th day of August, 2000 (the "Agreement") by and between Michael Maturo (the "Executive"), and Reckson Associates Realty Corp., a Maryland corporation with a principal place of business at 225 Broadhollow Road, Melville, New York 11747 (the "Employer") and amends, supersedes and completely restates the Severance Agreement made as of February 25, 1998 by and among the Executive and the Employer.

Terms used in this Agreement with the initial letter capitalized shall, unless otherwise defined herein, have the meanings specified in the Amendment and Restatement of Employment and Noncompetition Agreement, dated August 15, 2000, between the Employer and the Executive and in any amendment to or restatement of such agreement (the "Employment Agreement").

W I T N E S S E T H :

WHEREAS, Executive and Employer have previously entered into the Employment Agreement; and

WHEREAS, the Employer desires to continue to employ the Executive and the Executive desires to continue to be employed by the Employer.

NOW THEREFORE, in consideration of the premises and subject to the terms and conditions set forth herein, the parties hereto agree as follows:

1. Employment and Noncompetition Agreement. This Agreement is supplementary to and, except as explicitly set forth herein, does not limit or alter any of the terms and conditions established under the Employment Agreement.

2. Term. The term and duration of this Agreement shall be identical to the term of the Employment Agreement, provided, however, that if a Change-in-Control shall occur during the Employment Period, the term of this Agreement, the Employment Agreement and the Employment Period shall continue in effect until the later of (i) the date on which the term of the Employment Agreement otherwise would have ended or (ii) the date which is sixty months beyond the end of the calendar year in which the Change-in-Control occurs. Section 1 of the Employment Agreement is hereby amended in accordance with the foregoing.

3. Termination and Severance Payments. Sections 7(a), (b) and (c) of the Employment Agreement are hereby superseded in their entirety by this Section 3.

(a) At-Will Employment. Executive's employment pursuant to the Employment Agreement is "at will" and may be terminated by the Employer at any time with or without Good Reason, by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth in this Section 3 and in Sections 7(d) through 7(h) of the Employment Agreement.

(b) Termination by Executive. The Employment Period and Executive's employment under the Employment Agreement may be terminated effective immediately by Executive by written notice to the Board of Directors of the Employer (i) within 30 days of the occurrence of a failure of the Board of Directors of the Employer to elect Executive to offices with the same or substantially the same duties and responsibilities as set forth in Section 2 of the Employment Agreement, (ii) within 30 days of the occurrence of a material failure by the Employer to comply with the provisions of Section 3 of the Employment Agreement or a material breach by the Employer of any other provision of the Employment Agreement, (iii) at any time during the 30 day period beginning on the effective date of a Change in Control and the 30 day period beginning one year after the effective date of a Change-in-Control, or (iv) within 30 days of the occurrence of a Force Out. For this purpose, a Force Out shall be deemed to have occurred in the event of:

(i) a change in duties, responsibilities, status or positions with the Employer, which, in Executive's reasonable judgment, does not represent a promotion from or maintaining of Executive's duties, responsibilities, status or positions as in effect immediately prior to the Change-in-Control, or any removal of Executive from or any failure to reappoint or reelect Executive to such positions, except in connection with the termination of Executive's employment for Good Reason, disability, retirement or death;

(ii) a reduction by the Employer in Executive's Base Salary as in effect immediately prior to the Change-in-Control;

(iii) the failure by the Employer to continue in effect any of the benefit plans, programs or arrangements in which Executive is participating at the time of the Change-in-Control of the Employer (unless Executive is permitted to participate in any substitute benefit plan, program or arrangement with substantially the same terms and to the

same extent and with the same rights as Executive had with respect to the benefit plan, program or arrangement that is discontinued) other than as a result of the normal expiration of any such benefit plan, program or arrangement in accordance with its terms as in effect at the time of the Change-in-Control, or the taking of any action, or the failure to act, by the Employer which would adversely affect Executive's continued participation in any of such benefit plans, programs or arrangements on at least as favorable a basis to Executive as is the case on the date of the Change-in-Control or which would materially reduce Executive's benefits in the future under any of such benefit plans, programs or arrangements or deprive Executive of any material benefits enjoyed by Executive at the time of the Change-in-Control;

(iv) the failure by the Employer to provide and credit Executive with the number of paid vacation days to which Executive is then entitled in accordance with the Employer's normal vacation policies as in effect immediately prior to the Change-in-Control;

(v) the Employer's requiring Executive to be based in an office located beyond a reasonable commuting distance from Executive's residence immediately prior to the Change-in-Control, except for required travel relating to the Employer's business to an extent substantially consistent with the business travel obligations which Executive undertook on behalf of the Employer prior to the Change-in-Control;

(vi) the failure by the Employer to obtain from any successor to the Employer an agreement to be bound by this Agreement and the Employment Agreement; or

(vii) any refusal by the Employer to continue to allow Executive to attend to matters or engage in activities not directly related to the business of the Employer which, prior to the Change-in-Control, Executive was permitted by the Employer's Boards of Directors to attend to or engage in.

(c) Certain Benefits upon Termination by Executive. Except as specifically provided in this Section 3 or in Sections 7(d) through 7(h) of the Employment Agreement or as otherwise required by law, all compensation and benefits to Executive under the Employment Agreement shall terminate on the date of termination of the Employment Period. Notwithstanding the foregoing, if the Employment Period is terminated pursuant to Section 3(b) or if Executive's employment is terminated by the Employer other than for Good Reason, Executive shall be entitled to the following benefits:

(i) The Employer shall pay the Executive (x) his or her full Base Salary though the date of termination at the rate in effect on such date, (y) compensation for accrued but unused vacation time, plus (z) a pro rata portion of the Executive's incentive compensation for the calendar year in which the event of termination occurs, assuming that the Executive would have received incentive compensation for such full calendar year equal to the product of (A) the Base Salary that would be payable to the Executive pursuant to subsection 3(a) of the Employment Agreement for such full calendar year and (B) the greater of (a) 1/2 or (b) a percentage equal to the following

(I) the sum of (x) the cash bonus awarded to the Executive for the immediately preceding fiscal year, (y) the product of the price per share of Common Stock on the date of termination (as equitably adjusted to reflect any changes in the capitalization of the Employer) and the aggregate number of shares of Common Stock granted, sold or covered by options or loans awarded to the Executive as incentive compensation for the immediately preceding fiscal year, and (z) the value of all other incentive compensation paid or awarded to the Executive for the immediately preceding fiscal year (including, without limitation, all such incentive compensation includible in the Executive's gross income and reported on an Internal Revenue Service Form W-2), divided by (II) the Executive's Base Salary for the immediately preceding fiscal year,

(the greater of clauses (a) and (b) being herein referred to as the "Deemed Bonus Percentage");

(ii) The Employer shall pay as severance to the Executive, not later than the tenth day following the date of termination, a lump sum severance payment (the "Severance Payment") equal to the aggregate of all compensation that would have been due to the Executive hereunder had his or her employment not been so terminated (without duplication of subsection 3(c)(i) above), including, without limitation, (A) Base Salary (at the greater of the rate payable pursuant to subsection 3(a) of the Employment Agreement or the highest rate then payable to any Executive Vice President of the Employer), and (B) all incentive compensation which would have been due to the Executive pursuant to subsection 3(b) of the Employment

Agreement, through the expiration of this Agreement (as such Agreement may continue in effect under Section 2 hereof in the event of a Change-in-Control) assuming that the Executive would have received incentive compensation for each calendar year through the expiration of this Agreement (as such Agreement may continue in effect under Section 2 hereof in the event of a Change-in-Control) equal to the product of (x) the Base Salary payable to the Executive pursuant to clause (A), and (y) the Deemed Bonus Percentage (or, if greater, the highest Deemed Bonus Percentage determined with respect to any Executive Vice President of the Employer), payable in the same proportions of cash, grants of securities, loans to purchase securities, loan forgiveness and gross-up payments as the incentive compensation paid to the Executive for the immediately preceding fiscal year; provided, however, that such Severance Payment shall not be payable to the Executive until (I) the Executive has executed and delivered to the Employer a general release in a form to be determined by the Employer in good faith, and (II) any applicable revocation period with respect to such release has expired. For purposes of determining Executive's annual compensation in the preceding sentence, compensation payable to the Executive by the Employer shall include, without limitation, every type and form of compensation includible in the Executive's gross income in respect of his or her employment by the Employer (including, without limitation, all income reported on an Internal Revenue Service Form W-2), compensation income recognized as a result of the Executive's exercise of stock options or sale of the stock so acquired and any annual incentive compensation paid in cash or securities to such Executive;

(iii) An amount equal to the Additional Amount pursuant to Section 5 below and an amount equal to the Income Tax Payment pursuant to Section 6 below;

(iv) For the remaining term of the Employment Agreement, Executive shall continue to receive all benefits described in Section 3 of the Employment Agreement existing immediately prior to the date of termination (without taking into account any changes in such benefits effected in violation of the Employment Agreement) and any other benefits then provided by Employer to Executive in addition to those described in Section 3 of the Employment Agreement, including, but not limited to, the life insurance coverage provided by Employer to Executive and the automobile provided by Employer to Executive and automobile insurance and maintenance in respect of such automobile. For purposes of the application of such benefits, Executive shall be treated as if he or she had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination;

(v) For purposes of any equity compensation plan of the Employer, (x) any stock options or other awards (including restricted stock grants) of the Executive under such plan shall vest and become exercisable upon any such termination, and (y) Executive shall be treated as if he or she had remained in the employ of the Employer for the remaining term of the Employment Agreement after the date of Executive's termination so that Executive shall be entitled to exercise any exercisable options or other rights;

(vi) For purposes of any section 401(k) plan or other deferred compensation plan of the Employer, Executive shall be treated as if he or she had remained in the employ of the Employer for the remaining term of the Employment Agreement after the date of Executive's termination so that Executive may continue to receive all matching contributions as provided by the Employer in connection with such plan or any other contributions by Employer in connection with such plan as in effect immediately prior to such termination;

(vii) The amount of any outstanding loans made by the Employer to the Executive, together with any interest accrued on any such loans, and any related "tax" loans made by the Employer to the Executive in respect of tax liabilities owing as the result of the forgiveness of such loans (including forgiveness pursuant to the terms of this Section 3(c)(vii)), together with any interest accrued on any such tax loans, shall be deemed forgiven and Executive shall have no further liability in respect thereof;

(viii) If, in spite of the provisions above, any benefits or service credits under any benefit plan or program of the Employer may not be paid or provided under such plan or program to Executive, or to Executive's dependents, beneficiaries or estate, because Executive is no longer considered to be an employee of the Employer, the Employer shall pay or provide for payment of such benefits and service credits to Executive, or to Executive's dependents, beneficiaries or estate, for the remaining term of the Employment Agreement; and

(ix) Nothing herein shall be deemed to obligate Executive to

seek other employment in the event of any such termination and any amounts earned or benefits received from such other employment will not serve to reduce in any way the amounts and benefits payable in accordance herewith.

4. Expenses. Section 3(d) of the Employment Agreement is hereby supplemented by this Section 4. In addition to the expenses referred to in Section 3(d) of the Employment Agreement, the Employer shall pay all legal fees and related expenses (including the costs of experts, evidence and counsel) incurred by the Executive as they become due as a result of (i) the termination of the Employment Period or Executive's employment pursuant to this Agreement or the Employment Agreement (including all such fees and expenses, if any, incurred in contesting or disputing any such termination), (ii) the Executive seeking to obtain or enforce any right or benefit provided by this Agreement, the Employment Agreement or by any other plan or arrangement maintained by the Employer under which the Executive is or may be entitled to receive benefits or (iii) any action taken by the Employer against the Executive, unless and until such time that a final judgement has been rendered in favor of the Employer and all appeals related to any such action have been exhausted; provided however, that the circumstances set forth above occurred on or after a Change-in-Control.

5. Additional Amount. Whether or not Section 3 is applicable, if in the opinion of tax counsel selected by the Executive and reasonably acceptable to the Employer, the Executive has received or will receive any compensation or recognize any income (whether or not pursuant to this Agreement, the Employment Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) which will constitute an "excess parachute payment" within the meaning of Section 280G(b)(1) of the Code (or for which a tax is otherwise payable under Section 4999 of the Code), then the Employer shall pay the Executive an additional amount (the "Additional Amount") equal to the sum of (i) all taxes payable by the Executive under Section 4999 of the Code with respect to all such excess parachute payments and any such Additional Amount, plus (ii) all federal, state and local income taxes payable by Executive with respect to any such Additional Amount. Any amounts payable pursuant to this Section 4 shall be paid by the Employer to the Executive within 30 days of each written request therefor made by the Executive.

6. Income Tax Payment. Whether or not Section 3 is applicable, if (i) the Executive has received or will receive any compensation or recognize any income (whether or not pursuant to this Agreement, the Employment Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) in connection with a "Change-in-Control" (as that term may be interpreted in this Agreement, the Employment Agreement or any plan or other arrangement of the Employer), and (ii) such compensation or income represents non-cash compensation or income (including, without limitation, non-cash compensation or income attributable to the vesting or exercise of stock options and other awards (including restricted stock grants) under any stock option plan of the Employer), then the Employer shall pay the Executive in cash an amount (the "Income Tax Payment") equal to the sum of (A) all federal, state and local income taxes payable by Executive with respect to such non-cash compensation or income, plus (B) all federal, state and local income taxes payable by Executive with respect to any such Income Tax Payment. The Income Tax Payment shall be paid by the Employer to the Executive within 30 days of the written request therefor made by the Executive.

7. Notices. Any notice required or permitted hereunder shall be in writing and shall be deemed sufficient when given by hand, by nationally recognized overnight courier or by express, registered or certified mail, postage prepaid, return receipt requested, and addressed to the Employer or Executive, as applicable, at the address indicated above (or to such other address as may be provided by notice).

8. Miscellaneous. This Agreement (i) may not be assigned by Executive without the prior written consent of the Employer and (ii) may be assigned by the Employer and shall be binding upon, and inure to the benefit of, the Employer's successors and assigns. Headings herein are for convenience of reference only and shall not define, limit or interpret the contents hereof.

9. Amendment. This Agreement may be amended, modified or supplemented by the mutual consent of the parties in writing, but no oral amendment, modification or supplement shall be effective.

10. Severability. If a court of competent jurisdiction adjudicates any one or more of the provisions hereof as invalid, illegal or unenforceable in any respect, such provision(s) shall be ineffective only to the extent and duration of such invalidity, illegality or unenforceability and such invalidity, illegality or unenforceability shall not affect the remaining substance of such provision or any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had been limited or modified (consistent with its general intent) to the extent necessary so that it shall be valid, legal and enforceable. If it shall not be possible to so limit or modify such invalid, illegal or

unenforceable provision, this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, and the parties will use their best efforts to substitute a valid, legal and enforceable provision which, insofar as practicable, implements the purpose and intent of the provision originally contained herein.

11. Governing Law. This Agreement shall be construed and governed by the laws of the State of New York.

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

RECKSON ASSOCIATES REALTY CORP.

By:

Name:
Title:

Michael Maturo

AMENDMENT AND RESTATEMENT OF EMPLOYMENT AND NONCOMPETITION AGREEMENT

This AMENDMENT AND RESTATEMENT OF EMPLOYMENT AND NONCOMPETITION AGREEMENT ("Agreement") is made as of the 15th day of August, 2000 by and between Mitchell Rechler ("Executive") and Reckson Associates Realty Corp., a Maryland corporation with a principal place of business at 225 Broadhollow Road, Melville, New York 11747 (the "Employer") and amends, supersedes and completely restates the Employment and Noncompetition Agreement made as of June 1, 1998 (the "Prior Agreement"), by and between the Executive and the Employer.

1. Term. The term of this Agreement shall commence on the date first above written and, unless earlier terminated as provided in Paragraph 7 below, shall terminate on the fifth anniversary of such date (the "Original Term"); provided, however, that Sections 6 and 8 hereof shall survive the termination of this Agreement as provided therein. The Original Term may be extended for such period or periods, if any, as agreed to by Executive and the Employer (each a "Renewal Term"). The period of Executive's employment hereunder consisting of the Original Term and all Renewal Terms is herein referred to as the "Employment Period".

2. Employment and Duties.

(a) During the Employment Period, Executive shall be employed in the business of the Employer and its affiliates. Executive shall serve the Employer as a senior corporate executive with the titles Co-Chief Operating Officer and Executive Vice President of the Employer. Executive's duties and authority shall be as set forth in the By-laws of the Employer and as otherwise established by the Board of Directors of the Employer, and shall be commensurate with his titles and positions with the Employer.

(b) Executive agrees to his employment as described in this Paragraph 2 and agrees to devote substantially all of his business time and efforts to the performance of his duties under this Agreement, except as otherwise approved by the Board of Directors of the Employer; provided, however, that nothing herein shall be interpreted to preclude Executive from (i) serving as a member of the Board of Directors of Frontline Capital Group ("FrontLine") or (ii) investing his assets as a passive investor in other entities or business ventures, provided that he performs no management or similar role with respect to such other entities or ventures and such investment does not violate Section 8 hereof.

(c) In performing his duties hereunder, Executive shall be available for reasonable travel as the needs of the Employer's business require. Executive shall be based in Nassau County, Suffolk County or New York County, New York.

3. Compensation and Benefits. In consideration of Executive's services hereunder, the Employer shall compensate Executive as provided in this Section 3.

(a) Base Salary. The Employer shall pay Executive an aggregate annual salary at the rate of $400,000 per annum during the Employment Period ("Base Salary"), subject to withholding for applicable federal, state and local taxes. Base Salary shall be payable in accordance with the Employer's normal business practices, but in no event less frequently than monthly. Executive's Base Salary shall be reviewed no less frequently than annually by the Employer and may be increased, but not decreased, by the Employer during the Employment Period.

(b) Incentive Compensation. In addition to the Base Salary payable to Executive pursuant to Section 3(a), during the Employment Period Executive shall be eligible to participate in any incentive compensation plans in effect with respect to senior executive officers of the Employer, subject to Executive's compliance with such criteria as the Employer's Board of Directors may establish for Executive's participation in such plans from time to time. Any awards to Executive under such plans will be established by the Employer's Board of Directors, or a committee thereof, in its sole discretion.

(c) Stock Options. During the Employment Period, Executive shall be eligible to participate in employee stock option plans established from time to time for the benefit of senior executive officers and other employees of the Employer in accordance with the terms and conditions of such plans. All decisions regarding awards to Executive under the Employer's stock option plans shall be made in the sole discretion of the Employer's Board of Directors, or a committee thereof.

(d) Expenses. Executive shall be reimbursed for all reasonable business related expenses incurred by Executive at the request of or on behalf of the Employer, subject to such reasonable requirements with respect to substantiation and documentation as may be specified by the Employer.

(e) Medical and Dental Insurance. During the Employment Period, Executive and Executive's immediate family shall be entitled to participate in such medical and dental benefit plans as the Employer shall maintain from time

to time for the benefit of senior executive officers of the Employer and their families, on the terms and subject to the conditions set forth in such plans.

(f) Life Insurance and Disability Insurance. During the Employment Period, the Employer shall provide Executive with life insurance policies and coverage and comprehensive disability insurance coverage of the same type and at the same levels in effect with respect to other senior executive officers of the Employer.

(g) Vacations. Executive shall be entitled to four weeks of paid vacation per annum in accordance with the then regular procedures of the Employer governing senior executive officers.

(h) Other Benefits. During the Employment Period, the Employer shall provide to Executive such other benefits, including sick leave and the right to participate in retirement or pension plans, as are made generally available to senior executive officers and employees of the Employer from time to time.

4. Indemnification and Liability Insurance. The Employer agrees to indemnify Executive with respect to any actions commenced against Executive in his capacity as an officer or director, or former officer or director, of the Employer or any affiliate thereof for which he may serve in such capacity. The Employer also agrees to use its best efforts to secure and maintain officers and directors liability insurance providing coverage for Executive.

5. Employer's Policies. Executive agrees to observe and comply with the rules and regulations of the Employer as adopted by its Board of Directors regarding the performance of his duties and to carry out and perform orders, directions and policies communicated to him from time to time by the Employer's Board of Directors.

6. Nondisclosure Covenant.

(a) General. All records, financial statements and similar documents obtained, reviewed or compiled by Executive in the course of the performance by him of services for the Employer, whether or not confidential information or trade secrets, shall be the exclusive property of the Employer. Executive shall have no rights in such documents upon any termination of this Agreement.

(b) Confidential Information. Executive will not disclose to any person or entity (except as required by applicable law or in connection with the performance of his duties and responsibilities hereunder), or use for his own benefit or gain, any confidential information of the Employer obtained by him incident to his employment with the Employer. The term "confidential information" includes, without limitation, financial information, business plans, prospects and opportunities which have been discussed or considered by the management of the Employer but does not include any information which has become part of the public domain by means other than Executive's non-observance of his obligations hereunder. This paragraph shall survive the termination of this Agreement.

7. Termination and Severance Payments.

(a) At-Will Employment. Executive's employment hereunder is "at will" and may be terminated by the Employer at any time with or without Good Reason (as defined in Section 7(e) below), by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth in this Section 7, and by the Executive at any time, whether pursuant to Section 7(b) or otherwise.

(b) Termination by Executive. The Employment Period and Executive's employment hereunder may be terminated effective immediately by Executive by written notice to the Board of Directors of the Employer within 30 days of the occurrence of (i) a failure of the Board of Directors of the Employer to elect Executive to offices with the same or substantially the same duties and responsibilities as set forth in Section 2, or (ii) a material failure by the Employer to comply with the provisions of Section 3 or a material breach by the Employer of any other provision of this Agreement.

(c) Certain Benefits upon Termination by Executive. Except as specifically provided in this Section 7 or otherwise required by law, all compensation and benefits to Executive under this Agreement shall terminate on the date of termination of the Employment Period. Notwithstanding the foregoing, if the Employment Period is terminated pursuant to Section 7(b) or if Executive's employment is terminated by the Employer other than for Good Reason, Executive shall be entitled to the following benefits:

(i) The Employer shall continue to pay Executive's Base Salary for the remaining term of this Agreement after the date of Executive's termination, at the rate in effect on the date of his termination and on the same periodic payment dates as payment would have been made to Executive had the Employment Period not been terminated;

(ii) For the remaining term of this Agreement, Executive shall continue to receive all benefits described in Section 3 existing

immediately prior to the date of termination, without taking into account any changes in such benefits effected in violation of this Agreement. For purposes of the application of such benefits, Executive shall be treated as if he had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination;

(iii) For purposes of any stock option plan of the Employer, Executive shall be treated as if he had remained in the employ of the Employer for the remaining term of this Agreement after the date of Executive's termination so that (x) any stock options or other awards (including restricted stock grants) of the Executive under such plan shall continue to vest and become exercisable, and (y) Executive shall be entitled to exercise any exercisable options or other rights;

(iv) If, in spite of the provisions above, any benefits or service credits under any benefit plan or program of the Employer may not be paid or provided under such plan or program to Executive, or to Executive's dependents, beneficiaries or estate, because Executive is no longer considered to be an employee of the Employer, the Employer shall pay or provide for payment of such benefits and service credits to Executive, or to Executive's dependents, beneficiaries or estate, for the remaining term of this Agreement; and

(v) Nothing herein shall be deemed to obligate Executive to seek other employment in the event of any such termination and any amounts earned or benefits received from such other employment will not serve to reduce in any way the amounts and benefits payable in accordance herewith.

(d) Termination by the Employer for Good Reason. If (i) Executive is terminated for Good Reason or (ii) Executive shall voluntarily terminate his employment hereunder (other than pursuant to Section 7(b) hereof), then the Employment Period shall terminate as of the effective date set forth in the written notice of such termination (the "Termination Date") and Executive shall be entitled to receive only his Base Salary at the rate then in effect until the Termination Date and any outstanding stock options held by Executive shall expire in accordance with the terms of the stock option plan or option agreement under which the stock options were granted.

(e) Definitions. The following terms shall be defined as set forth below.

(i) A "Change-in-Control" shall be deemed to have occurred after the effective date of this Agreement if:

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

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

(C) the stockholders of the Employer shall approve (1) any consolidation or merger of the Employer or any subsidiary where the stockholders of the Employer, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, but based solely on their prior ownership of shares of the Employer, shares representing in the aggregate more than 60% of the voting shares of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (2) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or

substantially all of the assets of the Employer or (3) any plan or proposal for the liquidation or dissolution of the Employer;

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

(ii) "Good Reason" shall mean a finding by the Employer's Board of Directors that Executive has (A) acted with gross negligence or willful misconduct in connection with the performance of his material duties hereunder; (B) defaulted in the performance of his material duties hereunder and has not corrected such action within 15 days of receipt of written notice thereof; (C) willfully acted against the best interests of the Employer, which act has had a material and adverse impact on the financial affairs of the Employer; or (D) been convicted of a felony or committed a material act of common law fraud against the Employer or its employees and such act or conviction has had, or the Employer's Board of Directors reasonably determines will have, a material adverse effect on the interests of the Employer; provided, however, that a finding of Good Reason shall not become effective unless and until the Board of Directors provides the Executive notice that it is considering making such finding and a reasonable opportunity to be heard by the Board of Directors.

(iii) "Person" shall have the meaning used in Sections 13(d) and 14(d) of the Exchange Act; provided however, that the term "Person" shall not include (A) any executive officer of the Employer on the date hereof, or (B) the Employer, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Employer or any of its subsidiaries.

(f) Termination by Reason of Death. The Employment Period shall terminate upon Executive's death and in such event, the Employer shall pay Executive's Base Salary for a period of six (6) months from the date of his death, or such longer period as the Employer's Boards of Directors may determine, to Executive's estate or to a beneficiary designated by Executive in writing prior to his death. Any unexercised or unvested stock options shall remain exercisable or vest upon Executive's death only to the extent provided in the applicable option plan and option agreements.

(g) Termination by Reason of Disability. In the event that Executive shall become unable to efficiently perform his duties hereunder because of any physical or mental disability or illness, Executive shall be entitled to be paid his Base Salary until the later of such time when (i) the period of disability or illness (whether or not the same disability or illness) shall exceed 180 consecutive days during the Employment Period and (ii) Executive becomes eligible to receive benefits under a comprehensive disability insurance policy obtained by the Employer (the "Disability Period"). Following the expiration of the Disability Period, the Employer may terminate this Agreement upon written notice of such termination. Any unexercised or unvested stock options shall remain exercisable or vest upon such termination only to the extent provided in the applicable option plan and option agreements .

(h) Arbitration in the Event of a Dispute Regarding the Nature of Termination. In the event that the Employer terminates Executive's employment for Good Reason and Executive contends that Good Reason did not exist, the Employer's only obligation shall be to submit such claim to arbitration before the American Arbitration Association ("AAA"). In such a proceeding, the only issue before the arbitrator will be whether Executive was in fact terminated for Good Reason. If the arbitrator determines that Executive was not terminated for Good Reason, the only remedy that the arbitrator may award is entitlement to the severance payments and benefits specified in Paragraph 7(c), the costs of arbitration, and Executive's attorneys' fees. If the arbitrator finds that Executive was terminated for Good Reason, the arbitrator will be without authority to award Executive anything, the parties will each be responsible for their own attorneys' fees, and the costs of arbitration will be paid 50% by Executive and 50% by the Employer.

8. Noncompetition Covenant.

(a) Because Executive's services to the Employer are essential and because Executive has access to the Employer's confidential information, Executive covenants and agrees that (i) during the Employment Period and (ii) in the event that this Agreement is terminated by the Employer for Good Reason or by Executive other than pursuant to Section 7(b) hereof, during the Noncompetition Period Executive will not, without the prior written consent of

the Board of Directors of the Employer which shall include the unanimous consent of the Directors who are not officers of the Employer, directly or indirectly:

(A) engage, participate or assist, as an owner, partner, employee, consultant, director, officer, trustee or agent, in any business that engages or attempts to engage in, directly or indirectly, the acquisition, development, construction, operation, management or leasing of any industrial or office real estate property in any of the submarkets throughout the tri-state metropolitan area of New York, New Jersey and Connecticut in which the Company is operating, or

(B) intentionally interfere with, disrupt or attempt to disrupt the relationship, contractual or otherwise, between the Employer or its affiliates and any tenant, supplier, contractor, lender, employee or governmental agency or authority.

(b) For purposes of this Section 8, the Noncompetition Period shall mean the period commencing on the date of termination of Executive's employment under this Agreement and ending on the later of (i) the third anniversary of the effective date of the Prior Agreement, or (ii) the first anniversary of the date of termination of Executive's employment under this Agreement.

(c) Notwithstanding anything contained herein to the contrary, Executive is not prohibited by this Section 8 from (i) maintaining his investment in any Option Property (as such term is defined in the Employer's final prospectus relating to the initial public offering of the Employer's Common Stock), (ii) from making investments in any entity that engages, directly or indirectly, in the acquisition, development, construction, operation, management or leasing of industrial or office real estate properties, regardless of where they are located, if the shares or other ownership interests of such entity are publicly traded and Executive's aggregate investment in such entity constitutes less than five percent (5%) of the equity ownership of such entity, or (iii) serving as a member of the Board of Directors of FrontLine.

(d) The provisions of this Section 8 shall survive the termination of this Agreement.

9. Conflicting Agreements. Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which he is a party or is bound, and that he is not now subject to any covenants against competition or similar covenants which would affect the performance of his obligations hereunder.

10. Notices. Any notice required or permitted hereunder shall be in writing and shall be deemed sufficient when given by hand, by nationally recognized overnight courier or by express, registered or certified mail, postage prepaid, return receipt requested, and addressed to the Employer or Executive, as applicable, at the address indicated above (or to such other address as may be provided by notice).

11. Miscellaneous. This Agreement and the Severance Agreement (i) constitute the entire agreement between the parties concerning the subject matter hereof and supersedes any and all prior agreements or understandings, (ii) may not be assigned by Executive without the prior written consent of the Employer, and (iii) may be assigned by the Employer and shall be binding upon, and inure to the benefit of, the Employer's successors and assigns. Headings herein are for convenience of reference only and shall not define, limit or interpret the contents hereof.

12. Amendment. This Agreement may be amended, modified or supplemented by the mutual consent of the parties in writing, but no oral amendment, modification or supplement shall be effective.

13. Specific Enforcement. The provisions of Sections 6 and 8 of this Agreement are to be specifically enforced if not performed according to their terms. Without limiting the generality of the foregoing, the parties acknowledge that the Employer may be irreparably damaged and there may be no adequate remedy at law for Executive's breach of Sections 6 and 8 of this Agreement and further acknowledge that the Employer may seek entry of a temporary restraining order or preliminary injunction, in addition to any other remedies available at law or in equity, to enforce the provisions thereof.

14. Severability. If a court of competent jurisdiction adjudicates any one or more of the provisions hereof as invalid, illegal or unenforceable in any respect, such provision(s) shall be ineffective only to the extent and duration of such invalidity, illegality or unenforceability and such invalidity, illegality or unenforceability shall not affect the remaining substance of such provision or any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable

provision had been limited or modified (consistent with its general intent) to the extent necessary so that it shall be valid, legal and enforceable. If it shall not be possible to so limit or modify such invalid, illegal or unenforceable provision, this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, and the parties will use their best efforts to substitute a valid, legal and enforceable provision which, insofar as practicable, implements the purpose and intent of the provision originally contained herein.

15. Governing Law. This Agreement shall be construed and governed by the laws of the State of New York.

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

RECKSON ASSOCIATES REALTY CORP.

By:

Name:
Title:

Mitchell Rechler

AMENDMENT AND RESTATEMENT OF
SEVERANCE AGREEMENT

AMENDMENT AND RESTATEMENT OF SEVERANCE AGREEMENT, dated as of the 15th day of August, 2000 (the "Agreement") by and between Mitchell Rechler (the "Executive"), and Reckson Associates Realty Corp., a Maryland corporation with a principal place of business at 225 Broadhollow Road, Melville, New York 11747 (the "Employer") and amends, supersedes and completely restates the Severance Agreement made as of February 25, 1998 by and among the Executive and the Employer.

Terms used in this Agreement with the initial letter capitalized shall, unless otherwise defined herein, have the meanings specified in the Amendment and Restatement of Employment and Noncompetition Agreement, dated August 15, 2000, between the Employer and the Executive and in any amendment to or restatement of such agreement (the "Employment Agreement").

W I T N E S S E T H :

WHEREAS, Executive and Employer have previously entered into the Employment Agreement; and

WHEREAS, the Employer desires to continue to employ the Executive and the Executive desires to continue to be employed by the Employer.

NOW THEREFORE, in consideration of the premises and subject to the terms and conditions set forth herein, the parties hereto agree as follows:

1. Employment and Noncompetition Agreement. This Agreement is supplementary to and, except as explicitly set forth herein, does not limit or alter any of the terms and conditions established under the Employment Agreement.

2. Term. The term and duration of this Agreement shall be identical to the term of the Employment Agreement, provided, however, that if a Change-in-Control shall occur during the Employment Period, the term of this Agreement, the Employment Agreement and the Employment Period shall continue in effect until the later of (i) the date on which the term of the Employment Agreement otherwise would have ended or (ii) the date which is sixty months beyond the end of the calendar year in which the Change-in-Control occurs. Section 1 of the Employment Agreement is hereby amended in accordance with the foregoing.

3. Termination and Severance Payments. Sections 7(a), (b) and (c) of the Employment Agreement are hereby superseded in their entirety by this Section 3.

(a) At-Will Employment. Executive's employment pursuant to the Employment Agreement is "at will" and may be terminated by the Employer at any time with or without Good Reason, by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth in this Section 3 and in Sections 7(d) through 7(h) of the Employment Agreement.

(b) Termination by Executive. The Employment Period and Executive's employment under the Employment Agreement may be terminated effective immediately by Executive by written notice to the Board of Directors of the Employer (i) within 30 days of the occurrence of a failure of the Board of Directors of the Employer to elect Executive to offices with the same or substantially the same duties and responsibilities as set forth in Section 2 of the Employment Agreement, (ii) within 30 days of the occurrence of a material failure by the Employer to comply with the provisions of Section 3 of the Employment Agreement or a material breach by the Employer of any other provision of the Employment Agreement, (iii) at any time during the 30 day period beginning on the effective date of a Change in Control and the 30 day period beginning one year after the effective date of a Change-in-Control, or (iv) within 30 days of the occurrence of a Force Out. For this purpose, a Force Out shall be deemed to have occurred in the event of:

(i) a change in duties, responsibilities, status or positions with the Employer, which, in Executive's reasonable judgment, does not represent a promotion from or maintaining of Executive's duties, responsibilities, status or positions as in effect immediately prior to the Change-in-Control, or any removal of Executive from or any failure to reappoint or reelect Executive to such positions, except in connection with the termination of Executive's employment for Good Reason, disability, retirement or death;

(ii) a reduction by the Employer in Executive's Base Salary as in effect immediately prior to the Change-in-Control;

(iii) the failure by the Employer to continue in effect any of the benefit plans, programs or arrangements in which Executive is participating at the time of the Change-in-Control of the Employer (unless Executive is permitted to participate in any substitute benefit plan, program or arrangement with substantially the same terms and to the

same extent and with the same rights as Executive had with respect to the benefit plan, program or arrangement that is discontinued) other than as a result of the normal expiration of any such benefit plan, program or arrangement in accordance with its terms as in effect at the time of the Change-in-Control, or the taking of any action, or the failure to act, by the Employer which would adversely affect Executive's continued participation in any of such benefit plans, programs or arrangements on at least as favorable a basis to Executive as is the case on the date of the Change-in-Control or which would materially reduce Executive's benefits in the future under any of such benefit plans, programs or arrangements or deprive Executive of any material benefits enjoyed by Executive at the time of the Change-in-Control;

(iv) the failure by the Employer to provide and credit Executive with the number of paid vacation days to which Executive is then entitled in accordance with the Employer's normal vacation policies as in effect immediately prior to the Change-in-Control;

(v) the Employer's requiring Executive to be based in an office located beyond a reasonable commuting distance from Executive's residence immediately prior to the Change-in-Control, except for required travel relating to the Employer's business to an extent substantially consistent with the business travel obligations which Executive undertook on behalf of the Employer prior to the Change-in-Control;

(vi) the failure by the Employer to obtain from any successor to the Employer an agreement to be bound by this Agreement and the Employment Agreement; or

(vii) any refusal by the Employer to continue to allow Executive to attend to matters or engage in activities not directly related to the business of the Employer which, prior to the Change-in-Control, Executive was permitted by the Employer's Boards of Directors to attend to or engage in.

(c) Certain Benefits upon Termination by Executive. Except as specifically provided in this Section 3 or in Sections 7(d) through 7(h) of the Employment Agreement or as otherwise required by law, all compensation and benefits to Executive under the Employment Agreement shall terminate on the date of termination of the Employment Period. Notwithstanding the foregoing, if the Employment Period is terminated pursuant to Section 3(b) or if Executive's employment is terminated by the Employer other than for Good Reason, Executive shall be entitled to the following benefits:

(i) The Employer shall pay the Executive (x) his or her full Base Salary though the date of termination at the rate in effect on such date, (y) compensation for accrued but unused vacation time, plus (z) a pro rata portion of the Executive's incentive compensation for the calendar year in which the event of termination occurs, assuming that the Executive would have received incentive compensation for such full calendar year equal to the product of (A) the Base Salary that would be payable to the Executive pursuant to subsection 3(a) of the Employment Agreement for such full calendar year and (B) the greater of (a) 1/2 or (b) a percentage equal to the following

(I) the sum of (x) the cash bonus awarded to the Executive for the immediately preceding fiscal year, (y) the product of the price per share of Common Stock on the date of termination (as equitably adjusted to reflect any changes in the capitalization of the Employer) and the aggregate number of shares of Common Stock granted, sold or covered by options or loans awarded to the Executive as incentive compensation for the immediately preceding fiscal year, and (z) the value of all other incentive compensation paid or awarded to the Executive for the immediately preceding fiscal year (including, without limitation, all such incentive compensation includible in the Executive's gross income and reported on an Internal Revenue Service Form W-2), divided by (II) the Executive's Base Salary for the immediately preceding fiscal year,

(the greater of clauses (a) and (b) being herein referred to as the "Deemed Bonus Percentage");

(ii) The Employer shall pay as severance to the Executive, not later than the tenth day following the date of termination, a lump sum severance payment (the "Severance Payment") equal to the aggregate of all compensation that would have been due to the Executive hereunder had his or her employment not been so terminated (without duplication of subsection 3(c)(i) above), including, without limitation, (A) Base Salary (at the greater of the rate payable pursuant to subsection 3(a) of the Employment Agreement or the highest rate then payable to any Executive Vice President of the Employer), and (B) all incentive compensation which would have been due to the Executive pursuant to subsection 3(b) of the Employment Agreement, through the expiration of this Agreement (as such Agreement may continue in effect under Section 2 hereof in the event of a

Change-in-Control) assuming that the Executive would have received incentive compensation for each calendar year through the expiration of this Agreement (as such Agreement may continue in effect under Section 2 hereof in the event of a Change-in-Control) equal to the product of (x) the Base Salary payable to the Executive pursuant to clause (A), and (y) the Deemed Bonus Percentage (or, if greater, the highest Deemed Bonus Percentage determined with respect to any Executive Vice President of the Employer), payable in the same proportions of cash, grants of securities, loans to purchase securities, loan forgiveness and gross-up payments as the incentive compensation paid to the Executive for the immediately preceding fiscal year; provided, however, that such Severance Payment shall not be payable to the Executive until (I) the Executive has executed and delivered to the Employer a general release in a form to be determined by the Employer in good faith, and (II) any applicable revocation period with respect to such release has expired. For purposes of determining Executive's annual compensation in the preceding sentence, compensation payable to the Executive by the Employer shall include, without limitation, every type and form of compensation includible in the Executive's gross income in respect of his or her employment by the Employer (including, without limitation, all income reported on an Internal Revenue Service Form W-2), compensation income recognized as a result of the Executive's exercise of stock options or sale of the stock so acquired and any annual incentive compensation paid in cash or securities to such Executive;

(iii) An amount equal to the Additional Amount pursuant to Section 5 below and an amount equal to the Income Tax Payment pursuant to Section 6 below;

(iv) For the remaining term of the Employment Agreement, Executive shall continue to receive all benefits described in Section 3 of the Employment Agreement existing immediately prior to the date of termination (without taking into account any changes in such benefits effected in violation of the Employment Agreement) and any other benefits then provided by Employer to Executive in addition to those described in Section 3 of the Employment Agreement, including, but not limited to, the life insurance coverage provided by Employer to Executive and the automobile provided by Employer to Executive and automobile insurance and maintenance in respect of such automobile. For purposes of the application of such benefits, Executive shall be treated as if he or she had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination;

(v) For purposes of any equity compensation plan of the Employer, (x) any stock options or other awards (including restricted stock grants) of the Executive under such plan shall vest and become exercisable upon any such termination, and (y) Executive shall be treated as if he or she had remained in the employ of the Employer for the remaining term of the Employment Agreement after the date of Executive's termination so that Executive shall be entitled to exercise any exercisable options or other rights;

(vi) For purposes of any section 401(k) plan or other deferred compensation plan of the Employer, Executive shall be treated as if he or she had remained in the employ of the Employer for the remaining term of the Employment Agreement after the date of Executive's termination so that Executive may continue to receive all matching contributions as provided by the Employer in connection with such plan or any other contributions by Employer in connection with such plan as in effect immediately prior to such termination;

(vii) The amount of any outstanding loans made by the Employer to the Executive, together with any interest accrued on any such loans, and any related "tax" loans made by the Employer to the Executive in respect of tax liabilities owing as the result of the forgiveness of such loans (including forgiveness pursuant to the terms of this Section 3(c)(vii)), together with any interest accrued on any such tax loans, shall be deemed forgiven and Executive shall have no further liability in respect thereof;

(viii) If, in spite of the provisions above, any benefits or service credits under any benefit plan or program of the Employer may not be paid or provided under such plan or program to Executive, or to Executive's dependents, beneficiaries or estate, because Executive is no longer considered to be an employee of the Employer, the Employer shall pay or provide for payment of such benefits and service credits to Executive, or to Executive's dependents, beneficiaries or estate, for the remaining term of the Employment Agreement; and

(ix) Nothing herein shall be deemed to obligate Executive to seek other employment in the event of any such termination and any amounts earned or benefits received from such other employment will not serve to reduce in any way the amounts and benefits payable in accordance herewith.

4. Expenses. Section 3(d) of the Employment Agreement is hereby

supplemented by this Section 4. In addition to the expenses referred to in Section 3(d) of the Employment Agreement, the Employer shall pay all legal fees and related expenses (including the costs of experts, evidence and counsel) incurred by the Executive as they become due as a result of (i) the termination of the Employment Period or Executive's employment pursuant to this Agreement or the Employment Agreement (including all such fees and expenses, if any, incurred in contesting or disputing any such termination), (ii) the Executive seeking to obtain or enforce any right or benefit provided by this Agreement, the Employment Agreement or by any other plan or arrangement maintained by the Employer under which the Executive is or may be entitled to receive benefits or (iii) any action taken by the Employer against the Executive, unless and until such time that a final judgement has been rendered in favor of the Employer and all appeals related to any such action have been exhausted; provided however, that the circumstances set forth above occurred on or after a Change-in-Control.

5. Additional Amount. Whether or not Section 3 is applicable, if in the opinion of tax counsel selected by the Executive and reasonably acceptable to the Employer, the Executive has received or will receive any compensation or recognize any income (whether or not pursuant to this Agreement, the Employment Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) which will constitute an "excess parachute payment" within the meaning of Section 280G(b)(1) of the Code (or for which a tax is otherwise payable under Section 4999 of the Code), then the Employer shall pay the Executive an additional amount (the "Additional Amount") equal to the sum of (i) all taxes payable by the Executive under Section 4999 of the Code with respect to all such excess parachute payments and any such Additional Amount, plus (ii) all federal, state and local income taxes payable by Executive with respect to any such Additional Amount. Any amounts payable pursuant to this Section 4 shall be paid by the Employer to the Executive within 30 days of each written request therefor made by the Executive.

6. Income Tax Payment. Whether or not Section 3 is applicable, if (i) the Executive has received or will receive any compensation or recognize any income (whether or not pursuant to this Agreement, the Employment Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) in connection with a "Change-in-Control" (as that term may be interpreted in this Agreement, the Employment Agreement or any plan or other arrangement of the Employer), and (ii) such compensation or income represents non-cash compensation or income (including, without limitation, non-cash compensation or income attributable to the vesting or exercise of stock options and other awards (including restricted stock grants) under any stock option plan of the Employer), then the Employer shall pay the Executive in cash an amount (the "Income Tax Payment") equal to the sum of (A) all federal, state and local income taxes payable by Executive with respect to such non-cash compensation or income, plus (B) all federal, state and local income taxes payable by Executive with respect to any such Income Tax Payment. The Income Tax Payment shall be paid by the Employer to the Executive within 30 days of the written request therefor made by the Executive.

7. Notices. Any notice required or permitted hereunder shall be in writing and shall be deemed sufficient when given by hand, by nationally recognized overnight courier or by express, registered or certified mail, postage prepaid, return receipt requested, and addressed to the Employer or Executive, as applicable, at the address indicated above (or to such other address as may be provided by notice).

8. Miscellaneous. This Agreement (i) may not be assigned by Executive without the prior written consent of the Employer and (ii) may be assigned by the Employer and shall be binding upon, and inure to the benefit of, the Employer's successors and assigns. Headings herein are for convenience of reference only and shall not define, limit or interpret the contents hereof.

9. Amendment. This Agreement may be amended, modified or supplemented by the mutual consent of the parties in writing, but no oral amendment, modification or supplement shall be effective.

10. Severability. If a court of competent jurisdiction adjudicates any one or more of the provisions hereof as invalid, illegal or unenforceable in any respect, such provision(s) shall be ineffective only to the extent and duration of such invalidity, illegality or unenforceability and such invalidity, illegality or unenforceability shall not affect the remaining substance of such provision or any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had been limited or modified (consistent with its general intent) to the extent necessary so that it shall be valid, legal and enforceable. If it shall not be possible to so limit or modify such invalid, illegal or unenforceable provision, this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, and the parties will use their best efforts to substitute a valid, legal and enforceable provision which, insofar as practicable, implements the purpose and intent of the provision originally contained herein.

11. Governing Law. This Agreement shall be construed and governed by the

laws of the State of New York.

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

RECKSON ASSOCIATES REALTY CORP.

By:

Name:
Title:

Mitchell Rechler

AMENDMENT AND RESTATEMENT OF EMPLOYMENT AND NONCOMPETITION AGREEMENT

This AMENDMENT AND RESTATEMENT OF EMPLOYMENT AND NONCOMPETITION AGREEMENT ("Agreement") is made as of the 15th day of August, 2000 by and between Scott Rechler ("Executive") and Reckson Associates Realty Corp., a Maryland corporation with a principal place of business at 225 Broadhollow Road, Melville, New York 11747 (the "Employer") and amends, supersedes and completely restates the Employment and Noncompetition Agreement made as of June 1, 1998 (the "Prior Agreement"), by and between the Executive and the Employer.

1. Term. The term of this Agreement shall commence on the date first above written and, unless earlier terminated as provided in Paragraph 7 below, shall terminate on the fifth anniversary of such date (the "Original Term"); provided, however, that Sections 6 and 8 hereof shall survive the termination of this Agreement as provided therein. The Original Term may be extended for such period or periods, if any, as agreed to by Executive and the Employer (each a "Renewal Term"). The period of Executive's employment hereunder consisting of the Original Term and all Renewal Terms is herein referred to as the "Employment Period".

2. Employment and Duties.

(a) During the Employment Period, Executive shall be employed in the business of the Employer and its affiliates. Executive shall serve the Employer as a senior corporate executive with the titles Co-Chief Executive Officer and President of the Employer. Executive's duties and authority shall be as set forth in the By-laws of the Employer and as otherwise established by the Board of Directors of the Employer, and shall be commensurate with his titles and positions with the Employer.

(b) Executive agrees to his employment as described in this Paragraph 2 and agrees to devote substantially all of his business time and efforts to the performance of his duties under this Agreement, except as otherwise approved by the Board of Directors of the Employer; provided, however, that nothing herein shall be interpreted to preclude Executive from (i) providing services to FrontLine Capital Group ("FrontLine") and its affiliates, or (ii) investing his assets as a passive investor in other entities or business ventures, provided that he performs no management or similar role with respect to such other entities or ventures and such investment does not violate Section 8 hereof.

(c) In performing his duties hereunder, Executive shall be available for reasonable travel as the needs of the Employer's business require. Executive shall be based in Nassau County, Suffolk County or New York County, New York.

3. Compensation and Benefits. In consideration of Executive's services hereunder, the Employer shall compensate Executive as provided in this Section 3.

(a) Base Salary. The Employer shall pay Executive an aggregate annual salary at the rate of $525,000 per annum during the Employment Period ("Base Salary"), subject to withholding for applicable federal, state and local taxes. Base Salary shall be payable in accordance with the Employer's normal business practices, but in no event less frequently than monthly. Executive's Base Salary shall be reviewed no less frequently than annually by the Employer and may be increased, but not decreased, by the Employer during the Employment Period.

(b) Incentive Compensation. In addition to the Base Salary payable to Executive pursuant to Section 3(a), during the Employment Period Executive shall be eligible to participate in any incentive compensation plans in effect with respect to senior executive officers of the Employer, subject to Executive's compliance with such criteria as the Employer's Board of Directors may establish for Executive's participation in such plans from time to time. Any awards to Executive under such plans will be established by the Employer's Board of Directors, or a committee thereof, in its sole discretion.

(c) Stock Options. During the Employment Period, Executive shall be eligible to participate in employee stock option plans established from time to time for the benefit of senior executive officers and other employees of the Employer in accordance with the terms and conditions of such plans. All decisions regarding awards to Executive under the Employer's stock option plans shall be made in the sole discretion of the Employer's Board of Directors, or a committee thereof.

(d) Expenses. Executive shall be reimbursed for all reasonable business related expenses incurred by Executive at the request of or on behalf of the Employer, subject to such reasonable requirements with respect to substantiation and documentation as may be specified by the Employer.

(e) Medical and Dental Insurance. During the Employment Period, Executive and Executive's immediate family shall be entitled to participate in such medical and dental benefit plans as the Employer shall maintain from time

to time for the benefit of senior executive officers of the Employer and their families, on the terms and subject to the conditions set forth in such plans.

(f) Life Insurance and Disability Insurance. During the Employment Period, the Employer shall provide Executive with life insurance policies and coverage and comprehensive disability insurance coverage of the same type and at the same levels in effect with respect to other senior executive officers of the Employer.

(g) Vacations. Executive shall be entitled to four weeks of paid vacation per annum in accordance with the then regular procedures of the Employer governing senior executive officers.

(h) Other Benefits. During the Employment Period, the Employer shall provide to Executive such other benefits, including sick leave and the right to participate in retirement or pension plans, as are made generally available to senior executive officers and employees of the Employer from time to time.

4. Indemnification and Liability Insurance. The Employer agrees to indemnify Executive with respect to any actions commenced against Executive in his capacity as an officer or director, or former officer or director, of the Employer or any affiliate thereof for which he may serve in such capacity. The Employer also agrees to use its best efforts to secure and maintain officers and directors liability insurance providing coverage for Executive.

5. Employer's Policies. Executive agrees to observe and comply with the rules and regulations of the Employer as adopted by its Board of Directors regarding the performance of his duties and to carry out and perform orders, directions and policies communicated to him from time to time by the Employer's Board of Directors.

6. Nondisclosure Covenant.

(a) General. All records, financial statements and similar documents obtained, reviewed or compiled by Executive in the course of the performance by him of services for the Employer, whether or not confidential information or trade secrets, shall be the exclusive property of the Employer. Executive shall have no rights in such documents upon any termination of this Agreement.

(b) Confidential Information. Executive will not disclose to any person or entity (except as required by applicable law or in connection with the performance of his duties and responsibilities hereunder), or use for his own benefit or gain, any confidential information of the Employer obtained by him incident to his employment with the Employer. The term "confidential information" includes, without limitation, financial information, business plans, prospects and opportunities which have been discussed or considered by the management of the Employer but does not include any information which has become part of the public domain by means other than Executive's non-observance of his obligations hereunder. This paragraph shall survive the termination of this Agreement.

7. Termination and Severance Payments.

(a) At-Will Employment. Executive's employment hereunder is "at will" and may be terminated by the Employer at any time with or without Good Reason (as defined in Section 7(e) below), by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth in this Section 7, and by the Executive at any time, whether pursuant to Section 7(b) or otherwise.

(b) Termination by Executive. The Employment Period and Executive's employment hereunder may be terminated effective immediately by Executive by written notice to the Board of Directors of the Employer within 30 days of the occurrence of (i) a failure of the Board of Directors of the Employer to elect Executive to offices with the same or substantially the same duties and responsibilities as set forth in Section 2, or (ii) a material failure by the Employer to comply with the provisions of Section 3 or a material breach by the Employer of any other provision of this Agreement.

(c) Certain Benefits upon Termination by Executive. Except as specifically provided in this Section 7 or otherwise required by law, all compensation and benefits to Executive under this Agreement shall terminate on the date of termination of the Employment Period. Notwithstanding the foregoing, if the Employment Period is terminated pursuant to Section 7(b) or if Executive's employment is terminated by the Employer other than for Good Reason, Executive shall be entitled to the following benefits:

(i) The Employer shall continue to pay Executive's Base Salary for the remaining term of this Agreement after the date of Executive's termination, at the rate in effect on the date of his termination and on the same periodic payment dates as payment would have been made to Executive had the Employment Period not been terminated;

(ii) For the remaining term of this Agreement, Executive shall continue to receive all benefits described in Section 3 existing

immediately prior to the date of termination, without taking into account any changes in such benefits effected in violation of this Agreement. For purposes of the application of such benefits, Executive shall be treated as if he had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination;

(iii) For purposes of any stock option plan of the Employer, Executive shall be treated as if he had remained in the employ of the Employer for the remaining term of this Agreement after the date of Executive's termination so that (x) any stock options or other awards (including restricted stock grants) of the Executive under such plan shall continue to vest and become exercisable, and (y) Executive shall be entitled to exercise any exercisable options or other rights;

(iv) If, in spite of the provisions above, any benefits or service credits under any benefit plan or program of the Employer may not be paid or provided under such plan or program to Executive, or to Executive's dependents, beneficiaries or estate, because Executive is no longer considered to be an employee of the Employer, the Employer shall pay or provide for payment of such benefits and service credits to Executive, or to Executive's dependents, beneficiaries or estate, for the remaining term of this Agreement; and

(v) Nothing herein shall be deemed to obligate Executive to seek other employment in the event of any such termination and any amounts earned or benefits received from such other employment will not serve to reduce in any way the amounts and benefits payable in accordance herewith.

(d) Termination by the Employer for Good Reason. If (i) Executive is terminated for Good Reason or (ii) Executive shall voluntarily terminate his employment hereunder (other than pursuant to Section 7(b) hereof), then the Employment Period shall terminate as of the effective date set forth in the written notice of such termination (the "Termination Date") and Executive shall be entitled to receive only his Base Salary at the rate then in effect until the Termination Date and any outstanding stock options held by Executive shall expire in accordance with the terms of the stock option plan or option agreement under which the stock options were granted.

(e) Definitions. The following terms shall be defined as set forth below.

(i) A "Change-in-Control" shall be deemed to have occurred after the effective date of this Agreement if:

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

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

(C) the stockholders of the Employer shall approve (1) any consolidation or merger of the Employer or any subsidiary where the stockholders of the Employer, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, but based solely on their prior ownership of shares of the Employer, shares representing in the aggregate more than 60% of the voting shares of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (2) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or

substantially all of the assets of the Employer or (3) any plan or proposal for the liquidation or dissolution of the Employer;

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

(ii) "Good Reason" shall mean a finding by the Employer's Board of Directors that Executive has (A) acted with gross negligence or willful misconduct in connection with the performance of his material duties hereunder; (B) defaulted in the performance of his material duties hereunder and has not corrected such action within 15 days of receipt of written notice thereof; (C) willfully acted against the best interests of the Employer, which act has had a material and adverse impact on the financial affairs of the Employer; or (D) been convicted of a felony or committed a material act of common law fraud against the Employer or its employees and such act or conviction has had, or the Employer's Board of Directors reasonably determines will have, a material adverse effect on the interests of the Employer; provided, however, that a finding of Good Reason shall not become effective unless and until the Board of Directors provides the Executive notice that it is considering making such finding and a reasonable opportunity to be heard by the Board of Directors.

(iii) "Person" shall have the meaning used in Sections 13(d) and 14(d) of the Exchange Act; provided however, that the term "Person" shall not include (A) any executive officer of the Employer on the date hereof, or (B) the Employer, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Employer or any of its subsidiaries.

(f) Termination by Reason of Death. The Employment Period shall terminate upon Executive's death and in such event, the Employer shall pay Executive's Base Salary for a period of six (6) months from the date of his death, or such longer period as the Employer's Boards of Directors may determine, to Executive's estate or to a beneficiary designated by Executive in writing prior to his death. Any unexercised or unvested stock options shall remain exercisable or vest upon Executive's death only to the extent provided in the applicable option plan and option agreements.

(g) Termination by Reason of Disability. In the event that Executive shall become unable to efficiently perform his duties hereunder because of any physical or mental disability or illness, Executive shall be entitled to be paid his Base Salary until the later of such time when (i) the period of disability or illness (whether or not the same disability or illness) shall exceed 180 consecutive days during the Employment Period and (ii) Executive becomes eligible to receive benefits under a comprehensive disability insurance policy obtained by the Employer (the "Disability Period"). Following the expiration of the Disability Period, the Employer may terminate this Agreement upon written notice of such termination. Any unexercised or unvested stock options shall remain exercisable or vest upon such termination only to the extent provided in the applicable option plan and option agreements .

(h) Arbitration in the Event of a Dispute Regarding the Nature of Termination. In the event that the Employer terminates Executive's employment for Good Reason and Executive contends that Good Reason did not exist, the Employer's only obligation shall be to submit such claim to arbitration before the American Arbitration Association ("AAA"). In such a proceeding, the only issue before the arbitrator will be whether Executive was in fact terminated for Good Reason. If the arbitrator determines that Executive was not terminated for Good Reason, the only remedy that the arbitrator may award is entitlement to the severance payments and benefits specified in Paragraph 7(c), the costs of arbitration, and Executive's attorneys' fees. If the arbitrator finds that Executive was terminated for Good Reason, the arbitrator will be without authority to award Executive anything, the parties will each be responsible for their own attorneys' fees, and the costs of arbitration will be paid 50% by Executive and 50% by the Employer.

8. Noncompetition Covenant.

(a) Because Executive's services to the Employer are essential and because Executive has access to the Employer's confidential information, Executive covenants and agrees that (i) during the Employment Period and (ii) in the event that this Agreement is terminated by the Employer for Good Reason or by Executive other than pursuant to Section 7(b) hereof, during the Noncompetition Period Executive will not, without the prior written consent of

the Board of Directors of the Employer which shall include the unanimous consent of the Directors who are not officers of the Employer, directly or indirectly:

(A) engage, participate or assist, as an owner, partner, employee, consultant, director, officer, trustee or agent, in any business that engages or attempts to engage in, directly or indirectly, the acquisition, development, construction, operation, management or leasing of any industrial or office real estate property in any of the submarkets throughout the tri-state metropolitan area of New York, New Jersey and Connecticut in which the Company is operating, or

(B) intentionally interfere with, disrupt or attempt to disrupt the relationship, contractual or otherwise, between the Employer or its affiliates and any tenant, supplier, contractor, lender, employee or governmental agency or authority.

(b) For purposes of this Section 8, the Noncompetition Period shall mean the period commencing on the date of termination of Executive's employment under this Agreement and ending on the later of (i) the third anniversary of the effective date of the Prior Agreement, or (ii) the first anniversary of the date of termination of Executive's employment under this Agreement.

(c) Notwithstanding anything contained herein to the contrary, Executive is not prohibited by this Section 8 from (i) maintaining his investment in any Option Property (as such term is defined in the Employer's final prospectus relating to the initial public offering of the Employer's Common Stock), (ii) from making investments in any entity that engages, directly or indirectly, in the acquisition, development, construction, operation, management or leasing of industrial or office real estate properties, regardless of where they are located, if the shares or other ownership interests of such entity are publicly traded and Executive's aggregate investment in such entity constitutes less than five percent (5%) of the equity ownership of such entity, or (iii) providing services to FrontLine and its affiliates.

(d) The provisions of this Section 8 shall survive the termination of this Agreement.

9. Conflicting Agreements. Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which he is a party or is bound, and that he is not now subject to any covenants against competition or similar covenants which would affect the performance of his obligations hereunder.

10. Notices. Any notice required or permitted hereunder shall be in writing and shall be deemed sufficient when given by hand, by nationally recognized overnight courier or by express, registered or certified mail, postage prepaid, return receipt requested, and addressed to the Employer or Executive, as applicable, at the address indicated above (or to such other address as may be provided by notice).

11. Miscellaneous. This Agreement and the Severance Agreement (i) constitute the entire agreement between the parties concerning the subject matter hereof and supersedes any and all prior agreements or understandings, (ii) may not be assigned by Executive without the prior written consent of the Employer, and (iii) may be assigned by the Employer and shall be binding upon, and inure to the benefit of, the Employer's successors and assigns. Headings herein are for convenience of reference only and shall not define, limit or interpret the contents hereof.

12. Amendment. This Agreement may be amended, modified or supplemented by the mutual consent of the parties in writing, but no oral amendment, modification or supplement shall be effective.

13. Specific Enforcement. The provisions of Sections 6 and 8 of this Agreement are to be specifically enforced if not performed according to their terms. Without limiting the generality of the foregoing, the parties acknowledge that the Employer may be irreparably damaged and there may be no adequate remedy at law for Executive's breach of Sections 6 and 8 of this Agreement and further acknowledge that the Employer may seek entry of a temporary restraining order or preliminary injunction, in addition to any other remedies available at law or in equity, to enforce the provisions thereof.

14. Severability. If a court of competent jurisdiction adjudicates any one or more of the provisions hereof as invalid, illegal or unenforceable in any respect, such provision(s) shall be ineffective only to the extent and duration of such invalidity, illegality or unenforceability and such invalidity, illegality or unenforceability shall not affect the remaining substance of such provision or any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had been limited or modified (consistent with its general intent) to

the extent necessary so that it shall be valid, legal and enforceable. If it shall not be possible to so limit or modify such invalid, illegal or unenforceable provision, this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, and the parties will use their best efforts to substitute a valid, legal and enforceable provision which, insofar as practicable, implements the purpose and intent of the provision originally contained herein.

15. Governing Law. This Agreement shall be construed and governed by the laws of the State of New York.

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

RECKSON ASSOCIATES REALTY CORP.

By:

Name:
Title:

Scott Rechler

AMENDMENT AND RESTATEMENT OF

SEVERANCE AGREEMENT

AMENDMENT AND RESTATEMENT OF SEVERANCE AGREEMENT, dated as of the 15th day of August, 2000 (the "Agreement") by and between Scott Rechler (the "Executive"), and Reckson Associates Realty Corp., a Maryland corporation with a principal place of business at 225 Broadhollow Road, Melville, New York 11747 (the "Employer") and amends, supersedes and completely restates the Severance Agreement made as of February 25, 1998 by and among the Executive and the Employer.

Terms used in this Agreement with the initial letter capitalized shall, unless otherwise defined herein, have the meanings specified in the Amendment and Restatement of Employment and Noncompetition Agreement, dated August 15, 2000, between the Employer and the Executive and in any amendment to or restatement of such agreement (the "Employment Agreement").

W I T N E S S E T H :

WHEREAS, Executive and Employer have previously entered into the Employment Agreement; and

WHEREAS, the Employer desires to continue to employ the Executive and the Executive desires to continue to be employed by the Employer.

NOW THEREFORE, in consideration of the premises and subject to the terms and conditions set forth herein, the parties hereto agree as follows:

1. Employment and Noncompetition Agreement. This Agreement is supplementary to and, except as explicitly set forth herein, does not limit or alter any of the terms and conditions established under the Employment Agreement.

2. Term. The term and duration of this Agreement shall be identical to the term of the Employment Agreement, provided, however, that if a Change-in-Control shall occur during the Employment Period, the term of this Agreement, the Employment Agreement and the Employment Period shall continue in effect until the later of (i) the date on which the term of the Employment Agreement otherwise would have ended or (ii) the date which is sixty months beyond the end of the calendar year in which the Change-in-Control occurs. Section 1 of the Employment Agreement is hereby amended in accordance with the foregoing.

3. Termination and Severance Payments. Sections 7(a), (b) and (c) of the Employment Agreement are hereby superseded in their entirety by this Section 3.

(a) At-Will Employment. Executive's employment pursuant to the Employment Agreement is "at will" and may be terminated by the Employer at any time with or without Good Reason, by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth in this Section 3 and in Sections 7(d) through 7(h) of the Employment Agreement.

(b) Termination by Executive. The Employment Period and Executive's employment under the Employment Agreement may be terminated effective immediately by Executive by written notice to the Board of Directors of the Employer (i) within 30 days of the occurrence of a failure of the Board of Directors of the Employer to elect Executive to offices with the same or substantially the same duties and responsibilities as set forth in Section 2 of the Employment Agreement, (ii) within 30 days of the occurrence of a material failure by the Employer to comply with the provisions of Section 3 of the Employment Agreement or a material breach by the Employer of any other provision of the Employment Agreement, (iii) at any time during the 30 day period beginning on the effective date of a Change in Control and the 30 day period beginning one year after the effective date of a Change-in-Control, or (iv) within 30 days of the occurrence of a Force Out. For this purpose, a Force Out shall be deemed to have occurred in the event of:

(i) a change in duties, responsibilities, status or positions with the Employer, which, in Executive's reasonable judgment, does not represent a promotion from or maintaining of Executive's duties, responsibilities, status or positions as in effect immediately prior to the Change-in-Control, or any removal of Executive from or any failure to reappoint or reelect Executive to such positions, except in connection with the termination of Executive's employment for Good Reason, disability, retirement or death;

(ii) a reduction by the Employer in Executive's Base Salary as in effect immediately prior to the Change-in-Control;

(iii) the failure by the Employer to continue in effect any of the benefit plans, programs or arrangements in which Executive is participating at the time of the Change-in-Control of the Employer

(unless Executive is permitted to participate in any substitute benefit plan, program or arrangement with substantially the same terms and to the same extent and with the same rights as Executive had with respect to the benefit plan, program or arrangement that is discontinued) other than as a result of the normal expiration of any such benefit plan, program or arrangement in accordance with its terms as in effect at the time of the Change-in-Control, or the taking of any action, or the failure to act, by the Employer which would adversely affect Executive's continued participation in any of such benefit plans, programs or arrangements on at least as favorable a basis to Executive as is the case on the date of the Change-in-Control or which would materially reduce Executive's benefits in the future under any of such benefit plans, programs or arrangements or deprive Executive of any material benefits enjoyed by Executive at the time of the Change-in-Control;

(iv) the failure by the Employer to provide and credit Executive with the number of paid vacation days to which Executive is then entitled in accordance with the Employer's normal vacation policies as in effect immediately prior to the Change-in-Control;

(v) the Employer's requiring Executive to be based in an office located beyond a reasonable commuting distance from Executive's residence immediately prior to the Change-in-Control, except for required travel relating to the Employer's business to an extent substantially consistent with the business travel obligations which Executive undertook on behalf of the Employer prior to the Change-in-Control;

(vi) the failure by the Employer to obtain from any successor to the Employer an agreement to be bound by this Agreement and the Employment Agreement; or

(vii) any refusal by the Employer to continue to allow Executive to attend to matters or engage in activities not directly related to the business of the Employer which, prior to the Change-in-Control, Executive was permitted by the Employer's Boards of Directors to attend to or engage in.

(c) Certain Benefits upon Termination by Executive. Except as specifically provided in this Section 3 or in Sections 7(d) through 7(h) of the Employment Agreement or as otherwise required by law, all compensation and benefits to Executive under the Employment Agreement shall terminate on the date of termination of the Employment Period. Notwithstanding the foregoing, if the Employment Period is terminated pursuant to Section 3(b) or if Executive's employment is terminated by the Employer other than for Good Reason, Executive shall be entitled to the following benefits:

(i) The Employer shall pay the Executive (x) his or her full Base Salary though the date of termination at the rate in effect on such date, (y) compensation for accrued but unused vacation time, plus (z) a pro rata portion of the Executive's incentive compensation for the calendar year in which the event of termination occurs, assuming that the Executive would have received incentive compensation for such full calendar year equal to the product of (A) the Base Salary that would be payable to the Executive pursuant to subsection 3(a) of the Employment Agreement for such full calendar year and (B) the greater of (a) 1/2 or (b) a percentage equal to the following

(I) the sum of (x) the cash bonus awarded to the Executive for the immediately preceding fiscal year, (y) the product of the price per share of Common Stock on the date of termination (as equitably adjusted to reflect any changes in the capitalization of the Employer) and the aggregate number of shares of Common Stock granted, sold or covered by options or loans awarded to the Executive as incentive compensation for the immediately preceding fiscal year, and (z) the value of all other incentive compensation paid or awarded to the Executive for the immediately preceding fiscal year (including, without limitation, all such incentive compensation includible in the Executive's gross income and reported on an Internal Revenue Service Form W-2), divided by (II) the Executive's Base Salary for the immediately preceding fiscal year,

(the greater of clauses (a) and (b) being herein referred to as the "Deemed Bonus Percentage");

(ii) The Employer shall pay as severance to the Executive, not later than the tenth day following the date of termination, a lump sum severance payment (the "Severance Payment") equal to the aggregate of all compensation that would have been due to the Executive hereunder had his or her employment not been so terminated (without duplication of subsection 3(c)(i) above), including, without limitation, (A) Base Salary (at the greater of the rate payable pursuant to subsection 3(a) of the Employment Agreement or the rate payable to the other Co-Chief Executive Officer of the Employer), and (B) all incentive compensation which would have been due to the Executive pursuant to subsection 3(b) of the

Employment Agreement, through the expiration of this Agreement (as such Agreement may continue in effect under Section 2 hereof in the event of a Change-in-Control) assuming that the Executive would have received incentive compensation for each calendar year through the expiration of this Agreement (as such Agreement may continue in effect under Section 2 hereof in the event of a Change-in-Control) equal to the product of (x) the Base Salary payable to the Executive pursuant to clause (A), and (y) the Deemed Bonus Percentage (or, if greater, the Deemed Bonus Percentage determined with respect to the other Co-Chief Executive Officer of the Employer), payable in the same proportions of cash, grants of securities, loans to purchase securities, loan forgiveness and gross-up payments as the incentive compensation paid to the Executive for the immediately preceding fiscal year; provided, however, that such Severance Payment shall not be payable to the Executive until (I) the Executive has executed and delivered to the Employer a general release in a form to be determined by the Employer in good faith, and (II) any applicable revocation period with respect to such release has expired. For purposes of determining Executive's annual compensation in the preceding sentence, compensation payable to the Executive by the Employer shall include, without limitation, every type and form of compensation includible in the Executive's gross income in respect of his or her employment by the Employer (including, without limitation, all income reported on an Internal Revenue Service Form W-2), compensation income recognized as a result of the Executive's exercise of stock options or sale of the stock so acquired and any annual incentive compensation paid in cash or securities to such Executive;

(iii) An amount equal to the Additional Amount pursuant to Section 5 below and an amount equal to the Income Tax Payment pursuant to Section 6 below;

(iv) For the remaining term of the Employment Agreement, Executive shall continue to receive all benefits described in Section 3 of the Employment Agreement existing immediately prior to the date of termination (without taking into account any changes in such benefits effected in violation of the Employment Agreement) and any other benefits then provided by Employer to Executive in addition to those described in Section 3 of the Employment Agreement, including, but not limited to, the life insurance coverage provided by Employer to Executive and the automobile provided by Employer to Executive and automobile insurance and maintenance in respect of such automobile. For purposes of the application of such benefits, Executive shall be treated as if he or she had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination;

(v) For purposes of any equity compensation plan of the Employer, (x) any stock options or other awards (including restricted stock grants) of the Executive under such plan shall vest and become exercisable upon any such termination, and (y) Executive shall be treated as if he or she had remained in the employ of the Employer for the remaining term of the Employment Agreement after the date of Executive's termination so that Executive shall be entitled to exercise any exercisable options or other rights;

(vi) For purposes of any section 401(k) plan or other deferred compensation plan of the Employer, Executive shall be treated as if he or she had remained in the employ of the Employer for the remaining term of the Employment Agreement after the date of Executive's termination so that Executive may continue to receive all matching contributions as provided by the Employer in connection with such plan or any other contributions by Employer in connection with such plan as in effect immediately prior to such termination;

(vii) The amount of any outstanding loans made by the Employer to the Executive, together with any interest accrued on any such loans, and any related "tax" loans made by the Employer to the Executive in respect of tax liabilities owing as the result of the forgiveness of such loans (including forgiveness pursuant to the terms of this Section 3(c)(vii)), together with any interest accrued on any such tax loans, shall be deemed forgiven and Executive shall have no further liability in respect thereof;

(viii) If, in spite of the provisions above, any benefits or service credits under any benefit plan or program of the Employer may not be paid or provided under such plan or program to Executive, or to Executive's dependents, beneficiaries or estate, because Executive is no longer considered to be an employee of the Employer, the Employer shall pay or provide for payment of such benefits and service credits to Executive, or to Executive's dependents, beneficiaries or estate, for the remaining term of the Employment Agreement; and

(ix) Nothing herein shall be deemed to obligate Executive to seek other employment in the event of any such termination and any amounts earned or benefits received from such other employment will not serve to reduce in any way the amounts and benefits payable in accordance herewith.

4. Expenses. Section 3(d) of the Employment Agreement is hereby supplemented by this Section 4. In addition to the expenses referred to in Section 3(d) of the Employment Agreement, the Employer shall pay all legal fees and related expenses (including the costs of experts, evidence and counsel) incurred by the Executive as they become due as a result of (i) the termination of the Employment Period or Executive's employment pursuant to this Agreement or the Employment Agreement (including all such fees and expenses, if any, incurred in contesting or disputing any such termination), (ii) the Executive seeking to obtain or enforce any right or benefit provided by this Agreement, the Employment Agreement or by any other plan or arrangement maintained by the Employer under which the Executive is or may be entitled to receive benefits or (iii) any action taken by the Employer against the Executive, unless and until such time that a final judgement has been rendered in favor of the Employer and all appeals related to any such action have been exhausted; provided however, that the circumstances set forth above occurred on or after a Change-in-Control.

5. Additional Amount. Whether or not Section 3 is applicable, if in the opinion of tax counsel selected by the Executive and reasonably acceptable to the Employer, the Executive has received or will receive any compensation or recognize any income (whether or not pursuant to this Agreement, the Employment Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) which will constitute an "excess parachute payment" within the meaning of Section 280G(b)(1) of the Code (or for which a tax is otherwise payable under Section 4999 of the Code), then the Employer shall pay the Executive an additional amount (the "Additional Amount") equal to the sum of (i) all taxes payable by the Executive under Section 4999 of the Code with respect to all such excess parachute payments and any such Additional Amount, plus (ii) all federal, state and local income taxes payable by Executive with respect to any such Additional Amount. Any amounts payable pursuant to this Section 4 shall be paid by the Employer to the Executive within 30 days of each written request therefor made by the Executive.

6. Income Tax Payment. Whether or not Section 3 is applicable, if (i) the Executive has received or will receive any compensation or recognize any income (whether or not pursuant to this Agreement, the Employment Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) in connection with a "Change-in-Control" (as that term may be interpreted in this Agreement, the Employment Agreement or any plan or other arrangement of the Employer), and (ii) such compensation or income represents non-cash compensation or income (including, without limitation, non-cash compensation or income attributable to the vesting or exercise of stock options and other awards (including restricted stock grants) under any stock option plan of the Employer), then the Employer shall pay the Executive in cash an amount (the "Income Tax Payment") equal to the sum of (A) all federal, state and local income taxes payable by Executive with respect to such non-cash compensation or income, plus (B) all federal, state and local income taxes payable by Executive with respect to any such Income Tax Payment. The Income Tax Payment shall be paid by the Employer to the Executive within 30 days of the written request therefor made by the Executive.

7. Notices. Any notice required or permitted hereunder shall be in writing and shall be deemed sufficient when given by hand, by nationally recognized overnight courier or by express, registered or certified mail, postage prepaid, return receipt requested, and addressed to the Employer or Executive, as applicable, at the address indicated above (or to such other address as may be provided by notice).

8. Miscellaneous. This Agreement (i) may not be assigned by Executive without the prior written consent of the Employer and (ii) may be assigned by the Employer and shall be binding upon, and inure to the benefit of, the Employer's successors and assigns. Headings herein are for convenience of reference only and shall not define, limit or interpret the contents hereof.

9. Amendment. This Agreement may be amended, modified or supplemented by the mutual consent of the parties in writing, but no oral amendment, modification or supplement shall be effective.

10. Severability. If a court of competent jurisdiction adjudicates any one or more of the provisions hereof as invalid, illegal or unenforceable in any respect, such provision(s) shall be ineffective only to the extent and duration of such invalidity, illegality or unenforceability and such invalidity, illegality or unenforceability shall not affect the remaining substance of such provision or any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had been limited or modified (consistent with its general intent) to the extent necessary so that it shall be valid, legal and enforceable. If it shall not be possible to so limit or modify such invalid, illegal or unenforceable provision, this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, and the parties will use their best efforts to substitute a valid, legal and enforceable provision which, insofar as practicable, implements the purpose and intent of the provision originally contained herein.

11. Governing Law. This Agreement shall be construed and governed by the laws of the State of New York.

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

RECKSON ASSOCIATES REALTY CORP.

By:

Name:
Title:

Scott Rechler

AMENDMENT AND RESTATEMENT OF

EMPLOYMENT AND NONCOMPETITION AGREEMENT

This AMENDMENT AND RESTATEMENT OF EMPLOYMENT AND NONCOMPETITION AGREEMENT ("Agreement") is made as of the 15th day of August, 2000 by and between Roger Rechler ("Executive") and Reckson Associates Realty Corp., a Maryland corporation with a principal place of business at 225 Broadhollow Road, Melville, New York 11747 (the "Employer") and amends, supersedes and completely restates the Employment and Noncompetition Agreement made as of June 1, 1998 (the "Prior Agreement") by and between the Executive and the Employer.

1. Term. The term of this Agreement shall commence on the date first above written and, unless earlier terminated as provided in Paragraph 7 below, shall terminate on the fifth anniversary of such date (the "Original Term"); provided, however, that Sections 6 and 8 hereof shall survive the termination of this Agreement as provided therein. The Original Term may be extended for such period or periods, if any, as agreed to by Executive and the Employer (each a "Renewal Term"). The period of Executive's employment hereunder consisting of the Original Term and all Renewal Terms is herein referred to as the "Employment Period".

2. Employment and Duties.

(a) During the Employment Period, Executive shall be employed in the business of the Employer and its affiliates. Executive shall serve the Employer as a senior corporate executive with the title Executive Vice President of the Employer. Executive's duties and authority shall be as set forth in the By-laws of the Employer and as otherwise established by the Board of Directors of the Employer, and shall be commensurate with his titles and positions with the Employer.

(b) Executive agrees to his employment as described in this Paragraph 2 and agrees to devote substantially all of his business time and efforts to the performance of his duties under this Agreement, except as otherwise approved by the Board of Directors of the Employer; provided, however, that nothing herein shall be interpreted to preclude Executive from (i) serving as a member of the Board of Directors of FrontLine Capital Group ("FrontLine") or (ii) investing his assets as a passive investor in other entities or business ventures, provided that he performs no management or similar role with respect to such other entities or ventures and such investment does not violate Section 8 hereof.

(c) In performing his duties hereunder, Executive shall be available for reasonable travel as the needs of the Employer's business require. Executive shall be based in Nassau County, Suffolk County or New York County, New York.

3. Compensation and Benefits. In consideration of Executive's services hereunder, the Employer shall compensate Executive as provided in this Section 3.

(a) Base Salary. The Employer shall pay Executive an aggregate annual salary at the rate of $400,000 per annum during the Employment Period ("Base Salary"), subject to withholding for applicable federal, state and local taxes. Base Salary shall be payable in accordance with the Employer's normal business practices, but in no event less frequently than monthly. Executive's Base Salary shall be reviewed no less frequently than annually by the Employer and may be increased, but not decreased, by the Employer during the Employment Period.

(b) Incentive Compensation. In addition to the Base Salary payable to Executive pursuant to Section 3(a), during the Employment Period Executive shall be eligible to participate in any incentive compensation plans in effect with respect to senior executive officers of the Employer, subject to Executive's compliance with such criteria as the Employer's Board of Directors may establish for Executive's participation in such plans from time to time. Any awards to Executive under such plans will be established by the Employer's Board of Directors, or a committee thereof, in its sole discretion.

(c) Stock Options. During the Employment Period, Executive shall be eligible to participate in employee stock option plans established from time to time for the benefit of senior executive officers and other employees of the Employer in accordance with the terms and conditions of such plans. All decisions regarding awards to Executive under the Employer's stock option plans shall be made in the sole discretion of the Employer's Board of Directors, or a committee thereof.

(d) Expenses. Executive shall be reimbursed for all reasonable business related expenses incurred by Executive at the request of or on behalf of the Employer, subject to such reasonable requirements with respect to substantiation and documentation as may be specified by the Employer.

(e) Medical and Dental Insurance. During the Employment Period,

Executive and Executive's immediate family shall be entitled to participate in such medical and dental benefit plans as the Employer shall maintain from time to time for the benefit of senior executive officers of the Employer and their families, on the terms and subject to the conditions set forth in such plans.

(f) Life Insurance and Disability Insurance. During the Employment Period, the Employer shall provide Executive with life insurance policies and coverage and comprehensive disability insurance coverage of the same type and at the same levels in effect with respect to other senior executive officers of the Employer.

(g) Vacations. Executive shall be entitled to four weeks of paid vacation per annum in accordance with the then regular procedures of the Employer governing senior executive officers.

(h) Other Benefits. During the Employment Period, the Employer shall provide to Executive such other benefits, including sick leave and the right to participate in retirement or pension plans, as are made generally available to senior executive officers and employees of the Employer from time to time.

4. Indemnification and Liability Insurance. The Employer agrees to indemnify Executive with respect to any actions commenced against Executive in his capacity as an officer or director, or former officer or director, of the Employer or any affiliate thereof for which he may serve in such capacity. The Employer also agrees to use its best efforts to secure and maintain officers and directors liability insurance providing coverage for Executive.

5. Employer's Policies. Executive agrees to observe and comply with the rules and regulations of the Employer as adopted by its Board of Directors regarding the performance of his duties and to carry out and perform orders, directions and policies communicated to him from time to time by the Employer's Board of Directors.

6. Nondisclosure Covenant.

(a) General. All records, financial statements and similar documents obtained, reviewed or compiled by Executive in the course of the performance by him of services for the Employer, whether or not confidential information or trade secrets, shall be the exclusive property of the Employer. Executive shall have no rights in such documents upon any termination of this Agreement.

(b) Confidential Information. Executive will not disclose to any person or entity (except as required by applicable law or in connection with the performance of his duties and responsibilities hereunder), or use for his own benefit or gain, any confidential information of the Employer obtained by him incident to his employment with the Employer. The term "confidential information" includes, without limitation, financial information, business plans, prospects and opportunities which have been discussed or considered by the management of the Employer but does not include any information which has become part of the public domain by means other than Executive's non-observance of his obligations hereunder. This paragraph shall survive the termination of this Agreement.

7. Termination and Severance Payments.

(a) At-Will Employment. Executive's employment hereunder is "at will" and may be terminated by the Employer at any time with or without Good Reason (as defined in Section 7(e) below), by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth in this Section 7, and by the Executive at any time, whether pursuant to Section 7(b) or otherwise.

(b) Termination by Executive. The Employment Period and Executive's employment hereunder may be terminated effective immediately by Executive by written notice to the Board of Directors of the Employer within 30 days of the occurrence of (i) a failure of the Board of Directors of the Employer to elect Executive to offices with the same or substantially the same duties and responsibilities as set forth in Section 2, or (ii) a material failure by the Employer to comply with the provisions of Section 3 or a material breach by the Employer of any other provision of this Agreement.

(c) Certain Benefits upon Termination by Executive. Except as specifically provided in this Section 7 or otherwise required by law, all compensation and benefits to Executive under this Agreement shall terminate on the date of termination of the Employment Period. Notwithstanding the foregoing, if the Employment Period is terminated pursuant to Section 7(b) or if Executive's employment is terminated by the Employer other than for Good Reason, Executive shall be entitled to the following benefits:

(i) The Employer shall continue to pay Executive's Base Salary for the remaining term of this Agreement after the date of Executive's termination, at the rate in effect on the date of his termination and on the same periodic payment dates as payment would have been made to Executive had the Employment Period not been terminated;

(ii) For the remaining term of this Agreement, Executive shall continue to receive all benefits described in Section 3 existing immediately prior to the date of termination, without taking into account any changes in such benefits effected in violation of this Agreement. For purposes of the application of such benefits, Executive shall be treated as if he had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination;

(iii) For purposes of any stock option plan of the Employer, Executive shall be treated as if he had remained in the employ of the Employer for the remaining term of this Agreement after the date of Executive's termination so that (x) any stock options or other awards (including restricted stock grants) of the Executive under such plan shall continue to vest and become exercisable, and (y) Executive shall be entitled to exercise any exercisable options or other rights;

(iv) If, in spite of the provisions above, any benefits or service credits under any benefit plan or program of the Employer may not be paid or provided under such plan or program to Executive, or to Executive's dependents, beneficiaries or estate, because Executive is no longer considered to be an employee of the Employer, the Employer shall pay or provide for payment of such benefits and service credits to Executive, or to Executive's dependents, beneficiaries or estate, for the remaining term of this Agreement; and

(v) Nothing herein shall be deemed to obligate Executive to seek other employment in the event of any such termination and any amounts earned or benefits received from such other employment will not serve to reduce in any way the amounts and benefits payable in accordance herewith.

(d) Termination by the Employer for Good Reason. If (i) Executive is terminated for Good Reason or (ii) Executive shall voluntarily terminate his employment hereunder (other than pursuant to Section 7(b) hereof), then the Employment Period shall terminate as of the effective date set forth in the written notice of such termination (the "Termination Date") and Executive shall be entitled to receive only his Base Salary at the rate then in effect until the Termination Date and any outstanding stock options held by Executive shall expire in accordance with the terms of the stock option plan or option agreement under which the stock options were granted.

(e) Definitions. The following terms shall be defined as set forth below.

(i) A "Change-in-Control" shall be deemed to have occurred after the effective date of this Agreement if:

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

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

(C) the stockholders of the Employer shall approve (1) any consolidation or merger of the Employer or any subsidiary where the stockholders of the Employer, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, but based solely on their prior ownership of shares of the Employer, shares representing in the aggregate more than 60% of the voting shares of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (2) any sale, lease, exchange

or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Employer or (3) any plan or proposal for the liquidation or dissolution of the Employer;

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

(ii) "Good Reason" shall mean a finding by the Employer's Board of Directors that Executive has (A) acted with gross negligence or willful misconduct in connection with the performance of his material duties hereunder; (B) defaulted in the performance of his material duties hereunder and has not corrected such action within 15 days of receipt of written notice thereof; (C) willfully acted against the best interests of the Employer, which act has had a material and adverse impact on the financial affairs of the Employer; or (D) been convicted of a felony or committed a material act of common law fraud against the Employer or its employees and such act or conviction has had, or the Employer's Board of Directors reasonably determines will have, a material adverse effect on the interests of the Employer; provided, however, that a finding of Good Reason shall not become effective unless and until the Board of Directors provides the Executive notice that it is considering making such finding and a reasonable opportunity to be heard by the Board of Directors.

(iii) "Person" shall have the meaning used in Sections 13(d) and 14(d) of the Exchange Act; provided however, that the term "Person" shall not include (A) any executive officer of the Employer on the date hereof, or (B) the Employer, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Employer or any of its subsidiaries.

(f) Termination by Reason of Death. The Employment Period shall terminate upon Executive's death and in such event, the Employer shall pay Executive's Base Salary for a period of six (6) months from the date of his death, or such longer period as the Employer's Boards of Directors may determine, to Executive's estate or to a beneficiary designated by Executive in writing prior to his death. Any unexercised or unvested stock options shall remain exercisable or vest upon Executive's death only to the extent provided in the applicable option plan and option agreements.

(g) Termination by Reason of Disability. In the event that Executive shall become unable to efficiently perform his duties hereunder because of any physical or mental disability or illness, Executive shall be entitled to be paid his Base Salary until the later of such time when (i) the period of disability or illness (whether or not the same disability or illness) shall exceed 180 consecutive days during the Employment Period and (ii) Executive becomes eligible to receive benefits under a comprehensive disability insurance policy obtained by the Employer (the "Disability Period"). Following the expiration of the Disability Period, the Employer may terminate this Agreement upon written notice of such termination. Any unexercised or unvested stock options shall remain exercisable or vest upon such termination only to the extent provided in the applicable option plan and option agreements .

(h) Arbitration in the Event of a Dispute Regarding the Nature of Termination. In the event that the Employer terminates Executive's employment for Good Reason and Executive contends that Good Reason did not exist, the Employer's only obligation shall be to submit such claim to arbitration before the American Arbitration Association ("AAA"). In such a proceeding, the only issue before the arbitrator will be whether Executive was in fact terminated for Good Reason. If the arbitrator determines that Executive was not terminated for Good Reason, the only remedy that the arbitrator may award is entitlement to the severance payments and benefits specified in Paragraph 7(c), the costs of arbitration, and Executive's attorneys' fees. If the arbitrator finds that Executive was terminated for Good Reason, the arbitrator will be without authority to award Executive anything, the parties will each be responsible for their own attorneys' fees, and the costs of arbitration will be paid 50% by Executive and 50% by the Employer.

8. Noncompetition Covenant.

(a) Because Executive's services to the Employer are essential and because Executive has access to the Employer's confidential information, Executive covenants and agrees that (i) during the Employment Period and (ii) in the event that this Agreement is terminated by the Employer for Good Reason

or by Executive other than pursuant to Section 7(b) hereof, during the Noncompetition Period Executive will not, without the prior written consent of the Board of Directors of the Employer which shall include the unanimous consent of the Directors who are not officers of the Employer, directly or indirectly:

(A) engage, participate or assist, as an owner, partner, employee, consultant, director, officer, trustee or agent, in any business that engages or attempts to engage in, directly or indirectly, the acquisition, development, construction, operation, management or leasing of any industrial or office real estate property in any of the submarkets throughout the tri-state metropolitan area of New York, New Jersey and Connecticut in which the Company is operating, or

(B) intentionally interfere with, disrupt or attempt to disrupt the relationship, contractual or otherwise, between the Employer or its affiliates and any tenant, supplier, contractor, lender, employee or governmental agency or authority.

(b) For purposes of this Section 8, the Noncompetition Period shall mean the period commencing on the date of termination of Executive's employment under this Agreement and ending on the later of (i) the third anniversary of the effective date of the Prior Agreement, or (ii) the first anniversary of the date of termination of Executive's employment under this Agreement.

(c) Notwithstanding anything contained herein to the contrary, Executive is not prohibited by this Section 8 from (i) maintaining his investment in any Option Property (as such term is defined in the Employer's final prospectus relating to the initial public offering of the Employer's Common Stock), (ii) from making investments in any entity that engages, directly or indirectly, in the acquisition, development, construction, operation, management or leasing of industrial or office real estate properties, regardless of where they are located, if the shares or other ownership interests of such entity are publicly traded and Executive's aggregate investment in such entity constitutes less than five percent (5%) of the equity ownership of such entity, or (iii) serving as a member of the Board of Directors of FrontLine.

(d) The provisions of this Section 8 shall survive the termination of this Agreement.

9. Conflicting Agreements. Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which he is a party or is bound, and that he is not now subject to any covenants against competition or similar covenants which would affect the performance of his obligations hereunder.

10. Notices. Any notice required or permitted hereunder shall be in writing and shall be deemed sufficient when given by hand, by nationally recognized overnight courier or by express, registered or certified mail, postage prepaid, return receipt requested, and addressed to the Employer or Executive, as applicable, at the address indicated above (or to such other address as may be provided by notice).

11. Miscellaneous. This Agreement and the Severance Agreement (i) constitute the entire agreement between the parties concerning the subject matter hereof and supersedes any and all prior agreements or understandings, (ii) may not be assigned by Executive without the prior written consent of the Employer, and (iii) may be assigned by the Employer and shall be binding upon, and inure to the benefit of, the Employer's successors and assigns. Headings herein are for convenience of reference only and shall not define, limit or interpret the contents hereof.

12. Amendment. This Agreement may be amended, modified or supplemented by the mutual consent of the parties in writing, but no oral amendment, modification or supplement shall be effective.

13. Specific Enforcement. The provisions of Sections 6 and 8 of this Agreement are to be specifically enforced if not performed according to their terms. Without limiting the generality of the foregoing, the parties acknowledge that the Employer may be irreparably damaged and there may be no adequate remedy at law for Executive's breach of Sections 6 and 8 of this Agreement and further acknowledge that the Employer may seek entry of a temporary restraining order or preliminary injunction, in addition to any other remedies available at law or in equity, to enforce the provisions thereof.

14. Severability. If a court of competent jurisdiction adjudicates any one or more of the provisions hereof as invalid, illegal or unenforceable in any respect, such provision(s) shall be ineffective only to the extent and duration of such invalidity, illegality or unenforceability and such invalidity, illegality or unenforceability shall not affect the remaining substance of such provision or any other provision of this Agreement and this

Agreement shall be construed as if such invalid, illegal or unenforceable provision had been limited or modified (consistent with its general intent) to the extent necessary so that it shall be valid, legal and enforceable. If it shall not be possible to so limit or modify such invalid, illegal or unenforceable provision, this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, and the parties will use their best efforts to substitute a valid, legal and enforceable provision which, insofar as practicable, implements the purpose and intent of the provision originally contained herein.

15. Governing Law. This Agreement shall be construed and governed by the laws of the State of New York.

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

RECKSON ASSOCIATES REALTY CORP.

By:

Name:
Title:

Roger Rechler

AMENDMENT AND RESTATEMENT OF

SEVERANCE AGREEMENT

AMENDMENT AND RESTATEMENT OF SEVERANCE AGREEMENT, dated as of the 15th day of August, 2000 (the "Agreement") by and between Roger Rechler (the "Executive"), and Reckson Associates Realty Corp., a Maryland corporation with a principal place of business at 225 Broadhollow Road, Melville, New York 11747 (the "Employer") and amends, supersedes and completely restates the Severance Agreement made as of February 25, 1998 by and among the Executive and the Employer.

Terms used in this Agreement with the initial letter capitalized shall, unless otherwise defined herein, have the meanings specified in the Amendment and Restatement of Employment and Noncompetition Agreement, dated August 15, 2000, between the Employer and the Executive and in any amendment to or restatement of such agreement (the "Employment Agreement").

W I T N E S S E T H :

WHEREAS, Executive and Employer have previously entered into the Employment Agreement; and

WHEREAS, the Employer desires to continue to employ the Executive and the Executive desires to continue to be employed by the Employer.

NOW THEREFORE, in consideration of the premises and subject to the terms and conditions set forth herein, the parties hereto agree as follows:

1. Employment and Noncompetition Agreement. This Agreement is supplementary to and, except as explicitly set forth herein, does not limit or alter any of the terms and conditions established under the Employment Agreement.

2. Term. The term and duration of this Agreement shall be identical to the term of the Employment Agreement, provided, however, that if a Change-in-Control shall occur during the Employment Period, the term of this Agreement, the Employment Agreement and the Employment Period shall continue in effect until the later of (i) the date on which the term of the Employment Agreement otherwise would have ended or (ii) the date which is sixty months beyond the end of the calendar year in which the Change-in-Control occurs. Section 1 of the Employment Agreement is hereby amended in accordance with the foregoing.

3. Termination and Severance Payments. Sections 7(a), (b) and (c) of the Employment Agreement are hereby superseded in their entirety by this Section 3.

(a) At-Will Employment. Executive's employment pursuant to the Employment Agreement is "at will" and may be terminated by the Employer at any time with or without Good Reason, by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth in this Section 3 and in Sections 7(d) through 7(h) of the Employment Agreement.

(b) Termination by Executive. The Employment Period and Executive's employment under the Employment Agreement may be terminated effective immediately by Executive by written notice to the Board of Directors of the Employer (i) within 30 days of the occurrence of a failure of the Board of Directors of the Employer to elect Executive to offices with the same or substantially the same duties and responsibilities as set forth in Section 2 of the Employment Agreement, (ii) within 30 days of the occurrence of a material failure by the Employer to comply with the provisions of Section 3 of the Employment Agreement or a material breach by the Employer of any other provision of the Employment Agreement, (iii) at any time during the 30 day period beginning on the effective date of a Change in Control and the 30 day period beginning one year after the effective date of a Change-in-Control, or (iv) within 30 days of the occurrence of a Force Out. For this purpose, a Force Out shall be deemed to have occurred in the event of:

(i) a change in duties, responsibilities, status or positions with the Employer, which, in Executive's reasonable judgment, does not represent a promotion from or maintaining of Executive's duties, responsibilities, status or positions as in effect immediately prior to the Change-in-Control, or any removal of Executive from or any failure to reappoint or reelect Executive to such positions, except in connection with the termination of Executive's employment for Good Reason, disability, retirement or death;

(ii) a reduction by the Employer in Executive's Base Salary as in effect immediately prior to the Change-in-Control;

(iii) the failure by the Employer to continue in effect any of the benefit plans, programs or arrangements in which Executive is participating at the time of the Change-in-Control of the Employer

(unless Executive is permitted to participate in any substitute benefit plan, program or arrangement with substantially the same terms and to the same extent and with the same rights as Executive had with respect to the benefit plan, program or arrangement that is discontinued) other than as a result of the normal expiration of any such benefit plan, program or arrangement in accordance with its terms as in effect at the time of the Change-in-Control, or the taking of any action, or the failure to act, by the Employer which would adversely affect Executive's continued participation in any of such benefit plans, programs or arrangements on at least as favorable a basis to Executive as is the case on the date of the Change-in-Control or which would materially reduce Executive's benefits in the future under any of such benefit plans, programs or arrangements or deprive Executive of any material benefits enjoyed by Executive at the time of the Change-in-Control;

(iv) the failure by the Employer to provide and credit Executive with the number of paid vacation days to which Executive is then entitled in accordance with the Employer's normal vacation policies as in effect immediately prior to the Change-in-Control;

(v) the Employer's requiring Executive to be based in an office located beyond a reasonable commuting distance from Executive's residence immediately prior to the Change-in-Control, except for required travel relating to the Employer's business to an extent substantially consistent with the business travel obligations which Executive undertook on behalf of the Employer prior to the Change-in-Control;

(vi) the failure by the Employer to obtain from any successor to the Employer an agreement to be bound by this Agreement and the Employment Agreement; or

(vii) any refusal by the Employer to continue to allow Executive to attend to matters or engage in activities not directly related to the business of the Employer which, prior to the Change-in-Control, Executive was permitted by the Employer's Boards of Directors to attend to or engage in.

(c) Certain Benefits upon Termination by Executive. Except as specifically provided in this Section 3 or in Sections 7(d) through 7(h) of the Employment Agreement or as otherwise required by law, all compensation and benefits to Executive under the Employment Agreement shall terminate on the date of termination of the Employment Period. Notwithstanding the foregoing, if the Employment Period is terminated pursuant to Section 3(b) or if Executive's employment is terminated by the Employer other than for Good Reason, Executive shall be entitled to the following benefits:

(i) The Employer shall pay the Executive (x) his or her full Base Salary though the date of termination at the rate in effect on such date, (y) compensation for accrued but unused vacation time, plus (z) a pro rata portion of the Executive's incentive compensation for the calendar year in which the event of termination occurs, assuming that the Executive would have received incentive compensation for such full calendar year equal to the product of (A) the Base Salary that would be payable to the Executive pursuant to subsection 3(a) of the Employment Agreement for such full calendar year and (B) the greater of (a) 1/2 or (b) a percentage equal to the following

(I) the sum of (x) the cash bonus awarded to the Executive for the immediately preceding fiscal year, (y) the product of the price per share of Common Stock on the date of termination (as equitably adjusted to reflect any changes in the capitalization of the Employer) and the aggregate number of shares of Common Stock granted, sold or covered by options or loans awarded to the Executive as incentive compensation for the immediately preceding fiscal year, and (z) the value of all other incentive compensation paid or awarded to the Executive for the immediately preceding fiscal year (including, without limitation, all such incentive compensation includible in the Executive's gross income and reported on an Internal Revenue Service Form W-2), divided by (II) the Executive's Base Salary for the immediately preceding fiscal year,

(the greater of clauses (a) and (b) being herein referred to as the "Deemed Bonus Percentage");

(ii) The Employer shall pay as severance to the Executive, not later than the tenth day following the date of termination, a lump sum severance payment (the "Severance Payment") equal to the aggregate of all compensation that would have been due to the Executive hereunder had his or her employment not been so terminated (without duplication of subsection 3(c)(i) above), including, without limitation, (A) Base Salary (at the greater of the rate payable pursuant to subsection 3(a) of the Employment Agreement or the highest rate then payable to any Executive

Vice President of the Employer), and (B) all incentive compensation which would have been due to the Executive pursuant to subsection 3(b) of the Employment Agreement, through the expiration of this Agreement (as such Agreement may continue in effect under Section 2 hereof in the event of a Change-in-Control) assuming that the Executive would have received incentive compensation for each calendar year through the expiration of this Agreement (as such Agreement may continue in effect under Section 2 hereof in the event of a Change-in-Control) equal to the product of (x) the Base Salary payable to the Executive pursuant to clause (A), and (y) the Deemed Bonus Percentage (or, if greater, the highest Deemed Bonus Percentage determined with respect to any Executive Vice President of the Employer), payable in the same proportions of cash, grants of securities, loans to purchase securities, loan forgiveness and gross-up payments as the incentive compensation paid to the Executive for the immediately preceding fiscal year; provided, however, that such Severance Payment shall not be payable to the Executive until (I) the Executive has executed and delivered to the Employer a general release in a form to be determined by the Employer in good faith, and (II) any applicable revocation period with respect to such release has expired. For purposes of determining Executive's annual compensation in the preceding sentence, compensation payable to the Executive by the Employer shall include, without limitation, every type and form of compensation includible in the Executive's gross income in respect of his or her employment by the Employer (including, without limitation, all income reported on an Internal Revenue Service Form W-2), compensation income recognized as a result of the Executive's exercise of stock options or sale of the stock so acquired and any annual incentive compensation paid in cash or securities to such Executive;

(iii) An amount equal to the Additional Amount pursuant to Section 5 below and an amount equal to the Income Tax Payment pursuant to Section 6 below;

(iv) For the remaining term of the Employment Agreement, Executive shall continue to receive all benefits described in Section 3 of the Employment Agreement existing immediately prior to the date of termination (without taking into account any changes in such benefits effected in violation of the Employment Agreement) and any other benefits then provided by Employer to Executive in addition to those described in Section 3 of the Employment Agreement, including, but not limited to, the life insurance coverage provided by Employer to Executive and the automobile provided by Employer to Executive and automobile insurance and maintenance in respect of such automobile. For purposes of the application of such benefits, Executive shall be treated as if he or she had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination;

(v) For purposes of any equity compensation plan of the Employer, (x) any stock options or other awards (including restricted stock grants) of the Executive under such plan shall vest and become exercisable upon any such termination, and (y) Executive shall be treated as if he or she had remained in the employ of the Employer for the remaining term of the Employment Agreement after the date of Executive's termination so that Executive shall be entitled to exercise any exercisable options or other rights;

(vi) For purposes of any section 401(k) plan or other deferred compensation plan of the Employer, Executive shall be treated as if he or she had remained in the employ of the Employer for the remaining term of the Employment Agreement after the date of Executive's termination so that Executive may continue to receive all matching contributions as provided by the Employer in connection with such plan or any other contributions by Employer in connection with such plan as in effect immediately prior to such termination;

(vii) The amount of any outstanding loans made by the Employer to the Executive, together with any interest accrued on any such loans, and any related "tax" loans made by the Employer to the Executive in respect of tax liabilities owing as the result of the forgiveness of such loans (including forgiveness pursuant to the terms of this Section 3(c)(vii)), together with any interest accrued on any such tax loans, shall be deemed forgiven and Executive shall have no further liability in respect thereof;

(viii) If, in spite of the provisions above, any benefits or service credits under any benefit plan or program of the Employer may not be paid or provided under such plan or program to Executive, or to Executive's dependents, beneficiaries or estate, because Executive is no longer considered to be an employee of the Employer, the Employer shall pay or provide for payment of such benefits and service credits to Executive, or to Executive's dependents, beneficiaries or estate, for the remaining term of the Employment Agreement; and

(ix) Nothing herein shall be deemed to obligate Executive to seek other employment in the event of any such termination and any amounts earned or benefits received from such other employment will not serve to

reduce in any way the amounts and benefits payable in accordance herewith.

4. Expenses. Section 3(d) of the Employment Agreement is hereby supplemented by this Section 4. In addition to the expenses referred to in Section 3(d) of the Employment Agreement, the Employer shall pay all legal fees and related expenses (including the costs of experts, evidence and counsel) incurred by the Executive as they become due as a result of (i) the termination of the Employment Period or Executive's employment pursuant to this Agreement or the Employment Agreement (including all such fees and expenses, if any, incurred in contesting or disputing any such termination), (ii) the Executive seeking to obtain or enforce any right or benefit provided by this Agreement, the Employment Agreement or by any other plan or arrangement maintained by the Employer under which the Executive is or may be entitled to receive benefits or (iii) any action taken by the Employer against the Executive, unless and until such time that a final judgement has been rendered in favor of the Employer and all appeals related to any such action have been exhausted; provided however, that the circumstances set forth above occurred on or after a Change-in-Control.

5. Additional Amount. Whether or not Section 3 is applicable, if in the opinion of tax counsel selected by the Executive and reasonably acceptable to the Employer, the Executive has received or will receive any compensation or recognize any income (whether or not pursuant to this Agreement, the Employment Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) which will constitute an "excess parachute payment" within the meaning of Section 280G(b)(1) of the Code (or for which a tax is otherwise payable under Section 4999 of the Code), then the Employer shall pay the Executive an additional amount (the "Additional Amount") equal to the sum of (i) all taxes payable by the Executive under Section 4999 of the Code with respect to all such excess parachute payments and any such Additional Amount, plus (ii) all federal, state and local income taxes payable by Executive with respect to any such Additional Amount. Any amounts payable pursuant to this Section 4 shall be paid by the Employer to the Executive within 30 days of each written request therefor made by the Executive.

6. Income Tax Payment. Whether or not Section 3 is applicable, if (i) the Executive has received or will receive any compensation or recognize any income (whether or not pursuant to this Agreement, the Employment Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) in connection with a "Change-in-Control" (as that term may be interpreted in this Agreement, the Employment Agreement or any plan or other arrangement of the Employer), and (ii) such compensation or income represents non-cash compensation or income (including, without limitation, non-cash compensation or income attributable to the vesting or exercise of stock options and other awards (including restricted stock grants) under any stock option plan of the Employer), then the Employer shall pay the Executive in cash an amount (the "Income Tax Payment") equal to the sum of (A) all federal, state and local income taxes payable by Executive with respect to such non-cash compensation or income, plus (B) all federal, state and local income taxes payable by Executive with respect to any such Income Tax Payment. The Income Tax Payment shall be paid by the Employer to the Executive within 30 days of the written request therefor made by the Executive.

7. Notices. Any notice required or permitted hereunder shall be in writing and shall be deemed sufficient when given by hand, by nationally recognized overnight courier or by express, registered or certified mail, postage prepaid, return receipt requested, and addressed to the Employer or Executive, as applicable, at the address indicated above (or to such other address as may be provided by notice).

8. Miscellaneous. This Agreement (i) may not be assigned by Executive without the prior written consent of the Employer and (ii) may be assigned by the Employer and shall be binding upon, and inure to the benefit of, the Employer's successors and assigns. Headings herein are for convenience of reference only and shall not define, limit or interpret the contents hereof.

9. Amendment. This Agreement may be amended, modified or supplemented by the mutual consent of the parties in writing, but no oral amendment, modification or supplement shall be effective.

10. Severability. If a court of competent jurisdiction adjudicates any one or more of the provisions hereof as invalid, illegal or unenforceable in any respect, such provision(s) shall be ineffective only to the extent and duration of such invalidity, illegality or unenforceability and such invalidity, illegality or unenforceability shall not affect the remaining substance of such provision or any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had been limited or modified (consistent with its general intent) to the extent necessary so that it shall be valid, legal and enforceable. If it shall not be possible to so limit or modify such invalid, illegal or unenforceable provision, this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, and the

parties will use their best efforts to substitute a valid, legal and enforceable provision which, insofar as practicable, implements the purpose and intent of the provision originally contained herein.

11. Governing Law. This Agreement shall be construed and governed by the laws of the State of New York.

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

RECKSON ASSOCIATES REALTY CORP.

By:

Name:
Title:

Roger Rechler

AMENDMENT AND RESTATEMENT OF

EMPLOYMENT AND NONCOMPETITION AGREEMENT

This AMENDMENT AND RESTATEMENT OF EMPLOYMENT AND NONCOMPETITION AGREEMENT ("Agreement") is made as of the 15th day of August, 2000 by and between Jason Barnett ("Executive") and Reckson Associates Realty Corp., a Maryland corporation with a principal place of business at 225 Broadhollow Road, Melville, New York 11747 (the "Employer") and amends, supersedes and completely restates the Employment and Noncompetition Agreement made as of November 2, 1999 (the "Prior Agreement") by and between the Executive and the Employer.

1. Term. The term of this Agreement shall commence on the date first above written and, unless earlier terminated as provided in Paragraph 7 below, shall terminate on the fifth anniversary of such date (the "Original Term"); provided, however, that Sections 6 and 8 hereof shall survive the termination of this Agreement as provided therein. The Original Term may be extended for such period or periods, if any, as agreed to by Executive and the Employer (each a "Renewal Term"). The period of Executive's employment hereunder consisting of the Original Term and all Renewal Terms is herein referred to as the "Employment Period".

2. Employment and Duties.

(a) During the Employment Period, Executive shall be employed in the business of the Employer and its affiliates. Executive shall serve the Employer as a senior corporate executive with the titles Executive Vice President, General Counsel and Assistant Secretary of the Employer. Executive's duties and authority shall be as set forth in the By-laws of the Employer and as otherwise established by the Board of Directors of the Employer, and shall be commensurate with his titles and positions with the Employer.

(b) Executive agrees to his employment as described in this Paragraph 2 and agrees to devote substantially all of his business time and efforts to the performance of his duties under this Agreement, except as otherwise approved by the Board of Directors of the Employer; provided, however, that nothing herein shall be interpreted to preclude Executive from investing his assets as a passive investor in other entities or business ventures, provided that he performs no management or similar role with respect to such other entities or ventures and such investment does not violate Section 8 hereof.

(c) In performing his duties hereunder, Executive shall be available for reasonable travel as the needs of the Employer's business require. Executive shall be based in Nassau County, Suffolk County or New York County, New York.

3. Compensation and Benefits. In consideration of Executive's services hereunder, the Employer shall compensate Executive as provided in this Section 3.

(a) Base Salary. The Employer shall pay Executive an aggregate annual salary at the rate of $400,000 per annum during the Employment Period ("Base Salary"), subject to withholding for applicable federal, state and local taxes. Base Salary shall be payable in accordance with the Employer's normal business practices, but in no event less frequently than monthly. Executive's Base Salary shall be reviewed no less frequently than annually by the Employer and may be increased, but not decreased, by the Employer during the Employment Period.

(b) Incentive Compensation. In addition to the Base Salary payable to Executive pursuant to Section 3(a), during the Employment Period Executive shall be eligible to participate in any incentive compensation plans in effect with respect to senior executive officers of the Employer, subject to Executive's compliance with such criteria as the Employer's Board of Directors may establish for Executive's participation in such plans from time to time. Any awards to Executive under such plans will be established by the Employer's Board of Directors, or a committee thereof, in its sole discretion.

(c) Stock Options. During the Employment Period, Executive shall be eligible to participate in employee stock option plans established from time to time for the benefit of senior executive officers and other employees of the Employer in accordance with the terms and conditions of such plans. All decisions regarding awards to Executive under the Employer's stock option plans shall be made in the sole discretion of the Employer's Board of Directors, or a committee thereof.

(d) Expenses. Executive shall be reimbursed for all reasonable business related expenses incurred by Executive at the request of or on behalf of the Employer, subject to such reasonable requirements with respect to substantiation and documentation as may be specified by the Employer.

(e) Medical and Dental Insurance. During the Employment Period, Executive and Executive's immediate family shall be entitled to participate in

such medical and dental benefit plans as the Employer shall maintain from time to time for the benefit of senior executive officers of the Employer and their families, on the terms and subject to the conditions set forth in such plans.

(f) Life Insurance and Disability Insurance. During the Employment Period, the Employer shall provide Executive with life insurance policies and coverage and comprehensive disability insurance coverage of the same type and at the same levels in effect with respect to other senior executive officers of the Employer.

(g) Vacations. Executive shall be entitled to four weeks of paid vacation per annum in accordance with the then regular procedures of the Employer governing senior executive officers.

(h) Other Benefits. During the Employment Period, the Employer shall provide to Executive such other benefits, including sick leave and the right to participate in retirement or pension plans, as are made generally available to senior executive officers and employees of the Employer from time to time.

4. Indemnification and Liability Insurance. The Employer agrees to indemnify Executive with respect to any actions commenced against Executive in his capacity as an officer or director, or former officer or director, of the Employer or any affiliate thereof for which he may serve in such capacity. The Employer also agrees to use its best efforts to secure and maintain officers and directors liability insurance providing coverage for Executive.

5. Employer's Policies. Executive agrees to observe and comply with the rules and regulations of the Employer as adopted by its Board of Directors regarding the performance of his duties and to carry out and perform orders, directions and policies communicated to him from time to time by the Employer's Board of Directors.

6. Nondisclosure Covenant.

(a) General. All records, financial statements and similar documents obtained, reviewed or compiled by Executive in the course of the performance by him of services for the Employer, whether or not confidential information or trade secrets, shall be the exclusive property of the Employer. Executive shall have no rights in such documents upon any termination of this Agreement.

(b) Confidential Information. Executive will not disclose to any person or entity (except as required by applicable law or in connection with the performance of his duties and responsibilities hereunder), or use for his own benefit or gain, any confidential information of the Employer obtained by him incident to his employment with the Employer. The term "confidential information" includes, without limitation, financial information, business plans, prospects and opportunities which have been discussed or considered by the management of the Employer but does not include any information which has become part of the public domain by means other than Executive's non-observance of his obligations hereunder. This paragraph shall survive the termination of this Agreement.

7. Termination and Severance Payments.

(a) At-Will Employment. Executive's employment hereunder is "at will" and may be terminated by the Employer at any time with or without Good Reason (as defined in Section 7(e) below), by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth in this Section 7, and by the Executive at any time, whether pursuant to Section 7(b) or otherwise.

(b) Termination by Executive. The Employment Period and Executive's employment hereunder may be terminated effective immediately by Executive by written notice to the Board of Directors of the Employer within 30 days of the occurrence of (i) a failure of the Board of Directors of the Employer to elect Executive to offices with the same or substantially the same duties and responsibilities as set forth in Section 2, or (ii) a material failure by the Employer to comply with the provisions of Section 3 or a material breach by the Employer of any other provision of this Agreement.

(c) Certain Benefits upon Termination by Executive. Except as specifically provided in this Section 7 or otherwise required by law, all compensation and benefits to Executive under this Agreement shall terminate on the date of termination of the Employment Period. Notwithstanding the foregoing, if the Employment Period is terminated pursuant to Section 7(b) or if Executive's employment is terminated by the Employer other than for Good Reason, Executive shall be entitled to the following benefits:

(i) The Employer shall continue to pay Executive's Base Salary for the remaining term of this Agreement after the date of Executive's termination, at the rate in effect on the date of his termination and on the same periodic payment dates as payment would have been made to Executive had the Employment Period not been terminated;

(ii) For the remaining term of this Agreement, Executive shall

continue to receive all benefits described in Section 3 existing immediately prior to the date of termination, without taking into account any changes in such benefits effected in violation of this Agreement. For purposes of the application of such benefits, Executive shall be treated as if he had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination;

(iii) For purposes of any stock option plan of the Employer, Executive shall be treated as if he had remained in the employ of the Employer for the remaining term of this Agreement after the date of Executive's termination so that (x) any stock options or other awards (including restricted stock grants) of the Executive under such plan shall continue to vest and become exercisable, and (y) Executive shall be entitled to exercise any exercisable options or other rights;

(iv) If, in spite of the provisions above, any benefits or service credits under any benefit plan or program of the Employer may not be paid or provided under such plan or program to Executive, or to Executive's dependents, beneficiaries or estate, because Executive is no longer considered to be an employee of the Employer, the Employer shall pay or provide for payment of such benefits and service credits to Executive, or to Executive's dependents, beneficiaries or estate, for the remaining term of this Agreement; and

(v) Nothing herein shall be deemed to obligate Executive to seek other employment in the event of any such termination and any amounts earned or benefits received from such other employment will not serve to reduce in any way the amounts and benefits payable in accordance herewith.

(d) Termination by the Employer for Good Reason. If (i) Executive is terminated for Good Reason or (ii) Executive shall voluntarily terminate his employment hereunder (other than pursuant to Section 7(b) hereof), then the Employment Period shall terminate as of the effective date set forth in the written notice of such termination (the "Termination Date") and Executive shall be entitled to receive only his Base Salary at the rate then in effect until the Termination Date and any outstanding stock options held by Executive shall expire in accordance with the terms of the stock option plan or option agreement under which the stock options were granted.

(e) Definitions. The following terms shall be defined as set forth below.

(i) A "Change-in-Control" shall be deemed to have occurred after the effective date of this Agreement if:

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

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

(C) the stockholders of the Employer shall approve (1) any consolidation or merger of the Employer or any subsidiary where the stockholders of the Employer, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, but based solely on their prior ownership of shares of the Employer, shares representing in the aggregate more than 60% of the voting shares of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (2) any sale, lease, exchange or other transfer (in one transaction or a series of transactions

contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Employer or (3) any plan or proposal for the liquidation or dissolution of the Employer;

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

(ii) "Good Reason" shall mean a finding by the Employer's Board of Directors that Executive has (A) acted with gross negligence or willful misconduct in connection with the performance of his material duties hereunder; (B) defaulted in the performance of his material duties hereunder and has not corrected such action within 15 days of receipt of written notice thereof; (C) willfully acted against the best interests of the Employer, which act has had a material and adverse impact on the financial affairs of the Employer; or (D) been convicted of a felony or committed a material act of common law fraud against the Employer or its employees and such act or conviction has had, or the Employer's Board of Directors reasonably determines will have, a material adverse effect on the interests of the Employer; provided, however, that a finding of Good Reason shall not become effective unless and until the Board of Directors provides the Executive notice that it is considering making such finding and a reasonable opportunity to be heard by the Board of Directors.

(iii) "Person" shall have the meaning used in Sections 13(d) and 14(d) of the Exchange Act; provided however, that the term "Person" shall not include (A) any executive officer of the Employer on the date hereof, or (B) the Employer, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Employer or any of its subsidiaries.

(f) Termination by Reason of Death. The Employment Period shall terminate upon Executive's death and in such event, the Employer shall pay Executive's Base Salary for a period of six (6) months from the date of his death, or such longer period as the Employer's Boards of Directors may determine, to Executive's estate or to a beneficiary designated by Executive in writing prior to his death. Any unexercised or unvested stock options shall remain exercisable or vest upon Executive's death only to the extent provided in the applicable option plan and option agreements.

(g) Termination by Reason of Disability. In the event that Executive shall become unable to efficiently perform his duties hereunder because of any physical or mental disability or illness, Executive shall be entitled to be paid his Base Salary until the later of such time when (i) the period of disability or illness (whether or not the same disability or illness) shall exceed 180 consecutive days during the Employment Period and (ii) Executive becomes eligible to receive benefits under a comprehensive disability insurance policy obtained by the Employer (the "Disability Period"). Following the expiration of the Disability Period, the Employer may terminate this Agreement upon written notice of such termination. Any unexercised or unvested stock options shall remain exercisable or vest upon such termination only to the extent provided in the applicable option plan and option agreements .

(h) Arbitration in the Event of a Dispute Regarding the Nature of Termination. In the event that the Employer terminates Executive's employment for Good Reason and Executive contends that Good Reason did not exist, the Employer's only obligation shall be to submit such claim to arbitration before the American Arbitration Association ("AAA"). In such a proceeding, the only issue before the arbitrator will be whether Executive was in fact terminated for Good Reason. If the arbitrator determines that Executive was not terminated for Good Reason, the only remedy that the arbitrator may award is entitlement to the severance payments and benefits specified in Paragraph 7(c), the costs of arbitration, and Executive's attorneys' fees. If the arbitrator finds that Executive was terminated for Good Reason, the arbitrator will be without authority to award Executive anything, the parties will each be responsible for their own attorneys' fees, and the costs of arbitration will be paid 50% by Executive and 50% by the Employer.

8. Noncompetition Covenant.

(a) Because Executive's services to the Employer are essential and because Executive has access to the Employer's confidential information, Executive covenants and agrees that (i) during the Employment Period and (ii) in the event that this Agreement is terminated by the Employer for Good Reason or by Executive other than pursuant to Section 7(b) hereof, during the

Noncompetition Period Executive will not, without the prior written consent of the Board of Directors of the Employer which shall include the unanimous consent of the Directors who are not officers of the Employer, directly or indirectly:

(A) engage, participate or assist, as an owner, partner, employee, consultant, director, officer, trustee or agent, in any business that engages or attempts to engage in, directly or indirectly, the acquisition, development, construction, operation, management or leasing of any industrial or office real estate property in any of the submarkets throughout the tri-state metropolitan area of New York, New Jersey and Connecticut in which the Company is operating, or

(B) intentionally interfere with, disrupt or attempt to disrupt the relationship, contractual or otherwise, between the Employer or its affiliates and any tenant, supplier, contractor, lender, employee or governmental agency or authority.

(b) For purposes of this Section 8, the Noncompetition Period shall mean the period commencing on the date of termination of Executive's employment under this Agreement and ending on the later of (i) the third anniversary of the effective date of the Prior Agreement, or (ii) the first anniversary of the date of termination of Executive's employment under this Agreement.

(c) Notwithstanding anything contained herein to the contrary, Executive is not prohibited by this Section 8 from (i) maintaining his investment in any Option Property (as such term is defined in the Employer's final prospectus relating to the initial public offering of the Employer's Common Stock), or (ii) from making investments in any entity that engages, directly or indirectly, in the acquisition, development, construction, operation, management or leasing of industrial or office real estate properties, regardless of where they are located, if the shares or other ownership interests of such entity are publicly traded and Executive's aggregate investment in such entity constitutes less than five percent (5%) of the equity ownership of such entity.

(d) The provisions of this Section 8 shall survive the termination of this Agreement.

9. Conflicting Agreements. Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which he is a party or is bound, and that he is not now subject to any covenants against competition or similar covenants which would affect the performance of his obligations hereunder.

10. Notices. Any notice required or permitted hereunder shall be in writing and shall be deemed sufficient when given by hand, by nationally recognized overnight courier or by express, registered or certified mail, postage prepaid, return receipt requested, and addressed to the Employer or Executive, as applicable, at the address indicated above (or to such other address as may be provided by notice).

11. Miscellaneous. This Agreement and the Severance Agreement (i) constitute the entire agreement between the parties concerning the subject matter hereof and supersedes any and all prior agreements or understandings, (ii) may not be assigned by Executive without the prior written consent of the Employer, and (iii) may be assigned by the Employer and shall be binding upon, and inure to the benefit of, the Employer's successors and assigns. Headings herein are for convenience of reference only and shall not define, limit or interpret the contents hereof.

12. Amendment. This Agreement may be amended, modified or supplemented by the mutual consent of the parties in writing, but no oral amendment, modification or supplement shall be effective.

13. Specific Enforcement. The provisions of Sections 6 and 8 of this Agreement are to be specifically enforced if not performed according to their terms. Without limiting the generality of the foregoing, the parties acknowledge that the Employer may be irreparably damaged and there may be no adequate remedy at law for Executive's breach of Sections 6 and 8 of this Agreement and further acknowledge that the Employer may seek entry of a temporary restraining order or preliminary injunction, in addition to any other remedies available at law or in equity, to enforce the provisions thereof.

14. Severability. If a court of competent jurisdiction adjudicates any one or more of the provisions hereof as invalid, illegal or unenforceable in any respect, such provision(s) shall be ineffective only to the extent and duration of such invalidity, illegality or unenforceability and such invalidity, illegality or unenforceability shall not affect the remaining substance of such provision or any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had been limited or modified (consistent with its general intent) to

the extent necessary so that it shall be valid, legal and enforceable. If it shall not be possible to so limit or modify such invalid, illegal or unenforceable provision, this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, and the parties will use their best efforts to substitute a valid, legal and enforceable provision which, insofar as practicable, implements the purpose and intent of the provision originally contained herein.

15. Governing Law. This Agreement shall be construed and governed by the laws of the State of New York.

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

RECKSON ASSOCIATES REALTY CORP.

By:

Name:
Title:

Jason Barnett

AMENDMENT AND RESTATEMENT OF

SEVERANCE AGREEMENT

AMENDMENT AND RESTATEMENT OF SEVERANCE AGREEMENT, dated as of the 15th day of August, 2000 (the "Agreement") by and between Jason Barnett (the "Executive"), and Reckson Associates Realty Corp., a Maryland corporation with a principal place of business at 225 Broadhollow Road, Melville, New York 11747 (the "Employer") and amends, supersedes and completely restates the Severance Agreement made as of November 2, 1999 by and among the Executive and the Employer.

Terms used in this Agreement with the initial letter capitalized shall, unless otherwise defined herein, have the meanings specified in the Amendment and Restatement of Employment and Noncompetition Agreement, dated August 15, 2000, between the Employer and the Executive and in any amendment to or restatement of such agreement (the "Employment Agreement").

W I T N E S S E T H :

WHEREAS, Executive and Employer have previously entered into the Employment Agreement; and

WHEREAS, the Employer desires to continue to employ the Executive and the Executive desires to continue to be employed by the Employer.

NOW THEREFORE, in consideration of the premises and subject to the terms and conditions set forth herein, the parties hereto agree as follows:

1. Employment and Noncompetition Agreement. This Agreement is supplementary to and, except as explicitly set forth herein, does not limit or alter any of the terms and conditions established under the Employment Agreement.

2. Term. The term and duration of this Agreement shall be identical to the term of the Employment Agreement, provided, however, that if a Change-in-Control shall occur during the Employment Period, the term of this Agreement, the Employment Agreement and the Employment Period shall continue in effect until the later of (i) the date on which the term of the Employment Agreement otherwise would have ended or (ii) the date which is sixty months beyond the end of the calendar year in which the Change-in-Control occurs. Section 1 of the Employment Agreement is hereby amended in accordance with the foregoing.

3. Termination and Severance Payments. Sections 7(a), (b) and (c) of the Employment Agreement are hereby superseded in their entirety by this Section 3.

(a) At-Will Employment. Executive's employment pursuant to the Employment Agreement is "at will" and may be terminated by the Employer at any time with or without Good Reason, by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth in this Section 3 and in Sections 7(d) through 7(h) of the Employment Agreement.

(b) Termination by Executive. The Employment Period and Executive's employment under the Employment Agreement may be terminated effective immediately by Executive by written notice to the Board of Directors of the Employer (i) within 30 days of the occurrence of a failure of the Board of Directors of the Employer to elect Executive to offices with the same or substantially the same duties and responsibilities as set forth in Section 2 of the Employment Agreement, (ii) within 30 days of the occurrence of a material failure by the Employer to comply with the provisions of Section 3 of the Employment Agreement or a material breach by the Employer of any other provision of the Employment Agreement, (iii) at any time during the 30 day period beginning on the effective date of a Change in Control and the 30 day period beginning one year after the effective date of a Change-in-Control, or (iv) within 30 days of the occurrence of a Force Out. For this purpose, a Force Out shall be deemed to have occurred in the event of:

(i) a change in duties, responsibilities, status or positions with the Employer, which, in Executive's reasonable judgment, does not represent a promotion from or maintaining of Executive's duties, responsibilities, status or positions as in effect immediately prior to the Change-in-Control, or any removal of Executive from or any failure to reappoint or reelect Executive to such positions, except in connection with the termination of Executive's employment for Good Reason, disability, retirement or death;

(ii) a reduction by the Employer in Executive's Base Salary as in effect immediately prior to the Change-in-Control;

(iii) the failure by the Employer to continue in effect any of the benefit plans, programs or arrangements in which Executive is participating at the time of the Change-in-Control of the Employer (unless Executive is permitted to participate in any substitute

benefit plan, program or arrangement with substantially the same terms and to the same extent and with the same rights as Executive had with respect to the benefit plan, program or arrangement that is discontinued) other than as a result of the normal expiration of any such benefit plan, program or arrangement in accordance with its terms as in effect at the time of the Change-in-Control, or the taking of any action, or the failure to act, by the Employer which would adversely affect Executive's continued participation in any of such benefit plans, programs or arrangements on at least as favorable a basis to Executive as is the case on the date of the Change-in-Control or which would materially reduce Executive's benefits in the future under any of such benefit plans, programs or arrangements or deprive Executive of any material benefits enjoyed by Executive at the time of the Change-in-Control;

(iv) the failure by the Employer to provide and credit Executive with the number of paid vacation days to which Executive is then entitled in accordance with the Employer's normal vacation policies as in effect immediately prior to the Change-in-Control;

(v) the Employer's requiring Executive to be based in an office located beyond a reasonable commuting distance from Executive's residence immediately prior to the Change-in-Control, except for required travel relating to the Employer's business to an extent substantially consistent with the business travel obligations which Executive undertook on behalf of the Employer prior to the Change-in-Control;

(vi) the failure by the Employer to obtain from any successor to the Employer an agreement to be bound by this Agreement and the Employment Agreement; or

(vii) any refusal by the Employer to continue to allow Executive to attend to matters or engage in activities not directly related to the business of the Employer which, prior to the Change-in-Control, Executive was permitted by the Employer's Boards of Directors to attend to or engage in.

(c) Certain Benefits upon Termination by Executive. Except as specifically provided in this Section 3 or in Sections 7(d) through 7(h) of the Employment Agreement or as otherwise required by law, all compensation and benefits to Executive under the Employment Agreement shall terminate on the date of termination of the Employment Period. Notwithstanding the foregoing, if the Employment Period is terminated pursuant to Section 3(b) or if Executive's employment is terminated by the Employer other than for Good Reason, Executive shall be entitled to the following benefits:

(i) The Employer shall pay the Executive (x) his or her full Base Salary though the date of termination at the rate in effect on such date, (y) compensation for accrued but unused vacation time, plus (z) a pro rata portion of the Executive's incentive compensation for the calendar year in which the event of termination occurs, assuming that the Executive would have received incentive compensation for such full calendar year equal to the product of (A) the Base Salary that would be payable to the Executive pursuant to subsection 3(a) of the Employment Agreement for such full calendar year and (B) the greater of (a) 1/2 or (b) a percentage equal to the following

(I) the sum of (x) the cash bonus awarded to the Executive for the immediately preceding fiscal year, (y) the product of the price per share of Common Stock on the date of termination (as equitably adjusted to reflect any changes in the capitalization of the Employer) and the aggregate number of shares of Common Stock granted, sold or covered by options or loans awarded to the Executive as incentive compensation for the immediately preceding fiscal year, and (z) the value of all other incentive compensation paid or awarded to the Executive for the immediately preceding fiscal year (including, without limitation, all such incentive compensation includible in the Executive's gross income and reported on an Internal Revenue Service Form W-2), divided by (II) the Executive's Base Salary for the immediately preceding fiscal year,

(the greater of clauses (a) and (b) being herein referred to as the "Deemed Bonus Percentage");

(ii) The Employer shall pay as severance to the Executive, not later than the tenth day following the date of termination, a lump sum severance payment (the "Severance Payment") equal to the aggregate of all compensation that would have been due to the Executive hereunder had his or her employment not been so terminated (without duplication of subsection 3(c)(i) above), including, without limitation, (A) Base Salary (at the greater of the rate payable pursuant to subsection 3(a) of the Employment Agreement or

the highest rate then payable to any Executive Vice President of the Employer), and (B) all incentive compensation which would have been due to the Executive pursuant to subsection 3(b) of the Employment Agreement, through the expiration of this Agreement (as such Agreement may continue in effect under Section 2 hereof in the event of a Change-in-Control) assuming that the Executive would have received incentive compensation for each calendar year through the expiration of this Agreement (as such Agreement may continue in effect under Section 2 hereof in the event of a Change-in-Control) equal to the product of (x) the Base Salary payable to the Executive pursuant to clause (A), and (y) the Deemed Bonus Percentage (or, if greater, the highest Deemed Bonus Percentage determined with respect to any Executive Vice President of the Employer), payable in the same proportions of cash, grants of securities, loans to purchase securities, loan forgiveness and gross-up payments as the incentive compensation paid to the Executive for the immediately preceding fiscal year; provided, however, that such Severance Payment shall not be payable to the Executive until (I) the Executive has executed and delivered to the Employer a general release in a form to be determined by the Employer in good faith, and (II) any applicable revocation period with respect to such release has expired. For purposes of determining Executive's annual compensation in the preceding sentence, compensation payable to the Executive by the Employer shall include, without limitation, every type and form of compensation includible in the Executive's gross income in respect of his or her employment by the Employer (including, without limitation, all income reported on an Internal Revenue Service Form W-2), compensation income recognized as a result of the Executive's exercise of stock options or sale of the stock so acquired and any annual incentive compensation paid in cash or securities to such Executive;

(iii) An amount equal to the Additional Amount pursuant to Section 5 below and an amount equal to the Income Tax Payment pursuant to Section 6 below;

(iv) For the remaining term of the Employment Agreement, Executive shall continue to receive all benefits described in Section 3 of the Employment Agreement existing immediately prior to the date of termination (without taking into account any changes in such benefits effected in violation of the Employment Agreement) and any other benefits then provided by Employer to Executive in addition to those described in Section 3 of the Employment Agreement, including, but not limited to, the life insurance coverage provided by Employer to Executive and the automobile provided by Employer to Executive and automobile insurance and maintenance in respect of such automobile. For purposes of the application of such benefits, Executive shall be treated as if he or she had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination;

(v) For purposes of any equity compensation plan of the Employer, (x) any stock options or other awards (including restricted stock grants) of the Executive under such plan shall vest and become exercisable upon any such termination, and (y) Executive shall be treated as if he or she had remained in the employ of the Employer for the remaining term of the Employment Agreement after the date of Executive's termination so that Executive shall be entitled to exercise any exercisable options or other rights;

(vi) For purposes of any section 401(k) plan or other deferred compensation plan of the Employer, Executive shall be treated as if he or she had remained in the employ of the Employer for the remaining term of the Employment Agreement after the date of Executive's termination so that Executive may continue to receive all matching contributions as provided by the Employer in connection with such plan or any other contributions by Employer in connection with such plan as in effect immediately prior to such termination;

(vii) The amount of any outstanding loans made by the Employer to the Executive, together with any interest accrued on any such loans, and any related "tax" loans made by the Employer to the Executive in respect of tax liabilities owing as the result of the forgiveness of such loans (including forgiveness pursuant to the terms of this Section 3(c)(vii)), together with any interest accrued on any such tax loans, shall be deemed forgiven and Executive shall have no further liability in respect thereof;

(viii) If, in spite of the provisions above, any benefits or service credits under any benefit plan or program of the Employer may not be paid or provided under such plan or program to Executive, or to Executive's dependents, beneficiaries or estate, because Executive is no longer considered to be an employee of the Employer, the Employer shall pay or provide for payment of such benefits and service credits to Executive, or to Executive's dependents, beneficiaries or estate, for the remaining term of the Employment

Agreement; and

(ix) Nothing herein shall be deemed to obligate Executive to seek other employment in the event of any such termination and any amounts earned or benefits received from such other employment will not serve to reduce in any way the amounts and benefits payable in accordance herewith.

4. Expenses. Section 3(d) of the Employment Agreement is hereby supplemented by this Section 4. In addition to the expenses referred to in Section 3(d) of the Employment Agreement, the Employer shall pay all legal fees and related expenses (including the costs of experts, evidence and counsel) incurred by the Executive as they become due as a result of (i) the termination of the Employment Period or Executive's employment pursuant to this Agreement or the Employment Agreement (including all such fees and expenses, if any, incurred in contesting or disputing any such termination), (ii) the Executive seeking to obtain or enforce any right or benefit provided by this Agreement, the Employment Agreement or by any other plan or arrangement maintained by the Employer under which the Executive is or may be entitled to receive benefits or (iii) any action taken by the Employer against the Executive, unless and until such time that a final judgement has been rendered in favor of the Employer and all appeals related to any such action have been exhausted; provided however, that the circumstances set forth above occurred on or after a Change-in-Control.

5. Additional Amount. Whether or not Section 3 is applicable, if in the opinion of tax counsel selected by the Executive and reasonably acceptable to the Employer, the Executive has received or will receive any compensation or recognize any income (whether or not pursuant to this Agreement, the Employment Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) which will constitute an "excess parachute payment" within the meaning of Section 280G(b)(1) of the Code (or for which a tax is otherwise payable under Section 4999 of the Code), then the Employer shall pay the Executive an additional amount (the "Additional Amount") equal to the sum of (i) all taxes payable by the Executive under Section 4999 of the Code with respect to all such excess parachute payments and any such Additional Amount, plus (ii) all federal, state and local income taxes payable by Executive with respect to any such Additional Amount. Any amounts payable pursuant to this Section 4 shall be paid by the Employer to the Executive within 30 days of each written request therefor made by the Executive.

6. Income Tax Payment. Whether or not Section 3 is applicable, if (i) the Executive has received or will receive any compensation or recognize any income (whether or not pursuant to this Agreement, the Employment Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) in connection with a "Change-in-Control" (as that term may be interpreted in this Agreement, the Employment Agreement or any plan or other arrangement of the Employer), and (ii) such compensation or income represents non-cash compensation or income (including, without limitation, non-cash compensation or income attributable to the vesting or exercise of stock options and other awards (including restricted stock grants) under any stock option plan of the Employer), then the Employer shall pay the Executive in cash an amount (the "Income Tax Payment") equal to the sum of (A) all federal, state and local income taxes payable by Executive with respect to such non-cash compensation or income, plus (B) all federal, state and local income taxes payable by Executive with respect to any such Income Tax Payment. The Income Tax Payment shall be paid by the Employer to the Executive within 30 days of the written request therefor made by the Executive.

7. Notices. Any notice required or permitted hereunder shall be in writing and shall be deemed sufficient when given by hand, by nationally recognized overnight courier or by express, registered or certified mail, postage prepaid, return receipt requested, and addressed to the Employer or Executive, as applicable, at the address indicated above (or to such other address as may be provided by notice).

8. Miscellaneous. This Agreement (i) may not be assigned by Executive without the prior written consent of the Employer and (ii) may be assigned by the Employer and shall be binding upon, and inure to the benefit of, the Employer's successors and assigns. Headings herein are for convenience of reference only and shall not define, limit or interpret the contents hereof.

9. Amendment. This Agreement may be amended, modified or supplemented by the mutual consent of the parties in writing, but no oral amendment, modification or supplement shall be effective.

10. Severability. If a court of competent jurisdiction adjudicates any one or more of the provisions hereof as invalid, illegal or unenforceable in any respect, such provision(s) shall be ineffective only to the extent and duration of such invalidity, illegality or unenforceability and such invalidity, illegality or unenforceability shall not affect the remaining substance of such provision or any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had been limited or modified (consistent with its general intent) to

the extent necessary so that it shall be valid, legal and enforceable. If it shall not be possible to so limit or modify such invalid, illegal or unenforceable provision, this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, and the parties will use their best efforts to substitute a valid, legal and enforceable provision which, insofar as practicable, implements the purpose and intent of the provision originally contained herein.

11. Governing Law. This Agreement shall be construed and governed by the laws of the State of New York.

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

RECKSON ASSOCIATES REALTY CORP.

By:

Name:
Title:

Jason Barnett

RECKSON ASSOCIATES REALTY CORP.

AMENDED AND RESTATED BYLAWS

(amended as of August 2000)

ARTICLE I

OFFICES

Section 1. PRINCIPAL OFFICE. The principal office of the Corporation shall be located at such place or places as the Board of Directors may designate.

Section 2. ADDITIONAL OFFICES. The Corporation may have additional offices at such places as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. PLACE. All meetings of stockholders shall be held at the principal office of the Corporation or at such other place within the United States as shall be stated in the notice of the meeting.

Section 2. ANNUAL MEETING. An annual meeting of the stockholders for the election of directors and the transaction of any business within the powers of the Corporation shall be held on a date and at the time set by the Board of Directors during the month of May in each year.

Section 3. SPECIAL MEETINGS. The president, chief executive officer or Board of Directors may call special meetings of the stockholders. Special meetings of stockholders shall also be called by the secretary of the Corporation upon the written request of the holders of shares entitled to cast not less than a majority of all the votes entitled to be cast at such meeting. Such request shall state the purpose of such meeting and the matters proposed to be acted on at such meeting. The secretary shall inform such stockholders of the reasonably estimated cost of preparing and mailing notice of the meeting and, upon payment to the Corporation by such stockholders of such costs, the secretary shall give notice to each stockholder entitled to notice of the meeting. Unless requested by the stockholders entitled to cast a majority of all the votes entitled to be cast at such meeting, a special meeting need not be called to consider any matter which is substantially the same as a matter voted on at any special meeting of the stockholders held during the preceding twelve months.

Section 4. NOTICE. Not less than ten nor more than 90 days before each meeting of stockholders, the secretary shall give to each stockholder entitled to vote at such meeting and to each stockholder not entitled to vote who is entitled to notice of the meeting written or printed notice stating the time and place of the meeting and, in the case of a special meeting or as otherwise may be required by any statute, the purpose for which the meeting is called, either by mail or by presenting it to such stockholder personally or by leaving it at his residence or usual place of business. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the stockholder at his post office address as it appears on the records of the Corporation, with postage thereon prepaid.

Section 5. SCOPE OF NOTICE. Any business of the Corporation may be transacted at an annual meeting of stockholders without being specifically designated in the notice, except such business as is required by any statute to be stated in such notice. No business shall be transacted at a special meeting of stockholders except as specifically designated in the notice.

Section 6. ORGANIZATION. At every meeting of stockholders, the Chairman of the Board, if there be one, shall conduct the meeting or, in the case of vacancy in office or absence of the Chairman of the Board, one of the following officers present shall conduct the meeting in the order stated: the Vice Chairman of the Board, if there be one, the President, the Vice Presidents in their order of rank and seniority, or a Chairman chosen by the stockholders entitled to cast a majority of the votes which all stockholders present in person or by proxy are entitled to cast, shall act as Chairman, and the Secretary, or, in his absence, an assistant secretary, or in the absence of both the Secretary and assistant secretaries, a person appointed by the Chairman shall act as Secretary.

Section 7. QUORUM. At any meeting of stockholders, the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at such meeting shall constitute a quorum; but this section shall not affect any requirement under any statute or the charter of the Corporation for the vote necessary for the adoption of any measure. If, however, such quorum shall not be present at any meeting of the stockholders, the stockholders entitled to vote at such meeting, present in person or by

proxy, shall have the power to adjourn the meeting from time to time to a date not more than 120 days after the original record date without notice other than announcement at the meeting. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 8. VOTING. A plurality of all the votes cast at a meeting of stockholders duly called and at which a quorum is present shall be sufficient to elect a director. Each share may be voted for as many individuals as there are directors to be elected and for whose election the share is entitled to be voted. A majority of the votes cast at a meeting of stockholders duly called and at which a quorum is present shall be sufficient to approve any other matter which may properly come before the meeting, unless more than a majority of the votes cast is required by statute or by the charter of the Corporation. Unless otherwise provided in the charter, each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of stockholders.

Section 9. PROXIES. A stockholder may vote the stock owned of record by him, either in person or by proxy executed in writing by the stockholder or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the Corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

Section 10. VOTING OF STOCK BY CERTAIN HOLDERS. Stock of the Corporation registered in the name of a corporation, partnership, trust or other entity, if entitled to be voted, may be voted by the president or a vice president, a general partner or trustee thereof, as the case may be, or a proxy appointed by any of the foregoing individuals, unless some other person who has been appointed to vote such stock pursuant to a bylaw or a resolution of the governing body of such corporation or other entity or agreement of the partners of a partnership presents a certified copy of such bylaw, resolution or agreement, in which case such person may vote such stock. Any director or other fiduciary may vote stock registered in his name as such fiduciary, either in person or by proxy.

Shares of stock of the Corporation directly or indirectly owned by it shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares entitled to be voted at any given time, unless they are held by it in a fiduciary capacity, in which case they may be voted and shall be counted in determining the total number of outstanding shares at any given time.

The Board of Directors may adopt by resolution a procedure by which a stockholder may certify in writing to the Corporation that any shares of stock registered in the name of the stockholder are held for the account of a specified person other than the stockholder. The resolution shall set forth the class of stockholders who may make the certification, the purpose for which the certification may be made, the form of certification and the information to be contained in it; if the certification is with respect to a record date or closing of the stock transfer books, the time after the record date or closing of the stock transfer books within which the certification must be received by the Corporation; and any other provisions with respect to the procedure which the Board of Directors considers necessary or desirable. On receipt of such certification, the person specified in the certification shall be regarded as, for the purposes set forth in the certification, the stockholder of record of the specified stock in place of the stockholder who makes the certification.

Notwithstanding any other provision of the charter of the Corporation or these Bylaws, Title 3, Subtitle 7 of the Corporations and Associations Article of the Annotated Code of Maryland (or any successor statute) shall not apply to any acquisition by any person of shares of stock of the Corporation. This section may be repealed, in whole or in part, at any time, whether before or after an acquisition of control shares and, upon such repeal, may, to the extent provided by any successor bylaw, apply to any prior or subsequent control share acquisition.

Section 11. INSPECTORS. At any meeting of stockholders, the chairman of the meeting may, or upon the request of any stockholder shall, appoint one or more persons as inspectors for such meeting. Such inspectors shall ascertain and report the number of shares represented at the meeting based upon their determination of the validity and effect of proxies, count all votes, report the results and perform such other acts as are proper to conduct the election and voting with impartiality and fairness to all the stockholders.

Each report of an inspector shall be in writing and signed by him or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of shares represented at the meeting and the results of the voting shall be prima facie evidence thereof.

Section 12. NOMINATIONS AND STOCKHOLDER BUSINESS

(a) Annual Meetings of Stockholders. (1) Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the stockholders (except for stockholder proposals included in the proxy materials pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) may be made at an annual meeting of stockholders (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Board of Directors or (iii) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this Section 12(a), who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 12(a).

(ii) (2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of paragraph (a)(1) of this Section 12, the stockholder must have given timely notice thereof in writing to the secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to the secretary at the principal executive offices of the Corporation not less than 75 days nor more than 180 days prior to the first anniversary of the preceding year's annual meeting or special meeting in lieu thereof; provided, however, that in the event that the date of the annual meeting is advanced by more than seven calendar days or delayed by more than 60 days from such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the 180th day prior to such annual meeting and not later than the close of business on the later of the 75th day prior to such annual meeting or the twentieth day following the earlier of the day on which public announcement of the date of such meeting is first made or notice of the meeting is mailed to stockholders. Such stockholder's notice shall set forth (i) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (ii) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and of the beneficial owner, if any, on whose behalf the proposal is made; and (iii) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, (x) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner and (y) the number of shares of each class of stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of paragraph (a)(2) of this Section 12 to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least 85 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 12(a) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the Corporation.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Board of Directors or (iii) provided that the Board of Directors has determined that directors shall be elected at such special meeting, by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice provided for in this Section 12(b), who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 12(b). In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate a person or persons (as the case may be) for election to such position as specified in the Corporation's notice of meeting, if the stockholder's notice containing the information required by paragraph (a)(2) of this Section 12 shall be delivered to the secretary at the principal executive offices of the Corporation not earlier than the 180th day prior to such special meeting and not later than the close of business on the later of the 75th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting.

(c) General. (1) Only such persons who are nominated in accordance with the procedures set forth in this Section 12 shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 12. The presiding officer of the

meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Section 12 and, if any proposed nomination or business is not in compliance with this Section 12, to declare that such defective nomination or proposal be disregarded.

(2) For purposes of this Section 12, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this Section 12, a stockholder shall also comply with all applicable requirements of state law and of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 12. Nothing in this Section 12 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

Section 13. VOTING BY BALLOT. Voting on any question or in any election may be viva voce unless the presiding officer shall order or any stockholder shall demand that voting be by ballot.

ARTICLE III

DIRECTORS

Section 1. GENERAL POWERS; QUALIFICATIONS. The business and affairs of the Corporation shall be managed under the direction of its Board of Directors.

Section 2. NUMBER, TENURE AND QUALIFICATIONS. At any regular meeting or at any special meeting called for that purpose, a majority of the entire Board of Directors may establish, increase or decrease the number of directors, provided that the number thereof shall never be less than the minimum number required by the Maryland General Corporation Law, nor more than 15, and further provided that the tenure of office of a director shall not be affected by any decrease in the number of directors.

Section 3. ANNUAL AND REGULAR MEETINGS. An annual meeting of the Board of Directors shall be held immediately after and at the same place as the annual meeting of stockholders, no notice other than this Bylaw being necessary. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Maryland, for the holding of regular meetings of the Board of Directors without other notice than such resolution.

Section 4. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the chairman of the board (or any co-chairman of the board if more than one), president or by a majority of the directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Maryland, as the place for holding any special meeting of the Board of Directors called by them.

Section 5. NOTICE. Notice of any special meeting of the Board of Directors shall be delivered personally or by telephone, facsimile transmission, United States mail or courier to each director at his business or residence address. Notice by personal delivery, by telephone or a facsimile transmission shall be given at least two days prior to the meeting. Notice by mail shall be given at least five days prior to the meeting and shall be deemed to be given when deposited in the United States mail properly addressed, with postage thereon prepaid. Telephone notice shall be deemed to be given when the director is personally given such notice in a telephone call to which he is a party. Facsimile transmission notice shall be deemed to be given upon completion of the transmission of the message to the number given to the Corporation by the director and receipt of a completed answer-back indicating receipt. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Board of Directors need be stated in the notice, unless specifically required by statute or these Bylaws.

Section 6. QUORUM. A majority of the directors shall constitute a quorum for transaction of business at any meeting of the Board of Directors, provided that, if less than a majority of such directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice, and provided further that if, pursuant to the charter of the Corporation or these Bylaws, the vote of a majority of a particular group of directors is required for action, a quorum must also include a majority of such group.

The Board of Directors present at a meeting which has been duly called and convened may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

Section 7. VOTING. The action of the majority of the directors present at

a meeting at which a quorum is present shall be the action of the Board of Directors, unless the concurrence of a greater proportion is required for such action by applicable statute.

Section 8. TELEPHONE MEETINGS. Directors may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 9. INFORMAL ACTION BY DIRECTORS. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if a consent in writing to such action is signed by each director and such written consent is filed with the minutes of proceedings of the Board of Directors.

Section 10. VACANCIES. If for any reason any or all the directors cease to be directors, such event shall not terminate the Corporation or affect these Bylaws or the powers of the remaining directors hereunder (even if fewer than three directors remain). Any vacancy on the Board of Directors for any cause other than an increase in the number of directors shall be filled by a majority of the remaining directors, although such majority is less than a quorum. Any vacancy in the number of directors created by an increase in the number of directors may be filled by a majority vote of the entire Board of Directors. Any individual so elected as director shall hold office for the unexpired term of the director he is replacing.

Section 11. COMPENSATION. Directors shall not receive any stated salary for their services as directors but, by resolution of the Board of Directors, may receive fixed sums per year and/or per meeting and/or per visit to real property owned or to be acquired by the Corporation and for any service or activity they performed or engaged in as directors. Directors may be reimbursed for expenses of attendance, if any, at each annual, regular or special meeting of the Board of Directors or of any committee thereof and for their expenses, if any, in connection with each property visit and any other service or activity they performed or engaged in as directors; but nothing herein contained shall be construed to preclude any directors from serving the Corporation in any other capacity and receiving compensation therefor.

Section 12. LOSS OF DEPOSITS. No director shall be liable for any loss which may occur by reason of the failure of the bank, trust company, savings and loan association, or other institution with whom moneys or stock have been deposited.

Section 13. SURETY BONDS. Unless required by law, no director shall be obligated to give any bond or surety or other security for the performance of any of his duties.

Section 14. RELIANCE. Each director, officer, employee and agent of the Corporation shall, in the performance of his duties with respect to the Corporation, be fully justified and protected with regard to any act or failure to act in reliance in good faith upon the books of account or other records of the Corporation, upon an opinion of counsel or upon reports made to the Corporation by any of its officers or employees or by the adviser, accountants, appraisers or other experts or consultants selected by the Board of Directors or officers of the Corporation, regardless of whether such counsel or expert may also be a director.

Section 15. CERTAIN RIGHTS OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS. The directors shall have no responsibility to devote their full time to the affairs of the Corporation. Any director or officer, employee or agent of the Corporation, in his personal capacity or in a capacity as an affiliate, employee, or agent of any other person, or otherwise, may have business interests and engage in business activities similar to or in addition to or in competition with those of or relating to the Corporation.

Section 16. MATTERS TO BE TAKEN INTO CONSIDERATION BY DIRECTORS. In considering any potential acquisition of control of the Corporation, the directors may consider the effect of the potential acquisition of control on (i) stockholders of the Corporation and unitholders of Reckson Operating Partnership, L.P. and employees, suppliers, customers and creditors of the Corporation or any of its subsidiaries; and (ii) communities in which offices or other establishments of the Corporation are located.

ARTICLE IV

COMMITTEES

Section 1. NUMBER, TENURE AND QUALIFICATIONS. The Board of Directors may appoint from among its members an Executive Committee, an Audit Committee, a Compensation Committee and other committees, composed of two or more directors, to serve at the pleasure of the Board of Directors.

Section 2. POWERS. The Board of Directors may delegate to committees appointed under Section 1 of this Article any of the powers of the Board of Directors, except as prohibited by law.

Section 3. MEETINGS. Notice of committee meetings shall be given in the same manner as notice for special meetings of the Board of Directors. A majority of the members of the committee shall constitute a quorum for the transaction of business at any meeting of the committee. The act of a majority of the committee members present at a meeting shall be the act of such committee. The Board of Directors may designate a chairman of any committee, and such chairman or any two members of any committee may fix the time and place of its meeting unless the Board shall otherwise provide. In the absence of any member of any such committee, the members thereof present at any meeting, whether or not they constitute a quorum, may appoint another director to act in the place of such absent member. Each committee shall keep minutes of its proceedings.

Section 4. TELEPHONE MEETINGS. Members of a committee of the Board of Directors may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 5. INFORMAL ACTION BY COMMITTEES. Any action required or permitted to be taken at any meeting of a committee of the Board of Directors may be taken without a meeting, if a consent in writing to such action is signed by each member of the committee and such written consent is filed with the minutes of proceedings of such committee.

Section 6. VACANCIES. Subject to the provisions hereof, the Board of Directors shall have the power at any time to change the membership of any committee, to fill all vacancies, to designate alternate members to replace any absent or disqualified member or to dissolve any such committee.

ARTICLE V

OFFICERS

Section 1. GENERAL PROVISIONS. The officers of the Corporation shall include a chief executive officer, a president, a secretary and a treasurer and may include a chairman of the board (or one or more co-chairmen of the board), a vice chairman of the board, one or more executive vice presidents, one or more senior vice presidents, one or more vice presidents, a chief operating officer, a chief financial officer, a treasurer, one or more assistant secretaries and one or more assistant treasurers. In addition, the Board of Directors may from time to time appoint such other officers with such powers and duties as they shall deem necessary or desirable. The officers of the Corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of stockholders, except that the chief executive officer may appoint one or more vice presidents, assistant secretaries and assistant treasurers. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until his successor is elected and qualifies or until his death, resignation or removal in the manner hereinafter provided. Any two or more offices except president and vice president may be held by the same person. In its discretion, the Board of Directors may leave unfilled any office except that of president, treasurer and secretary. Election of an officer or agent shall not of itself create contract rights between the Corporation and such officer or agent.

Section 2. REMOVAL AND RESIGNATION. Any officer or agent of the Corporation may be removed by the Board of Directors if in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer of the Corporation may resign at any time by giving written notice of his resignation to the Board of Directors, the chairman of the board (or any co-chairman of the board if more than one), the president or the secretary. Any resignation shall take effect at any time subsequent to the time specified therein or, if the time when it shall become effective is not specified therein, immediately upon its receipt. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation. Such resignation shall be without prejudice to the contract rights, if any, of the Corporation.

Section 3. VACANCIES. A vacancy in any office may be filled by the Board of Directors for the balance of the term.

Section 4. CHIEF EXECUTIVE OFFICER. The Board of Directors may designate a chief executive officer. In the absence of such designation, the chairman of the board (or, if more than one, the co-chairmen of the board in the order designated at the time of their election or, in the absence of any designation, then in the order of their election) shall be the chief executive officer of the Corporation. The chief executive officer shall have general responsibility for implementation of the policies of the Corporation, as determined by the Board of Directors, and for the management of the business and affairs of the Corporation.

Section 5. CHIEF OPERATING OFFICER. The Board of Directors may designate

a chief operating officer. The chief operating officer shall have the responsibilities and duties as set forth by the Board of Directors or the chief executive officer.

Section 6. CHIEF FINANCIAL OFFICER. The Board of Directors may designate a chief financial officer. The chief financial officer shall have the responsibilities and duties as set forth by the Board of Directors or the chief executive officer.

Section 7. CHAIRMAN OF THE BOARD. The Board of Directors shall designate a chairman of the board (or one or more co-chairmen of the board). The chairman of the board shall preside over the meetings of the Board of Directors and of the stockholders at which he shall be present. If there be more than one, the co-chairmen designated by the Board of Directors will perform such duties. The chairman of the board shall perform such other duties as may be assigned to him or them by the Board of Directors.

Section 8. CHAIRMAN OF THE BOARD EMERITUS. The directors may elect by a majority vote, from time to time, a chairman of the board emeritus (or one or more co-chairmen of the board emeritus). The chairman of the board emeritus shall be an honorary position and shall have no vote on any matter considered by the directors. The chairman of the board emeritus shall serve for such term as determined by the Board of Directors and may be removed by a majority vote of directors with or without cause.

Section 9. PRESIDENT. The president or chief executive officer, as the case may be, shall in general supervise and control all of the business and affairs of the Corporation. In the absence of a designation of a chief operating officer by the Board of Directors, the president shall be the chief operating officer. He may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law to be otherwise executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

Section 10. VICE PRESIDENTS. In the absence of the president or in the event of a vacancy in such office, the vice president (or in the event there be more than one vice president, the vice presidents in the order designated at the time of their election or, in the absence of any designation, then in the order of their election) shall perform the duties of the president and when so acting shall have all the powers of and be subject to all the restrictions upon the president; and shall perform such other duties as from time to time may be assigned to him by the president or by the Board of Directors. The Board of Directors may designate one or more vice presidents as executive vice president or as vice president for particular areas of responsibility.

Section 11. SECRETARY. The secretary shall (a) keep the minutes of the proceedings of the stockholders, the Board of Directors and committees of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation; (d) keep a register of the post office address of each stockholder which shall be furnished to the secretary by such stockholder; (e) have general charge of the share transfer books of the Corporation; and (f) in general perform such other duties as from time to time may be assigned to him by the chief executive officer, the president or by the Board of Directors.

Section 12. TREASURER. The treasurer shall have the custody of the funds and securities of the Corporation and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. In the absence of a designation of a chief financial officer by the Board of Directors, the treasurer shall be the chief financial officer of the Corporation.

The treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and Board of Directors, at the regular meetings of the Board of Directors or whenever it may so require, an account of all his transactions as treasurer and of the financial condition of the Corporation.

If required by the Board of Directors, the treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, moneys and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 13. ASSISTANT SECRETARIES AND ASSISTANT TREASURERS. The assistant

secretaries and assistant treasurers, in general, shall perform such duties as shall be assigned to them by the secretary or treasurer, respectively, or by the president or the Board of Directors. The assistant treasurers shall, if required by the Board of Directors, give bonds for the faithful performance of their duties in such sums and with such surety or sureties as shall be satisfactory to the Board of Directors.

Section 14. SALARIES. The salaries and other compensation of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary or other compensation by reason of the fact that he is also a director.

ARTICLE VI

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. CONTRACTS. The Board of Directors may authorize any officer or agent to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances. Any agreement, deed, mortgage, lease or other document executed by one or more of the directors or by an authorized person shall be valid and binding upon the Board of Directors and upon the Corporation when authorized or ratified by action of the Board of Directors.

Section 2. CHECKS AND DRAFTS. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or agent of the Corporation in such manner as shall from time to time be determined by the Board of Directors.

Section 3. DEPOSITS. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may designate.

ARTICLE VII

STOCK

Section 1. CERTIFICATES. Each stockholder shall be entitled to a certificate or certificates which shall represent and certify the number of shares of each class of stock held by him in the Corporation. Each certificate shall be signed by the chief executive officer, the president or a vice president and countersigned by the secretary or an assistant secretary or the treasurer or an assistant treasurer and may be sealed with the seal, if any, of the Corporation. The signatures may be either manual or facsimile. Certificates shall be consecutively numbered; and if the Corporation shall, from time to time, issue several classes of stock, each class may have its own number series. A certificate is valid and may be issued whether or not an officer who signed it is still an officer when it is issued. Each certificate representing shares which are restricted as to their transferability or voting powers, which are preferred or limited as to their dividends or as to their allocable portion of the assets upon liquidation or which are redeemable at the option of the Corporation, shall have a statement of such restriction, limitation, preference or redemption provision, or a summary thereof, plainly stated on the certificate. If the Corporation has authority to issue stock of more than one class, the certificate shall contain on the face or back a full statement or summary of the designations and any preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of each class of stock and, if the Corporation is authorized to issue any preferred or special class in series, the differences in the relative rights and preferences between the shares of each series to the extent they have been set and the authority of the Board of Directors to set the relative rights and preferences of subsequent series. In lieu of such statement or summary, the certificate may state that the Corporation will furnish a full statement of such information to any stockholder upon request and without charge. If any class of stock is restricted by the Corporation as to transferability, the certificate shall contain a full statement of the restriction or state that the Corporation will furnish information about the restrictions to the stockholder on request and without charge.

Section 2. TRANSFERS. Upon surrender to the Corporation or the transfer agent of the Corporation of a stock certificate duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the Corporation shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

The Corporation shall be entitled to treat the holder of record of any share of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Maryland.

Notwithstanding the foregoing, transfers of shares of any class of

stock will be subject in all respects to the charter of the Corporation and all of the terms and conditions contained therein.

Section 3. REPLACEMENT CERTIFICATE. Any officer designated by the Board of Directors may direct a new certificate to be issued in place of any certificate previously issued by the Corporation alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. When authorizing the issuance of a new certificate, an officer designated by the Board of Directors may, in his discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or the owner's legal representative to advertise the same in such manner as he shall require and/or to give bond, with sufficient surety, to the Corporation to indemnify it against any loss or claim which may arise as a result of the issuance of a new certificate.

Section 4. CLOSING OF TRANSFER BOOKS OR FIXING OF RECORD DATE. The Board of Directors may set, in advance, a record date for the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or determining stockholders entitled to receive payment of any dividend or the allotment of any other rights, or in order to make a determination of stockholders for any other proper purpose. Such date, in any case, shall not be prior to the close of business on the day the record date is fixed and shall be not more than 90 days and, in the case of a meeting of stockholders, not less than ten days, before the date on which the meeting or particular action requiring such determination of stockholders of record is to be held or taken.

In lieu of fixing a record date, the Board of Directors may provide that the stock transfer books shall be closed for a stated period but not longer than 20 days. If the stock transfer books are closed for the purpose of determining stockholders entitled to notice of or to vote at a meeting of stockholders, such books shall be closed for at least ten days before the date of such meeting.

If no record date is fixed and the stock transfer books are not closed for the determination of stockholders, (a) the record date for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day on which the notice of meeting is mailed or the 30th day before the meeting, whichever is the closer date to the meeting; and (b) the record date for the determination of stockholders entitled to receive payment of a dividend or an allotment of any other rights shall be the close of business on the day on which the resolution of the directors, declaring the dividend or allotment of rights, is adopted.

When a determination of stockholders entitled to vote at any meeting of stockholders has been made as provided in this section, such determination shall apply to any adjournment thereof, except when (i) the determination has been made through the closing of the transfer books and the stated period of closing has expired or (ii) the meeting is adjourned to a date more than 120 days after the record date fixed for the original meeting, in either of which case a new record date shall be determined as set forth herein.

Section 5. STOCK LEDGER. The Corporation shall maintain at its principal office or at the office of its counsel, accountants or transfer agent, an original or duplicate share ledger containing the name and address of each stockholder and the number of shares of each class held by such stockholder.

Section 6. FRACTIONAL STOCK; ISSUANCE OF UNITS. The Board of Directors may issue fractional stock or provide for the issuance of scrip, all on such terms and under such conditions as they may determine. Notwithstanding any other provision of the charter or these Bylaws, the Board of Directors may issue units consisting of different securities of the Corporation. Any security issued in a unit shall have the same characteristics as any identical securities issued by the Corporation, except that the Board of Directors may provide that for a specified period securities of the Corporation issued in such unit may be transferred on the books of the Corporation only in such unit.

ARTICLE VIII

ACCOUNTING YEAR

The Board of Directors shall have the power, from time to time, to fix the fiscal year of the Corporation by a duly adopted resolution.

ARTICLE IX

DISTRIBUTIONS

Section 1. AUTHORIZATION. Dividends and other distributions upon the stock of the Corporation may be authorized and declared by the Board of Directors, subject to the provisions of law and the charter of the Corporation. Dividends and other distributions may be paid in cash, property or stock of the Corporation, subject to the provisions of law and the charter.

Section 2. CONTINGENCIES. Before payment of any dividends or other distributions, there may be set aside out of any assets of the Corporation available for dividends or other distributions such sum or sums as the Board of Directors may from time to time, in its absolute discretion, think proper as a reserve fund for contingencies, for equalizing dividends or other distributions, for repairing or maintaining any property of the Corporation or for such other purpose as the Board of Directors shall determine to be in the best interest of the Corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE X

INVESTMENT POLICY

Subject to the provisions of the charter of the Corporation, the Board of Directors may from time to time adopt, amend, revise or terminate any policy or policies with respect to investments by the Corporation as it shall deem appropriate in its sole discretion.

ARTICLE XI

SEAL

Section 1. SEAL. The Board of Directors may authorize the adoption of a seal by the Corporation. The seal shall contain the name of the Corporation and the year of its incorporation and the words "Corporate Seal Maryland." The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof.

Section 2. AFFIXING SEAL. Whenever the Corporation is permitted or required to affix its seal to a document, it shall be sufficient to meet the requirements of any law, rule or regulation relating to a seal to place the word "(SEAL)" adjacent to the signature of the person authorized to execute the document on behalf of the Corporation.

ARTICLE XII

INDEMNIFICATION AND ADVANCES FOR EXPENSES

To the maximum extent permitted by Maryland law in effect from time to time, the Corporation, without requiring a preliminary determination of the ultimate entitlement to indemnification, shall indemnify and shall pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (a) any individual who is a present or former director or officer of the Corporation and who is made a party to the proceeding by reason of his service in that capacity or (b) any individual who, while a director of the Corporation and at the request of the Corporation, serves or has served another corporation, partnership, joint venture, trust, employee benefit plan or any other enterprise as a director, officer, partner or trustee of such corporation, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made a party to the proceeding by reason of his service in that capacity. The Corporation may, with the approval of its Board of Directors, provide such indemnification and advance for expenses to a person who served a predecessor of the Corporation in any of the capacities described in (a) or (b) above and to any employee or agent of the Corporation or a predecessor of the Corporation.

Neither the amendment nor repeal of this Article, nor the adoption or amendment of any other provision of the Bylaws or charter of the Corporation inconsistent with this Article, shall apply to or affect in any respect the applicability of the preceding paragraph with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

ARTICLE XIII

WAIVER OF NOTICE

Whenever any notice is required to be given pursuant to the charter of the Corporation or these Bylaws or pursuant to applicable law, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at nor the purpose of any meeting need be set forth in the waiver of notice, unless specifically required by statute. The attendance of any person at any meeting shall constitute a waiver of notice of such meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE XIV

AMENDMENT OF BYLAWS

The Board of Directors shall have the exclusive power to adopt, alter or repeal any provision of these Bylaws and to make new Bylaws.

Reckson Associates Realty Corp.
225 Broadhollow Road
Melville, New York 11747
(Phone) (631) 694-6900
(Facsimile) (631) 622-6790
Contact: Scott Rechler, President and Co-CEO
Michael Maturo, CFO

For Immediate Release

RECKSON ASSOCIATES REALTY CORP. ANNOUNCES SHAREHOLDER RIGHTS PLAN

(MELVILLE, NEW YORK, OCTOBER 16, 2000) - RECKSON ASSOCIATES REALTY CORP. (NYSE: RA) today announced that its Board of Directors has adopted a Shareholder Rights Plan designed to protect shareholders from various abusive takeover tactics, including attempts to acquire control of the Company at an inadequate price, depriving shareholders of the full value of their investment. The Plan is designed to allow the Board of Directors to secure the best available transaction for all the Company's shareholders. The Plan was not adopted in response to any known effort to acquire control of the Company.

"In view of current stock market conditions, we decided it was in the best interest of our shareholders that we join the significant number of REITs that have adopted Shareholder Rights Plans," commented Donald Rechler, Reckson's Chairman and Co-Chief Executive Officer. Mr. Rechler continued, "We believe this is consistent with our continuing emphasis on maintaining strong corporate governance and optimizing long-term shareholder value."

Under the Plan, each shareholder will receive a dividend of one Right for each share of the Company's outstanding class A common stock. The Rights will be exercisable only if a person or group acquires, or announces their intent to acquire, 15% or more of Reckson's class A common stock, or announces a tender offer the consummation of which would result in beneficial ownership by a person or group of 15% or more of the class A common stock. Each Right will entitle the holder to purchase one one-thousandth of a share of new series of junior participating preferred stock of the Company at an initial exercise price of $84.44.

If any person acquires beneficial ownership of 15% or more of the outstanding shares of class A common stock, then all Rights holders except the acquiring person will be entitled to purchase the Company's stock at a price discounted from the then market price. If the Company is acquired in a merger after such an acquisition, all Rights holders except the acquiring person will also be entitled to purchase stock in the buyer at a discount in accordance with the Plan.

The distribution of Rights will be made to class A common shareholders of record at the close of business on October 27, 2000 and shares of class A common stock that are newly-issued after that date (including shares of class A common stock issued upon conversion of the outstanding class B common stock) will also carry Rights until the Rights become detached from the class A common stock. The Rights will expire at the close of business on October 13, 2010, unless earlier redeemed by the Company. The Rights distribution is not taxable to stockholders.

Details of the Plan are included with a letter which will be mailed to holders of class A common stock of the Company.

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 strategy is focused on the markets surrounding and including New York City. The Company is one of the largest publicly traded owners and managers of Class A office and industrial properties in the New York Tri-State area, with 186 properties comprised of approximately 20.8 million square feet either owned and controlled, directly or indirectly, or under contract. For additional information on Reckson Associates Realty Corp. please visit the Company's web site at www.reckson.com.
